Refunding Issue – Book-Entry Only

This Official Statement has been prepared by the Division of Bond Finance to provide information about the 2023A Bonds. Selected information is presented on this cover page for the convenience of the reader. ***To make an informed decision, a prospective investor should read this Official Statement in its entirety.*** Unless otherwise indicated, capitalized terms have the meanings given in Appendices A, B, C, D, and E.

$24,835,000
STATE OF FLORIDA
Board of Governors
Florida International University
Parking Facility Revenue Refunding Bonds
Series 2023A

FIU
FLORIDA INTERNATIONAL UNIVERSITY

Dated: Date of Delivery **Due:** July 1, as shown on the inside front cover

Bond Ratings	A+ (positive outlook) | Fitch Ratings Aa3 (stable outlook) | Moody's Investors Service AA- (stable outlook) | S&P Global Ratings
Tax Status	In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the 2023A Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax; however, for tax years beginning after December 31, 2022, the interest on the 2023A Bonds may be included in the "adjusted financial statement income" of certain "applicable corporations" that are subject to the 15-percent alternative minimum tax under section 55 of the Code. The 2023A Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except estate taxes and taxes under Chapter 220, Florida Statutes, as amended. See "TAX MATTERS" herein for a description of other tax consequences to holders of the 2023A Bonds.
Redemption	Certain of the 2023A Bonds are subject to optional and mandatory redemption as provided herein.
Security	The 2023A Bonds will be secured by and payable from the Pledged Revenues. The Pledged Revenues consist of the Parking System Revenues after deducting the Administrative Expenses, the Current Expenses and the Rebate Amount, if any. **The 2023A Bonds are not secured by the full faith and credit of the State of Florida or the University.**
Lien Priority	The lien of the 2023A Bonds on the Pledged Revenues is a first lien on such revenues and will be on a parity with the Outstanding Bonds and any Additional Parity Bonds hereafter issued. The aggregate principal amount of Bonds which will be Outstanding subsequent to the issuance of the 2023A Bonds is $43,520,000, excluding the Refunded Bonds which will be economically, but not legally, defeased and will be redeemed on July 1, 2023.
Additional Bonds	Additional Parity Bonds payable on a parity with the 2023A Bonds and the Outstanding Bonds may be issued if the average Pledged Revenues for the two immediately preceding fiscal years, as adjusted, are at least 120% of the Maximum Annual Debt Service. This description of the requirements for the issuance of Additional Parity Bonds is only a summary of the complete requirements. See "SECURITY FOR THE 2023A BONDS – Additional Parity Bonds" herein for more complete information.
Purpose	Proceeds will be used to refund a portion of the outstanding State of Florida, Board of Governors, Florida International University Parking Facility Revenue Bonds, Series 2013A, and to pay costs of issuance.
Interest Payment Dates	January 1 and July 1, commencing July 1, 2023.
Record Dates	December 15 and June 15.
Form/ Denomination	The 2023A Bonds will initially be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry form only through Direct Participants (defined herein) in denominations of $1,000 and integral multiples thereof. Purchasers of the 2023A Bonds will not receive physical delivery of the 2023A Bonds. See "DESCRIPTION OF THE 2023A BONDS" herein.
Closing/Settlement	It is anticipated that the 2023A Bonds will be available for delivery through the facilities of DTC in New York, New York on April 20, 2023.
Bond Registrar/ Paying Agent	U.S. Bank Trust Company, National Association, Orlando, Florida.
Bond Counsel	Bryant Miller Olive P.A., Tallahassee, Florida.
Issuer Contact/Website	Division of Bond Finance, (850) 488-4782, bond@sbafla.com, website: www.sbafla.com/bond
Maturity Structure	The 2023A Bonds will mature on the dates and bear interest at the rates set forth on the inside front cover.

March 30, 2023

MATURITY STRUCTURE

Initial CUSIP©	Due Date	Principal Amount	Interest Rate	Price or Yield	First Optional Redemption Date and Price
		Serial Bonds			
34157P DK7	July 1, 2024	$760,000	5.00%	2.66%	-
34157P DL5	July 1, 2025	795,000	5.00	2.55	-
34157P DM3	July 1, 2026	835,000	5.00	2.46	-
34157P DN1	July 1, 2027	875,000	5.00	2.43	-
34157P DP6	July 1, 2028	920,000	5.00	2.42	-
34157P DQ4	July 1, 2029	965,000	5.00	2.44	-
34157P DR2	July 1, 2030	1,015,000	5.00	2.46	-
34157P DS0	July 1, 2031	1,065,000	5.00	2.52	-
34157P DT8	July 1, 2032	1,115,000	5.00	2.53	-
34157P DU5	July 1, 2033	1,175,000	5.00	2.59	-
34157P DV3	July 1, 2034**	1,235,000	5.00	2.73	July 1, 2033 @ 100%
34157P DW1	July 1, 2035**	1,295,000	5.00	2.88	July 1, 2033 @ 100
34157P DX9	July 1, 2036**	1,355,000	5.00	3.07	July 1, 2033 @ 100
34157P DY7	July 1, 2037**	1,425,000	5.00	3.24	July 1, 2033 @ 100
34157P DZ4	July 1, 2038**	1,495,000	5.00	3.36	July 1, 2033 @ 100
34157P EA8	July 1, 2039**	1,570,000	4.00	3.85	July 1, 2033 @ 100
34157P ED2	July 1, 2042	1,765,000	4.00	4.05	July 1, 2033 @ 100
34157P EE0	July 1, 2043	1,840,000	4.00	4.10	July 1, 2033 @ 100
		Term Bonds			
34157P EC4	July 1, 2041	$3,335,000	4.00%	@100	July 1, 2033 @ 100

* Price and yield information provided by the Underwriter.
** The yields on these maturities are calculated to a 100% call on the first optional redemption date of July 1, 2033.

The State of Florida has not authorized any dealer, broker, salesman or other person to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied on. Certain information herein has been obtained from sources other than records of the State of Florida which are believed to be reliable but is not guaranteed as to accuracy or completeness by and is not to be construed as a representation by the State of Florida. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the State of Florida since the date hereof. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the 2023A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

STATE OFFICIALS

BOARD OF GOVERNORS

CHAIR
BRIAN LAMB

VICE-CHAIR
ERIC SILAGY

GOVERNING BOARD OF THE DIVISION OF BOND FINANCE

GOVERNOR
RON DESANTIS
Chairman

ATTORNEY GENERAL
ASHLEY MOODY
Secretary

CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
Treasurer

COMMISSIONER OF AGRICULTURE
WILTON SIMPSON

J. BEN WATKINS III
Director
Division of Bond Finance

LAMAR TAYLOR
Interim Executive Director and CIO
State Board of Administration of Florida

BOND COUNSEL
Bryant Miller Olive P.A.
Tallahassee, Florida

TABLE OF CONTENTS

APPENDICES

OFFICIAL STATEMENT
Relating to
$24,835,000
STATE OF FLORIDA
Board of Governors
Florida International University
Parking Facility Revenue Refunding Bonds, Series 2023A

For definitions of capitalized terms not defined in the text hereof, see the resolutions included as Appendices A through E.

INTRODUCTION

This Official Statement sets forth information relating to the sale and issuance of $24,835,000 State of Florida, Board of Governors, Florida International University Parking Facility Revenue Refunding Bonds, Series 2023A, dated the date of delivery (the "2023A Bonds"), by the Division of Bond Finance of the State Board of Administration of Florida (the "Division").

The proceeds of the 2023A Bonds will be used to refund a portion of the outstanding State of Florida, Board of Governors, Florida International University Parking Facility Revenue Bonds, Series 2013A, and to pay costs of issuance. This refunding is being effectuated to achieve debt service savings. See "THE REFUNDING PROGRAM" herein for more detailed information.

The 2023A Bonds will be secured by and payable from the Pledged Revenues. The Pledged Revenues consist of the Parking System Revenues, after payment of the Current Expenses, the Administrative Expenses, and the Rebate Amount, if any. The lien of the 2023A Bonds on the Pledged Revenues is a first lien on such revenues and will be on a parity with the Outstanding Bonds and with any Additional Parity Bonds hereafter issued. The aggregate principal amount of Bonds which will be Outstanding subsequent to the issuance of the 2023A Bonds is $43,520,000, excluding the Refunded Bonds which will be economically, but not legally, defeased and redeemed on July 1, 2023. See "SECURITY FOR THE 2023A BONDS" herein for more detailed information. **The 2023A Bonds are not a general obligation of the State of Florida or the University, and the full faith and credit of the State of Florida is not pledged to payment of the 2023A Bonds.**

Requests for additional information may be made to:

Division of Bond Finance
Phone: (850) 488-4782
Email: bond@sbafla.com
Website: www.sbafla.com/bond
Mail: P. O. Box 13300
Tallahassee, Florida 32317-3300

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Any statements made in this Official Statement which involve opinions or estimates, whether or not expressly stated, are set forth as such and not as representations of fact. No representation is made that any of the opinions or estimates will be realized. To make an informed decision, a full review should be made of the entire Official Statement. The descriptions of the 2023A Bonds and the documents authorizing and securing the same do not purport to be comprehensive or definitive. All references to and descriptions of such documents are qualified by reference to the actual documents. Copies of such documents may be obtained from the Division. Any addresses of or links to websites, which are contained herein, are not incorporated into this Official Statement and are given for convenience only.

Certain statements contained in this Official Statement, including the Appendices hereto, reflect not historical facts but forecasts and constitute "forward-looking statements." No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. In this respect, the words "estimate," "forecast," "project," "anticipate," "expect," "intend," "believe," "budget," and similar expressions are intended to identify forward-looking statements. All projections, forecasts, assumptions, and other forward-looking statements in this Official Statement are expressly qualified in their entirety by the cautionary statement set forth above. Additionally, estimates are based on information available at the time of the estimates. Such estimates are subject to revision as additional information becomes available. Also, estimates are subject to risks and uncertainties which may cause results to differ materially from those estimates set forth herein. No assurance is given that actual results will not differ materially from the estimates provided herein.

AUTHORITY FOR THE ISSUANCE OF THE 2023A BONDS

General Legal Authority

The 2023A Bonds are being issued by the Division on behalf of the Board of Governors, pursuant to Article VII, Section 11(d) and Article IX, Section 7(d) of the Florida Constitution, the State Bond Act, Section 1010.62, Florida Statutes, and other applicable provisions of law. Article VII, Section 11(d), of the Florida Constitution provides that revenue bonds payable solely from funds derived directly from sources other than State tax revenues may be issued by the State of Florida or its agencies, without a vote of the electors, to finance or refinance capital projects. Section 215.59(2), Florida Statutes, authorizes the issuance of revenue bonds by the Division pursuant to Article VII, Section 11(d), of the Florida Constitution. The Division is also authorized to issue refunding bonds on behalf of any State agency by Section 215.79, Florida Statutes.

Division of Bond Finance

The Division, a public body corporate created pursuant to the State Bond Act, is authorized to issue bonds on behalf of the State or its agencies. The Governing Board of the Division is composed of the Governor, as Chairman, and the Cabinet of the State of Florida, consisting of the Attorney General, as Secretary, the Chief Financial Officer, as Treasurer, and the Commissioner of Agriculture. The Director of the Division serves as an assistant secretary of the Governing Board of the Division and directs the day-to-day operations of the Division, including the issuance of bonds.

State Board of Administration of Florida

The State Board of Administration of Florida (the “Board of Administration”) was created under Article IV, Section 4 of the Florida Constitution, as revised in 1968 and subsequently amended, and succeeds to all the power, control and authority of the State Board of Administration established pursuant to Article IX, Section 16 of the Constitution of the State of Florida of 1885. It will continue as a body at least for the life of Article XII, Section 9 (c) of the Florida Constitution. The Board of Administration is composed of the Governor, as Chairman, the Attorney General, and the Chief Financial Officer. Under the State Bond Act, the Board of Administration determines the fiscal sufficiency of all bonds proposed to be issued by the State of Florida or its agencies. The Board of Administration also acts as the fiscal agent of the Board of Governors in administering various funds and accounts. See “SECURITY FOR THE 2023A BONDS – Flow of Funds” herein for a more detailed description of the funds and accounts managed by the Board of Administration.

Board of Governors

The Board of Governors of the State University System of Florida (the “Board of Governors”) was established by Article IX, Section 7 of the Florida Constitution to operate, regulate, control, and manage the State University System, which is comprised of all public universities within the State (collectively, the “State Universities”). The responsibilities of the Board of Governors include defining the mission of each State University, ensuring the coordination and operation of the State University System, and avoiding wasteful duplication of facilities or programs. The Board of Governors’ management of the State University System is subject to the power of the Florida Legislature to appropriate funds.

The Board of Governors provides fiscal policy guidelines to the State Universities. State Universities must engage in debt management practices that are consistent with the Board of Governors’ Debt Management Guidelines. The Debt Management Guidelines address types of debt that may be issued, the amount of debt that may be incurred, and the purposes for which such debt may be issued. State Universities are also statutorily required to receive approval from the Board of Governors prior to the issuance of revenue bonds.

The Board of Governors consists of 17 members, with 14 appointed by the Governor and three ex officio members. The appointed members must be confirmed by Florida Senate and serve staggered seven-year terms as provided by law. The Commissioner of Education, the President of the Advisory Council of Faculty Senates, and the Chair of the Florida Student Association serve as the ex officio members of the Board of Governors.

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The following table lists the individuals who have been appointed to the Board of Governors and their terms:

Board Members*	Term Expires
Brian Lamb, Chair	January 6, 2026
Eric Silagy, Vice-Chair	January 6, 2026
Timothy M. Cerio	January 6, 2024
Aubrey Edge	January 6, 2027
Patricia Frost	January 6, 2024
Edward Haddock	January 6, 2027
Ken Jones	January 6, 2027
Darlene Luccio Jordan	January 6, 2024
Alan Levine	January 6, 2024
Charles H. Lydecker	January 6, 2027
Craig Mateer	January 6, 2027
Jose Oliva	January 6, 2026
Steven M. Scott	January 6, 2026

* There is currently one vacancy on the Board of Governors.

The following individuals are *ex officio* members of the Board of Governors:

Manny Diaz, Jr. – Commissioner of Education
Deanna Michael – Chair, Advisory Council of Faculty Senates
Nimna Gabadage – Chair, Florida Student Association

University Board of Trustees

Article IX, Section 7 of the Florida Constitution provides for an appointed board of trustees at each State University within the State University System, the powers and duties of which are established by the Board of Governors. The responsibilities for the boards of trustees include, but are not limited to, establishing policies and procedures that govern the State Universities in accordance with the rules of the Board of Governors, approving the annual operating budget for the State Universities based on the guidelines provided by the Board of Governors, and setting certain student fees, including parking fees.

Each State University is administered by a board of trustees consisting of 13 members. Six members of each board of trustees are appointed by the Governor and five members are appointed by the Board of Governors. The appointed members must be confirmed by the Florida Senate and serve staggered five-year terms as provided by law. The chair of the faculty senate and the president of the student body of each State University serve as the ex officio members of their board of trustees. See Appendix F, "Florida International University," for a list of the individuals serving as members of the Florida International University Board of Trustees.

Administrative Approval

By a resolution adopted on March 28, 2013, the Board of Governors authorized and requested the Division to proceed with the actions required for the issuance of the 2023A Bonds.

By a resolution adopted on January 17, 2023 (the "Seventh Supplemental Resolution"), which amends and supplements a resolution adopted on February 28, 1995 (the "Original Resolution"), as amended by resolutions adopted on June 12, 2002 (the "Second Supplemental Resolution"), on September 10, 2002 (the "Series 2002 Bond Sale Resolution"), and on September 15, 2009 (the "Third Supplemental Resolution"), the Governor and Cabinet of the State of Florida, as the Governing Board of the Division, authorized the issuance and sale of the 2023A Bonds. The Original Resolution, the Second Supplemental Resolution, the 2002 Sale Resolution, the Third Supplemental Resolution, and the Seventh Supplemental Resolution are reproduced as Appendices A, B, C, D, and E, respectively, to this Official Statement. The Original Resolution, as amended and supplemented through the Seventh Supplemental Resolution, is referred to as the "Resolution."

The Board of Administration approved the fiscal sufficiency of the 2023A Bonds, as required by the State Bond Act, on January 17, 2023.

DESCRIPTION OF THE 2023A BONDS

The 2023A Bonds are being issued as fully registered bonds in the denomination of $1,000 or integral multiples thereof. The 2023A Bonds are payable from the Pledged Revenues as described herein. The 2023A Bonds will be dated the date of delivery thereof and will mature as set forth on the inside front cover. Interest is payable semiannually on January 1 and July 1 of each year, commencing July 1, 2023, until maturity or redemption. Interest on the 2023A Bonds will be calculated on the basis of a 360-day year of twelve 30-day months.

The 2023A Bonds will initially be issued exclusively in "book-entry" form. Ownership of one 2023A Bond for each maturity (as set forth on the inside front cover), each in the aggregate principal amount of such maturity, will be initially registered in the name of "Cede & Co." as registered owner and nominee for the Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the 2023A Bonds. Individual purchases of the 2023A Bonds will be made in book-entry form only, and the purchasers will not receive physical delivery of the 2023A Bonds or any certificate representing their beneficial ownership interest in the 2023A Bonds. See Appendix K, "Provisions for Book-Entry Only System or Registered Bonds" for a description of DTC, certain responsibilities of DTC, the Board of Governors, and the Bond Registrar/Paying Agent, and the provisions for registration and registration of transfer of the 2023A Bonds if the book-entry only system of registration is discontinued.

REDEMPTION PROVISIONS

Optional Redemption

The 2023A Bonds maturing in the years 2024 through 2033, inclusive, are not subject to optional redemption prior to their stated dates of maturity. The 2023A Bonds maturing in 2034 and thereafter (including the 2041 Term Bonds) are redeemable prior to their stated date of maturity, without premium, at the option of the Division, (i) in part, by maturities and/or Amortization Installments to be selected by the Division, and by lot within a maturity and/or Amortization Installment if less than the entire maturity and/or Amortization Installment is to be redeemed, or (ii) as a whole, on July 1, 2033, or on any date thereafter, at the principal amount of the 2023A Bonds so redeemed, together with interest accrued to the date of redemption.

Mandatory Redemption

The 2023A Bonds maturing on July 1, 2041 (the "2041 Term Bonds"), are subject to mandatory redemption in part, by lot at par, on July 1, 2040 and July 1, 2041, at the principal amount of the 2041 Term Bonds to be redeemed, without premium, plus accrued interest, from Amortization Installments in the years and amounts as follows:

Year	Principal Amount
2040	$1,635,000
2041	$1,700,000

Notice of Redemption

Notices of redemption of 2023A Bonds or portions thereof will be mailed by first class mail at least 30 days prior to the date of redemption to Registered Owners of record as of 45 days prior to the date of redemption. Such notices of redemption will specify the serial numbers and the principal amount of the 2023A Bonds to be redeemed, if less than all, the date fixed for redemption, and the redemption price. In lieu of mailing, the Bond Registrar/Paying Agent may elect to provide such notice of redemption by electronic means to any Registered Owner who has consented to such method of receiving notice.

Failure to give, or any defect in, any required notice of redemption as to any particular 2023A Bonds will not affect the validity of the call for redemption of any 2023A Bonds in respect of which no such failure has occurred. Any notice mailed as provided in the Resolution will be conclusively presumed to have been given, whether or not the Registered Owner receives the notice.

THE REFUNDING PROGRAM

Proceeds of the 2023A Bonds, after payment of costs of issuance of the 2023A Bonds, together with other legally available moneys, will be used to refund the outstanding State of Florida, Board of Governors, Florida International University Parking Facility Revenue Bonds, Series 2013A, maturing in the years 2024 through 2043, inclusive, in the outstanding principal amount of $26,885,000 (the "Refunded Bonds"). This refunding is being effectuated to achieve debt service savings.

Simultaneously with the delivery of the 2023A Bonds, the Division will cause to be deposited a portion of the proceeds of the 2023A Bonds, along with other legally available moneys, in an irrevocable escrow account (the "Escrow Deposit Trust Fund"), under an agreement (the "Escrow Deposit Agreement") entered into between the Board of Governors, the Division, and the Board of Administration (the latter, the "Escrow Agent"). The Escrow Agent will invest those moneys in direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (the "Defeasance Obligations"), or other legally authorized investments.

The escrow will be funded in an amount which, together with interest earnings thereon, is expected to be sufficient to meet the redemption requirements of the Refunded Bonds on the redemption date; however, the Division has not engaged the services of a verification agent and the Refunded Bonds therefor will be considered Outstanding and economically defeased only. The Refunded Bonds will continue to have a claim upon the Pledged Revenues as well as the Escrow Deposit Trust Fund until they are redeemed. Any investment earnings on the escrowed funds in excess of those needed to redeem the Refunded Bonds will be used to pay interest on the 2023A Bonds.

The Refunded Bonds will be called for redemption, by separate redemption notice, on July 1, 2023, at a redemption price equal to the principal amount thereof with interest due thereon through the redemption date. No funds held in escrow will be available to pay debt service on the 2023A Bonds.

Sources and Uses of Funds

Sources of Funds:	
Par Amount of 2023A Bonds	$24,835,000
Net Original Issue Premium	2,438,510
Sinking Fund Accrual	378,775
Total Sources of Funds:	$27,652,285
Uses of Funds:	
Deposit to Escrow Deposit Trust Fund	$27,290,274
Underwriter's Discount	241,086
Costs of Issuance	120,925
Total Uses of Funds	$27,652,285

SECURITY FOR THE 2023A BONDS

Pledge of Parking System Revenues

The 2023A Bonds and the interest thereon constitute obligations of the Board on behalf of the University and are payable solely from a first lien pledge of the Pledged Revenues on a parity with the Outstanding Bonds and any subsequently issued Additional Parity Bonds. The aggregate principal amount of Bonds which will be Outstanding subsequent to the issuance of the 2023A Bonds is $43,520,000, excluding the Refunded Bonds which will be economically, but not legally, defeased and redeemed on July 1, 2023. The Pledged Revenues consist of the revenues derived from the parking and student transportation access fee and parking permits, as well as other fees, rentals or other charges and income received the operation of the Parking System (collectively, "Parking System Revenues"), after deducting the Administrative Expenses, the Current Expenses, and the Rebate Amount, if any, as more fully described in "PARKING SYSTEM" herein.

The 2023A Bonds are "revenue bonds" within the meaning of Article VII, Section 11(d), of the Florida Constitution, and are payable solely from funds derived directly from sources other than State tax revenues. T**he 2023A Bonds do not constitute a general obligation of the State of Florida or any of its agencies or political subdivisions, including the Board of Governors or the University, and the full faith and credit of the State is not pledged to the payment of the principal of or interest on the 2023A Bonds.** The issuance of the 2023A Bonds does not, directly or indirectly or contingently, obligate the State of Florida to use State funds, other than the Pledged Revenues, to levy or to pledge any form of taxation whatsoever or to make any appropriation for payment of the principal of or interest on the 2023A Bonds.

No Funded Reserve Account

The Resolution provides that the Reserve Account for the 2023A Bonds may be funded in an amount determined by the Director, which amount may be zero. The Reserve Requirement for the 2023A Bonds has been determined to be zero. No deposit will be made to the Debt Service Reserve Account from the proceeds of the 2023A Bonds.

Flow of Funds

Collection of Pledged Revenues. Pledged Revenues are deposited in a trust fund (the "Revenue Fund") in an approved bank to be administered in accordance with the Resolution and applicable laws.

Application of Revenues. All revenues on deposit in the Revenue Fund will be applied only in the following manner and order of priority:

(A) Payment of Current Expenses of the Parking System;

(B) Transfer to the Board of Administration no later than 30 days before an Interest Payment Date and/or a Principal Payment Date to be used for:

(1) The payment of Administrative Expenses.

(2) Deposit into the Sinking Fund an amount sufficient to pay the next installments of principal and interest to become due during the then current fiscal year, including Amortization Installments for any Term Bonds.

(3) The maintenance and establishment, if necessary, together with other moneys available for such purposes, of the Reserve Account in the Sinking Fund in an amount equal to the Reserve Requirement.

(4) Deposit to the Rebate Fund an amount of money sufficient to pay the Rebate Amount.

(C) Transfer to the Parking System Maintenance and Equipment Reserve Fund in such amount as established and approved in the annual budget for the University.

(D) The balance of any money not needed for the payments provided above, shall be applied in the sole discretion of the University for the optional redemption or purchase of Bonds or any lawful purpose of the University.

See "MISCELLANEOUS – Investment of Funds" herein for policies governing the investment of various funds.

Covenants of the Board of Governors

The Board of Governors has additionally covenanted in the Resolution that it will duly and punctually perform and carry out all of the covenants made in, and the duties imposed upon it by, the Resolution, and that it will, or will cause the University to:

(A) Punctually apply the Pledged Revenues in the manner and at the times provided in the Resolution.

(B) Allocate, allot, and approve from the Parking System Revenues and other available funds the amounts sufficient to apply the Pledged Revenues as provided in the Resolution when preparing, approving, and adopting any budget controlling or providing for the expenditures of its funds for each budget period.

(C) Recommend, fix, and include in its budgets such revisions to the amounts of rentals, fees, and other charges for the use of the facilities of the Parking System, which will produce Parking System Revenues sufficient to pay, when due, the amounts required under the Resolution.

(D) Continue to collect the fines, fees, rentals, and other amounts charged to all individuals being served by the facilities of the Parking System.

Additional Parity Bonds

The Resolution provides that Additional Parity Bonds may be issued, only if authorized by the Board of Governors, to acquire and construct capital additions or improvements to the Parking System or to refund Outstanding Bonds, in whole or in part, upon the terms, restrictions and conditions set forth below.

(A) All previously authorized Bonds have been issued and delivered, or authority for the unused portion of such Bonds has been cancelled.

(B) The Board of Administration has approved the fiscal sufficiency of such Additional Parity Bonds.

(C) The Board of Governors and the University are current in all deposits into the various funds and accounts and all payments theretofore required to have been deposited or made by it under the provisions of the Resolution.

(D) The Board of Governors and the University are currently in compliance with the covenants and provisions of the Resolution and any supplemental resolution thereafter adopted for the issuance of Additional Parity Bonds or will be in compliance with such covenants and provisions upon the issuance of the proposed Additional Parity Bonds.

(E) The Board of Governors has executed certificates setting forth the average amount of Pledged Revenues from the two Fiscal Years immediately preceding the issuance of the proposed Additional Parity Bonds, and the Maximum Annual Debt Service on the Bonds then Outstanding and the Additional Parity Bonds then proposed to be issued.

(F) The average amount of Pledged Revenues for the two immediately preceding Fiscal Years, as certified by the Board of Governors, and as may be adjusted as provided for in the Resolution, are at least equal to 120% of the Maximum Annual Debt Service on the Bonds then Outstanding and the Additional Parity Bonds then proposed to be issued, each as certified by the Board of Governors. The Resolution provides that for purposes of the Additional Parity Bond test, Pledged Revenues may be adjusted to reflect actual and projected rate increases, additions to existing parking facilities or the acquisition of additional parking facilities.

Additional Parity Bonds issued to refund Outstanding Bonds must comply with the above restrictions, except that refunding bonds with an equal or a lower Annual Debt Service Requirement in each Fiscal Year than the Bonds they are refunding do not have to comply with the coverage provisions of paragraph (F) above.

All of the above terms, conditions and restrictions having been complied with, the 2023A Bonds will be issued on a parity with the Outstanding Bonds. Additional Parity Bonds hereafter issued in accordance with the Resolution will be on a parity as to lien on the Pledged Revenues with the Outstanding Bonds and the 2023A Bonds.

PARKING SYSTEM
(Source: Florida International University)

Introduction

The University is a growing research institution located in a major urban area which serves the diverse academic needs of students through the offering of more than 180 baccalaureate, master's and doctoral degree programs. The University operates two primary campuses in Miami-Dade County, Florida, the Modesto Maidique Campus ("MMC") and the Biscayne Bay Campus ("BBC"), which are approximately 30 miles apart. MMC is located on 342 acres and is located in southwest Miami-Dade County and BBC is located on 200 acres and is located along the coast of Biscayne Bay in North Miami. Additionally, the University operates four satellite campuses: (1) the Center for Engineering and Applied Science, which is located near MMC; (2) FIU at I-75, which is located in Broward County; (3) Miami Beach Urban Studios; and (4) FIU Downtown on Brickell. The total student body, as of Fall 2022, was approximately 56,000, of whom, approximately 82% are undergraduates and approximately 34,000 are full-time.

The main Parking System Office, at MMC, administers the parking and collects the revenues for all locations and is administered by the University's Department of Parking and Transportation. The position of Assistant Vice President of Parking, Sustainability, and Transportation oversees the day-to-day operations of the Parking System. The Parking System is a self-supporting auxiliary operation which does not receive any state financial appropriations. Any expansions or enhancements to the Parking System must be paid from revenues generated by the parking and transportation activity on the campuses. Parking System Revenues are derived primarily from student, faculty and staff permit sales, a student parking and transportation access fee and parking citation fines.

All non-visitor motor vehicles which are parked on either MMC or BBC must be registered with the Department of Parking and Transportation. Registered vehicles are restricted to specific parking areas depending on the type of parking permit issued. There are metered parking spaces on MMC and BBC for visitor parking, although meters must be paid whether or not a vehicle has a permit. Hours of enforcement are 7:00 A.M. to 10:00 P.M., seven days a week. Vehicles displaying a disabled permit are exempt from meter charges. Parking in all other areas, including Executive, Administrative and Disabled, are observed and enforced at all times.

The University provides campus shuttle services to its students. The University has a contract with Academy, a private company, to provide bus service between MMC and BBC (a 30-mile one-way trip). This system is referred to as the Golden Panther Express and operates five days a week for 17 hours each day. The University provides internal shuttle services within MMC (Panther Mover) and from MMC to the Engineering Center (CATS). The revenues from shuttle services are not included in Pledged Revenues of the Parking System. Likewise, the expenditures incurred for the shuttle services are not included in the Current Expenditures in calculating Pledged Revenues. Shuttle services are part of the Parking System Financial Statements included as an Appendix herein.

The University, over the last three years, continued to make significant improvements to the Parking System processes, which has helped control expenses and improved user experience. The Park Smart Car count system has provided users a tool to identify parking availability in real time and reduce the time needed to find a parking space. The University is leveraging technology to help ensure compliance. Analyzing the parking utilization will help keep cost down and space utilization maximized.

Staffing

The Parking System encompasses two main department work groups. The first and largest is the Department of Parking and Transportation which currently employs approximately 32 full-time and 82 part-time staff. The staff, which includes students and non-students, is comprised of administrators, clerical staff and parking patrollers. The second office is the Department of Parking Maintenance which has a staff of 8 full-time and 4 part-time employees. Enforcement is automated through the use of license plate readers which has helped control salary and benefit costs.

Parking Facilities

The Parking System currently provides 17,032 vehicle spaces, with 15,445 of those spaces available for general faculty, staff, and student parking, and 1,587 spaces available for reserved, handicapped, service vehicle, loading and visitor parking spaces. The University has 7,893 surface parking spaces and 9,139 spaces in seven multi-level parking garages. The parking garages are all located on MMC. There are 13,205 parking spaces on MMC with 2,809 on BBC and 1,018 spaces on the Engineering Center Campus.

Capital Projects Plan

The Parking System staff continuously monitors the demand for parking while analyzing utilization and turn ratios in conjunction with in-person class schedules. In addition, the University assesses and considers public transportation services, potential utilization of off-campus parking as needed, the projected growth of the University, the financial implications of constructing additional facilities as part of the scope in determining whether additional parking is validated and feasible. The University currently has no plans to construct additional parking garages or surface lots.

Capital Maintenance Plan

The Parking System Maintenance and Equipment Reserve Fund (the "R&R Fund") was established by the Original Resolution, to be used to pay the cost of unusual or extraordinary maintenance, repairs, renewals, replacements, and renovations not paid as part of ordinary and normal expenses of the operation and maintenance of the Parking System. As of June 30, 2022, the available balance in the R&R Fund was approximately $1.6 million. The amount required to be deposited by the University into the R&R Fund is determined annually as part of the development of the annual budget of the University. The University will continue to deposit a percentage of the annual Parking System Revenues into the R&R Fund each year. Historically, this has been approximately 1% of operating revenues.

The University's projected Parking System capital improvement expenditures for the next five Fiscal Years are provided in the following table.

Projected Capital Improvement Expenditures

	Fiscal Years Ending June 30,				
	2023	**2024**	**2025**	**2026**	**2027**
Capital Outlay*	$1,125,650	$1,100,000	$1,122,000	$1,144,440	$1,167,329

* Maintenance/Improvements are based on Desman Structural Condition Assessment issued in November 2021.

Insurance on Facilities

All University facilities and the contents thereof are insured under the State Risk Management Trust Fund as required by Chapter 284, Florida Statutes.

Parking Needs Assessment

Convenient and accessible parking is vital to the longevity of the University, which is dependent on its commuting student population. Most indications are that the University will remain a highly commuter-oriented university. Therefore, the student population will have a high reliance on the use of the personal vehicles as a primary mode of transportation to the University which, in turn, translates into a very high parking demand. Off campus parking near MMC is virtually non-existent. Because of the location of the University, the use of alternative off campus parking is unavailable for University students, faculty, staff and visitors. The University is surrounded by residential communities, shopping centers, recreational facilities and a segment of Florida's Turnpike System. Unauthorized vehicles are subject to towing if parked at these locations.

The University's Parking System currently serves a permit population of approximately 46,000 students, faculty and staff members and has a total of 17,032 parking spaces. In addition, there is an undeterminable number of visitor, delivery, service, and emergency vehicles that require parking spaces each day.

Parking System Revenues

The revenues of the University's Parking System are derived from five primary sources which accounted for 100% of all Parking System Revenues in Fiscal Year 2021-22, the largest source is the mandatory student parking and transportation access fee, which accounted for 68% of Parking System Revenues. All students are required to pay the transportation access fee as a part of registration for classes with the exception of distance learning students. This mandatory fee entitles students to a parking permit which allows them to park at the MMC, BBC and the Engineering Center campus. A second source of revenue to the Parking System Revenues is permit sales, which accounted for approximately 11% of Parking System Revenues during Fiscal Year 2021-22. Faculty and staff members are required to purchase parking permits and register their vehicles if they wish to park on campus. Parking and transportation access fees and parking permit sales, combined, account for 79% of total Parking System Revenues. Variables that most heavily influence these revenues are employment and enrollment levels as well as permit price and fee increases.

The Parking System has several revenue sources other than parking and transportation access fees and parking permit sales. These include revenue collected from visitors through parking meters and paid parking at garages, parking fines, interest income, and immobilization fees.

Historical Percentage of Parking System Revenues

	Fiscal Years ended June 30,				
Revenue Source	**2018**	**2019**	**2020**	**2021**	**2022**
Transportation Access Fee	67%	63%	71%	67%	68%
Permits[1]	13	14	12	8	11
Visitor Parking	5	5	4	1	4
Traffic Fines, Towing, and Other Operating Revenue[2]	11	11	11	4	9
Noncapital Donations	0	2	0	0	0
Investment Income (Loss)	1	2	2	2	1
Other Nonoperating Revenues	0	0	0	18	8
Capital Grants, Contracts, Donations, and Fees	3	3	0	0	0
Total Parking System Revenue	**100%**	**100%**	**100%**	**100%**	**100%**

1 Permits includes revenues generated from the sale of faculty and staff parking permits, and other permit revenues.
2 Other Operating Revenue includes revenues generated by the Shuttle Services, which is excluded from Pledged Revenues.

Rates and Charges

The University has direct control over the parking fees and rates that it charges. Pursuant to Article IX, Section 7(e) of the Florida Constitution, any increase in parking fees and rates must be approved by a super-majority (9 of 13 members) of the Board of Trustees. As a result, future increases to the Pledged Revenues, including the transportation access fee and parking permits, which secure payment of the Series 2023A Bonds, will require a super-majority vote by the University's board of trustees. Vehicle parking permits and transportation access fees can be adjusted annually to provide the necessary funds to pay the cost of operation and maintenance of the Parking System and to meet any debt service obligations. Parking permit costs and the transportation access fees were last increased for Fiscal Year 2019-20. Currently, the University has not planned for increases in the transportation access fees or permit fees.

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The following table sets forth the parking rates for various types of parking permits, the number of permits issued, and information regarding the transportation access fee assessed during the past five Fiscal Years.

Historical Annual Number and Cost of Parking Permits Issued by Type[1] and Student Parking and Transportation Access Fee Assessments

	Fiscal Year Ended June 30,				
Parking Permits	**2018**	**2019**	**2020**	**2021[2]**	**2022**
Executive Permits					
Number of Permits	94	101	96	66	78
Permit Costs	$973	$973	$1,021	$1,021	$1,021
Administrative					
Number of Permits	954	995	907	781	865
Permit Costs	$447	$447	$469	$469	$469
Faculty and Staff 25K<					
Number of Permits	1,037	904	734	457	639
Permit Costs	$133	$133	$140	$140	$140
Faculty and Staff 25K-35K					
Number of Permits	285	304	326	245	220
Permit Costs	$155	$155	$163	$163	$163
Faculty and Staff 35K-45K					
Number of Permits	698	676	625	643	660
Permit Costs	$226	$226	$238	$238	$238
Faculty and Staff 45K+					
Number of Permits	2,188	2,392	2,238	2,214	2,264
Permit Costs	$254	$254	$267	$267	$267
Transportation Access Fee					
Number of Students-Fall	45,946	45,822	45,251	43,686	41,369
Number of Students-Spring	43,705	43,290	43,151	41,253	39,164
Number of Students-Summer	31,878	34,189	33,082	29,995	31,031
Fall/Spring Fee	$89.00	$89.00	$93.45	$93.45	$93.45
Summer Fee	$83.00	$83.00	$37.15[3]	$87.15	$87.15

[1] Decal costs shown exclude (but are subject to) State sales tax. Table includes all major decal types but excludes minor categories of decals such as temporary decals, which account for less than 2% of Parking System Revenues.
[2] Declines in decal sales in Fiscal Year 2020-21 was due to COVID-19.
One-time reduction to the summer transportation access fee in Fiscal Year 2019-20 was due to COVID-19.

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The following table shows the projected number of parking permits to be issued, parking permit prices and student parking and transportation access fees to be assessed for Fiscal Years 2022-23 through 2026-27. **These projections are for illustrative purposes only and the University can give no assurance that actual results will equal those set forth below.**

Projected Annual Number and Cost of Parking Permits Issued by Type[1] and Student Parking and Transportation Access Fee Assessments

	Fiscal Year Ending June 30,				
Parking Permits	2023[2]	2024	2025	2026	2027
Executive Permits					
Number of Permits	78	78	78	78	78
Decal Costs	$1,021	$1,021	$1,021	$1,021	$1,021
Administrative					
Number of Permits	865	865	865	865	865
Decal Costs	$469	$469	$469	$469	$469
Faculty and Staff 25K<					
Number of Permits	639	639	639	639	639
Decal Costs	$140	$140	$140	$140	$140
Faculty and Staff 25K-35K					
Number of Permits	220	220	220	220	220
Decal Costs	$163	$163	$163	$163	$163
Faculty and Staff 35K-45K					
Number of Permits	660	660	660	660	660
Decal Costs	$238	$238	$238	$238	$238
Faculty and Staff 45K+					
Number of Permits	2,264	2,264	2,264	2,264	2,264
Decal Costs	$267	$267	$267	$267	$267
Transportation Access Fee					
Number of Students-Fall	40,635	40,635	40,635	40,635	40,635
Number of Students-Spring	37,801	37,801	37,801	37,801	37,801
Number of Students-Summer	31,031	31,031	31,031	31,031	31,031
Fall/Spring Fee	$93.45	$93.45	$93.45	$93.45	$93.45
Summer Fee	$87.15	$87.15	$87.15	$87.15	$87.15

1 Decal costs shown exclude (but are subject to) State sales tax. Table includes all major decal types but excludes minor categories of decals such as temporary decals, which account for less than 2% of Parking System Revenues.

2 Fiscal Year 2022-23 transportation access fee assessments and revenues for the fall and spring semesters are actuals and summer is a projection.

Collection and Enforcement

The University collects fees for parking permits on a continuous basis. The transportation access fee is charged and paid at the same time as student tuition. Peak times for collection of Parking System Revenues are September in the fall term, January in the spring term, and May and July in the two summer terms. The majority of the parking revenue is derived from students.

Parking fines are levied seven days a week on any vehicle parked on campus illegally or without the proper permit. The University requires full payment unless an appeal is made to the Parking Violations Appeals Authority within ten days of the date of issuance of the citation. If a parking citation is not appealed within ten days from the date of issuance, the person becomes responsible for the fine and a $5.00 delinquent fee is added. At this time the charges are transferred into the University Central Accounts Receivable records. If the charges are not settled, further class registration is suspended and the student's records will not be released. Vehicles may be impounded for unpaid citations. After impoundment, these vehicles are held until all previously incurred fines are paid in full. Any unpaid fines are classified as a debt to the University and diplomas and transcripts of the student incurring the fine are withheld until all fines have been paid. Unpaid fines of faculty and staff members can be deducted from their paychecks.

Budgetary Information

The budgetary process for the University Parking System is implemented by the University and follows the guidelines issued by the Office of Financial Planning. These guidelines provide a standardized form at setting forth prior fiscal year information by budget categories for all University departments. Based on a thorough review of the current fiscal years operation, revisions are made, if necessary, to the projected Parking System budget which is prepared as a part of the permit price increase proposal. Various expenditure projections may be modified as updated information is available; however, revenue projections remain based on the approved permit price. Unlike other auxiliary enterprise operations, the budget for the Parking System is monitored and controlled by the University Office of Financial Planning. All planning and control of the revenues are done in this department through the Senior Vice President of Administration & Chief Financial Officer. Parking System Revenues are projected and an operating model is developed to furnish budgets to three main groups, Parking Administration, Parking Maintenance, and Capital Projects.

Presented below is a comparison of the budgeted versus actual financial performance of the University Parking System for the past five Fiscal Years and budgeted for the current Fiscal Year. This information has been prepared by the University on a cash basis for internal management purposes only and has not been audited.

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Comparison of Budget to Actual for Fiscal Years Ended June 30, 2018 through 2022 and Current Budget for Fiscal Year Ending June 30, 2023[1]
($000s)

								Fiscal Year								
	2017-18			2018-19			2019-20[2]			2020-21[3]			2021-22			2022-23
	Budget	Actual	+/(-)	Budget	Actual	+/(-)	Budget	Actual	+/(-)	Budget	Actual	+/(-)	Budget	Actual	+/(-)	Budget
Revenues																
Permit sales, Parking Fees[4]	$12,268	$12,467	$199	$12,316	$12,516	$201	$12,835	$11,354	($1,480)	$12,282	$12,188	($94)	$12,533	$12,055	($478)	$11,766
Visitor Parking and Events	550	588	38	612	580	(31)	650	495	(155)	493	129	(364)	286	572	286	467
Traffic Fines and Towing	2,501	1,939	(563)	2,258	1,958	(301)	2,213	1,514	(699)	1,361	600	(761)	1,454	1,173	(281)	1,430
Interest Income	99	81	(18)	156	254	97	214	225	11	59	296	236	44	158	114	92
Total Revenues[5]	**$15,418**	**$15,075**	**($344)**	**$15,342**	**$15,308**	**($34)**	**$15,912**	**$13,588**	**($2,323)**	**$14,195**	**$13,213**	**($983)**	**$14,317**	**$13,958**	**($359)**	**$13,755**
Expenditures																
Personnel Services	$3,184	$2,746	$438	$3,190	$2,893	$298	$3,282	$3,235	$48	$3,199	$2,933	$266	$3,094	$3,059	$35	$3,279
Operating Expenses	1,736	2,401	(665)	2,184	2,867	(683)	2,504	2,801	(297)	2,489	1,940	549	1,961	2,263	($302)	2,206
Administrative Overhead	330	341	(11)	358	386	(28)	387	404	(17)	380	327	53	341	358	(17)	371
Capital Outlay	140	58	82	130	61	69	50	359	(309)	50	140	(90)	21	103	(82)	250
Total Expenditures	**$5,390**	**$5,546**	**($156)**	**$5,862**	**$6,207**	**($344)**	**$6,223**	**$6,799**	**($575)**	**$6,118**	**$5,340**	**$778**	**$5,417**	**$5,783**	**($366)**	**$6,106**
Net Income	**$10,028**	**$9,529**	**($500)**	**$9,480**	**$9,101**	**($378)**	**$9,689**	**$6,789**	**($2,898)**	**$8,077**	**$7,873**	**($204)**	**$8,900**	**$8,175**	**($725)**	**$7,649**

1 Amounts reflected pertain to primary Parking System operations and do not include other components of parking activities or accounting adjustments reported in the segment financial statements for the Parking System as a whole.
2 Variances primarily due to the impact of COVID-19.
3 The University actively managed expenses in Fiscal Year 2020-21 to offset decreased revenues, which were primarily due to the impact of COVID-19.
4 Permits Sales, Parking Fees include revenues from parking permit decal sales to faculty and staff, the mandatory student transportation access fee assessment, and other parking fees.
5 Total revenues exclude all revenues from the shuttle services and vehicle services which are included in the segment financial statements for the Parking System but are not Pledged Revenues.

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Selected Historical Financial Information

The following two tables set forth selected historical financial information for the Parking System for Fiscal Years 2017-18 through 2021-22. See "Discussion and Analysis of Financial Condition and Results of Operations" below for additional explanation of the financial condition of the Parking System. The financial information for the Parking System was prepared by the University for internal management purposes as an integral part of the University's financial statements, but the information has not been independently audited. This information was prepared on an accrual basis and in accordance with generally accepted accounting principles. Additionally, these statements incorporate requirements for state and local governments established by the Governmental Accounting Standards Board of the Financial Accounting Foundation with the adoption of Statement No. 34 and 35.

The financial information relating to the Parking System is included in the University's financial statements, which are independently audited by the Auditor General as part of the audit of Florida's Annual Comprehensive Financial Report. However, the financial information for the Parking System is not independently audited. Copies of the University's audited financial statements for Fiscal Years 2020-21 and 2021-22 are reproduced as Appendix G-1 and G-2, respectively, and the unaudited Parking System financial statements for Fiscal Year 2021-22 are reproduced as Appendix H.

University Parking System
Historical Summary of Statement of Net Position (Unaudited)

	As of June 30,				
	2018	**2019**	**2020**	**2021**	**2022**
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	$1,283,486	$1,263,592	$1,321,850	$3,023,498	$3,282,804
Investments	7,460,190	7,550,334	6,278,357	8,206,737	8,764,619
Accounts Receivable, Net	467,485	521,364	481,068	547,701	398,906
Due from Component Units	507	2,756	-	-	-
Total Current Assets	**$9,211,668**	**$9,338,046**	**$8,081,275**	**$11,777,936**	**$12,446,329**
NONCURRENT ASSETS					
Restricted Cash and Cash Equivalents	$983,593	$144,380	$337,743	$47,771	$292,414
Restricted Investments	2,550,927	3,362,250	78,710	19,823	482,161
Furniture and Equipment	1,602,106	1,622,949	2,018,617	2,638,434	2,647,390
Infrastructure and Other Improvements	950,226	1,024,526	1,024,526	2,581,735	2,581,735
Buildings	120,207,464	120,207,464	120,207,464	120,609,910	120,620,259
Construction in Progress	3,805,387	4,341,498	5,092,814	3,567,480	3,973,949
Accumulated Depreciation	(25,793,065)	(28,599,548)	(31,545,147)	(34,704,415)	(37,752,060)
Total Noncurrent Assets	**$104,306,638**	**$102,103,519**	**$97,214,727**	**$94,760,738**	**$92,845,848**
TOTAL ASSETS	**$113,518,306**	**$111,441,565**	**$105,296,002**	**$106,538,674**	**$105,292,177**
LIABILITIES					
CURRENT LIABILITIES:					
Accounts Payable	$408,705	$513,254	$55,727	$342,852	$850,070
Construction Contracts Payable	263,065	28,086	4,000	16,925	25,540
Salaries and Wages Payable	60,390	73,000	115,124	135,221	101,602
Due to Other Funds Within University	-	-	-	-	38
Long-Term Liabilities - Current Portion					
Capital Improvement Debt Payable	3,583,474	3,113,466	$3,175,046	3,285,046	1,684,088
Compensated Absences Payable	11,398	10,692	13,352	14,039	14,564
Total Current Liabilities	**$4,327,032**	**$3,738,498**	**$3,363,249**	**$3,794,083**	**$2,675,902**
NONCURRENT LIABILITIES:					
Capital Improvement Debt Payable	$59,988,074	$56,874,607	$51,399,584	$48,114,538	$46,430,451
Compensated Absences Payable	134,688	133,894	174,757	180,601	171,127
Total Noncurrent Liabilities	**$60,122,762**	**$57,008,501**	**$51,574,341**	**$48,295,139**	**$46,601,578**
TOTAL LIABILITIES	**$64,449,794**	**$60,746,999**	**$54,937,590**	**$52,089,222**	**$49,277,480**
NET POSITION					
Net Investment in Capital Assets	$37,888,638	$39,289,049	$42,261,364	$43,358,171	$44,022,038
Restricted for Expendable Debt Service	2,834,785	2,858,934	2,966	3,036	6,175
Capital Projects	436,669	619,608	409,487	47,635	742,863
Unrestricted	7,908,420	7,926,975	7,684,595	11,040,610	11,243,621
Total Net Position	**$49,068,512**	**$50,694,566**	**$50,358,412**	**$54,449,452**	**$56,014,697**

University Parking System
Statement of Revenues, Expenses and Changes in Net Position (Unaudited)

	Fiscal Years Ended June 30,				
	2018	2019	2020	2021	2022
OPERATING REVENUES					
Parking Permit and Fees	$13,169,549	$13,279,148	$11,618,515	$12,291,039	$12,206,126
Visitor Parking	768,588	780,234	531,941	192,670	549,056
Traffic Fines, Towing, and Other Operating Revenue	1,760,761	1,841,544	1,535,017	731,059	1,370,710
Total Operating Revenues	**$15,698,898**	**$15,900,926**	**$13,685,473**	**$13,214,768**	**$14,125,892**
OPERATING EXPENSES					
Compensation and Employee Benefits	$2,903,765	$3,039,082	$3,468,623	$3,303,643	$3,337,420
Services and Supplies	4,054,705	5,142,064	4,511,874	2,862,994	4,738,895
Utilities and Communications	419,362	434,795	489,148	389,338	458,934
Scholarships, Fellowships, and Waivers	274,060	230,964	268,971	207,111	200,509
Depreciation	2,928,209	2,915,382	2,956,308	3,255,274	3,139,152
Total Operating Expenses	**$10,580,101**	**$11,762,287**	**$11,694,924**	**$10,018,360**	**$11,874,910**
Net Operating Income	**$5,118,797**	**$4,138,639**	**$1,990,549**	**$3,196,408**	**$2,250,982**
NONOPERATING REVENUES (EXPENSES)					
Noncapital Donations	$8,657	410,025	$11,390	-	$278
Investment Income (Loss)	109,319	337,567	227,513	$290,841	156,744
Other Nonoperating Revenues	3,090	-	25,546	2,929,922	1,228,735
Loss on Disposal of Capital Assets	(1,681)	-	(4,165)	-	(2,727)
Interest on Capital Asset-Related Debt	(3,460,950)	(3,296,170)	(2,233,850)	(2,097,011)	(1,996,749)
Other Nonoperating Expenses	-	-	(190,975)	-	-
Net Nonoperating Expenses	**($3,341,565)**	**($2,948,578)**	**($2,164,541)**	**$1,123,752**	**($613,719)**
Income Before Other Revenues, Expenses, Gains, or Losses	$1,777,232	$1,190,061	($173,992)	$4,320,160	$1,637,263
Capital Grants, Contracts, Donations and Fees	567,765	557,137	1,504	-	-
Transfers (Out) In	557,060	(121,144)	(163,666)	(229,120)	(72,018)
Increase in Net Position	**$2,902,057**	**$1,626,054**	**($336,154)**	**$4,091,040**	**$1,565,245**
Net Position, Beginning of Year	$46,166,455	$49,068,512	$50,694,566	$50,358,412	$54,449,452
Net Position, End of Year	$49,068,512	$50,694,566	$50,358,412	$54,449,452	$56,014,697

Discussion and Analysis of Financial Condition and Results of Operations

The operation of the Parking System depends primarily on revenues collected from parking permits and fees. Visitor parking, and traffic fines, towing, and other miscellaneous fees provide additional income, which includes shuttle services revenue. Operating expenses include costs associated with salaries, services and supplies, shuttle services, utilities, scholarships, and depreciation. Nonoperating revenues and expenses consist of noncapital donations, investment income, interest expense, adjustments to the fair value of investments, loss on disposal of capital assets and other nonoperating expenses. As the above tables show, changes in Parking System operating revenues from Fiscal Years 2017-18 to 2021-22 varied. The changes were primarily due to the impact of the COVID-19 pandemic, as discussed further below.

For Fiscal Year 2018-19, operating revenues increased by approximately $200,000 or 1.3%, primarily due to higher permit and fine revenues. Operating expenses increased by approximately $1.2 million or 11%, primarily due to increases in compensation, employee benefits and services and supplies expenses. Shuttle services accounted for approximately $418,000 of the increase in operating expenses.

For Fiscal Year 2019-20, operating revenues decreased by approximately $2.2 million or 13.9%, primarily due to a decrease in revenues resulting from measures taken in response to the COVID-19 pandemic, including student waivers and a diminished presence on campus. Operating expenses decreased by approximately $67,000 or 0.6% primarily due to decreases in services and supplies expenses, as a result of the transition to remote learning/work due to COVID-19. Shuttle services accounted for approximately $403,000 and $671,000 of the decrease in operating revenues and operating expenses, respectively.

For Fiscal Year 2020-21, operating revenues decreased by approximately $500,000 or 3.4%, primarily due to lower fine and visitor revenues that were partially offset by higher transportation access fee revenues. Operating expenses decreased by approximately $1.7 million or 14.3% primarily due to a decline in the services and supplies expenses, of which approximately $686,000 was due to a decrease in shuttle services expenses.

For Fiscal Year 2021-22, operating revenues increased by approximately $0.9 million 6.9%, primarily due to higher fine, visitor parking, and permit revenues. Operating expenses increased by approximately $1.9 million or 18.5%, primarily due to higher services and supplies expenses. Shuttle services accounted for approximately $1.6 million of the increase in operating expenses.

The Parking System's total net position increased annually from approximately $46.2 million at the beginning of Fiscal Year 2017-18 to approximately $56.0 million at the end of Fiscal Year 2021-22, which reflects the Parking System's consistent positive operating performance.

Historical Pledged Revenues and Debt Service Coverage

The following table shows historical operating results and debt service coverage ratios. The shuttle services (Golden Panther Express, CATS, and Panther Mover) are excluded from Pledged Revenues of the Parking System and are not pledged to the bonds.

Historical Debt Service Coverage from Pledged Revenues[1]

	Fiscal Year Ended June 30,				
	2018	**2019**	**2020**	**2021**	**2022**
Operating Revenues					
Transportation Access Fee	$10,954,033	$10,917,997	$9,936,482	$10,927,578	$10,505,225
Parking Permits	2,215,516	2,361,151	1,682,033	1,363,461	1,700,901
Visitor Parking and Events	768,588	780,234	531,941	192,670	549,056
Traffic Fines, Towing & Other Revenue[2]	1,760,761	1,841,544	1,535,017	731,059	1,370,710
Less: Shuttle Services	(505,246)	(554,116)	(151,154)	(8,971)	(71,224)
Total Parking System Revenues[3]	**$15,193,652**	**$15,346,810**	**$13,534,319**	**$13,205,797**	**$14,054,668**
Current Expenses					
Operating Expenses	$10,580,101	$11,762,287	$11,694,924	$10,018,360	$11,874,910
Less: Shuttle Services	(1,580,604)	(1,998,249)	(1,326,978)	(640,759)	(2,234,547)
Less: Depreciation	(2,928,209)	(2,915,382)	(2,956,308)	(3,255,274)	(3,139,152)
Less: Administrative Overhead	(471,546)	(552,513)	(448,236)	(352,410)	(358,491)
Total Current Expenses[3]	**$5,599,742**	**$6,296,143**	**$6,963,402**	**$5,769,917**	**$6,142,720**
Net Parking System Revenues	**$9,593,910**	**$9,050,667**	**$6,570,917**	**$7,435,880**	**$7,911,948**
Interest Income[4]	**$81,185**	**$253,832**	**$224,899**	**$295,777**	**$158,312**
Pledged Revenues	**$9,675,095**	**$9,304,499**	**$6,795,816**	**$7,731,657**	**$8,070,260**
Total Annual Debt Service	**$6,894,423**	**$6,879,643**	**$5,273,895[5]**	**$5,272,056**	**$5,281,556**
Maximum Annual Debt Service	**$6,894,423**	**$6,879,643**	**$5,281,556**	**$5,281,556**	**$5,281,556**
Coverage Ratios[6]					
Annual Debt Service	1.40x	1.35x	1.29x	1.47x	1.53x
Maximum Annual Debt Service	1.40x	1.35x	1.29x	1.46x	1.53x

1 The financial information related to revenues and expenses were provided by the University and has not been audited. See "Selected Historical Financial Information" herein.
2 Includes events revenue.
3 Excludes all Shuttle Services revenues and expenditures.
4 Reflects realized income and gains only (operating).
5 Excludes $2,564,373 principal payment made from liquidation of debt service reserve during refunding.
6 Coverage ratios exclude subsidy amounts received for 2009B Build America Bonds (Federally Taxable-Issuer Subsidy), which were defeased in July 2019.

Projected Pledged Revenues and Debt Service Coverage

Projected operating results and debt service coverage ratios for the next five Fiscal Years are provided in the following table. **The projections of operating results have been prepared by the University based upon the most recent available information, which is believed to be accurate. Projections are statements of opinion and are subject to future events which may cause the actual results to differ materially from those set forth herein. Undue reliance should not be placed on these projections.**

Revenue projections assume that student and employee parking permit fees will remain flat. The number of students and employees paying the parking and transportation access fees is projected to remain flat between Fiscal Years 2022-23 and 2026-27. Parking fine and visitor revenues are projected to remain flat. Revenues and expenses related to the shuttle services were excluded and are not pledged to the Bonds.

Debt Service Coverage from Projected Pledged Revenues[1]

	Fiscal Year Ending June 30,				
Operating Revenues	**2023**	**2024**	**2025**	**2026**	**2027**
Transportation Access Fee	$10,034,196	$10,034,196	$10,034,196	$10,034,196	$10,034,196
Parking Permits	1,618,837	1,618,837	1,618,837	1,618,837	1,618,837
Visitor Parking and Events	467,000	476,340	485,867	495,584	505,496
Traffic Fines, Towing & Other Revenue[2]	1,620,036	1,652,437	1,685,485	1,719,195	1,753,579
Less: Shuttle Services	(77,100)	(96,000)	(96,000)	(96,000)	(96,000)
Total Parking System Revenues[3]	**$13,662,969**	**$13,685,810**	**$13,728,385**	**$13,771,812**	**$13,816,108**
Current Expenses					
Operating Expenses[4]	$9,009,224	$9,189,408	$9,296,657	$9,482,590	$9,594,173
Less: Shuttle Services	(2,903,347)	(2,961,414)	(3,020,643)	(3,081,055)	(3,142,676)
Less: Administrative Overhead	(371,310)	(378,736)	(386,311)	(394,037)	(401,918)
Total Current Expenses[3]	**$5,734,567**	**$5,849,258**	**$5,889,703**	**$6,007,498**	**$6,049,579**
Net Parking System Revenues	**$7,928,403**	**$7,836,552**	**$7,838,681**	**$7,764,314**	**$7,766,530**
Interest Income[5]	92,130	92,130	92,130	92,130	92,130
Pledged Revenues	**$8,020,533**	**$7,928,682**	**$7,930,811**	**$7,856,444**	**$7,858,660**
Total Annual Debt Service	**$3,592,620**	**$3,403,600**	**$3,398,100**	**$3,399,100**	**$3,401,100**
Maximum Annual Debt Service[6]	**$3,592,620**	**$3,403,600**	**$3,402,250**	**$3,402,250**	**$3,402,250**
Coverage Ratios					
Annual Debt Service	2.23x	2.33x	2.33x	2.31x	2.31x
Maximum Annual Debt Service	2.23x	2.33x	2.33x	2.31x	2.31x

[1] The financial information related to revenues and expenses was provided by the University and has not been audited. It reflects primary parking operations and do not include other components of parking activities reported in the segment financial statements for the Parking System as a whole.
[2] Includes events revenue.
[3] Excludes all Shuttle Services revenues and expenditures.
[4] Excludes Depreciation Expense.
[5] Reflects realized income and gains only (operating).
[6] Maximum annual debt service shown is for the aggregate debt that occurs in Fiscal Year 2022-23, subsequently the maximum annual debt service occurs in Fiscal Year 2023-24, and then Fiscal Year 2033-34.

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SCHEDULE OF DEBT SERVICE

The table below shows the debt service on the Bonds which will be Outstanding subsequent to the refunding accomplished with the proceeds of the 2023A Bonds, the debt service on the 2023A Bonds, and the total debt service.

Fiscal Year	Outstanding	2023A Bonds Debt Service			Total
Ending June 30	Bonds[1,2]	Principal	Interest	Total	Debt Service
2023	$3,364,503	-	$228,117	$228,117	$3,592,620
2024	1,486,950	$760,000	1,156,650	1,916,650	3,403,600
2025	1,484,450	795,000	1,118,650	1,913,650	3,398,100
2026	1,485,200	835,000	1,078,900	1,913,900	3,399,100
2027	1,488,950	875,000	1,037,150	1,912,150	3,401,100
2028	1,485,450	920,000	993,400	1,913,400	3,398,850
2029	1,484,950	965,000	947,400	1,912,400	3,397,350
2030	1,487,200	1,015,000	899,150	1,914,150	3,401,350
2031	1,487,000	1,065,000	848,400	1,913,400	3,400,400
2032	1,485,200	1,115,000	795,150	1,910,150	3,395,350
2033	1,486,800	1,175,000	739,400	1,914,400	3,401,200
2034	1,486,600	1,235,000	680,650	1,915,650	3,402,250
2035	1,484,600	1,295,000	618,900	1,913,900	3,398,500
2036	1,485,800	1,355,000	554,150	1,909,150	3,394,950
2037	1,485,000	1,425,000	486,400	1,911,400	3,396,400
2038	1,487,200	1,495,000	415,150	1,910,150	3,397,350
2039	1,487,200	1,570,000	340,400	1,910,400	3,397,600
2040	-	1,635,000	277,600	1,912,600	1,912,600
2041	-	1,700,000	212,200	1,912,200	1,912,200
2042	-	1,765,000	144,200	1,909,200	1,909,200
2043	-	1,840,000	73,600	1,913,600	1,913,600
Total	**$27,143,053**	**$24,835,000**	**$13,645,617**	**$38,480,617**	**$65,623,670**

[1] Debt service on the Outstanding Bonds excludes debt service on the Refunded Bonds which will be economically, but not legally defeased and will be redeemed on July 1, 2023.
[2] Fiscal Year 2023 includes accrued debt service of approximately $379,000 on the Refunded Bonds.

PROVISIONS OF STATE LAW

Bonds Legal Investment for Fiduciaries

The State Bond Act provides that all bonds issued by the Division are legal investments for state, county, municipal or other public funds, and for banks, savings banks, insurance companies, executors, administrators, trustees, and all other fiduciaries and also are securities eligible as collateral deposits for all state, county, municipal, or other public funds.

Negotiability

The 2023A Bonds will have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code - Investment Securities Law of the State.

TAX MATTERS

Federal Tax Treatment of 2023A Bonds

The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements which must be met subsequent to the issuance and delivery of the 2023A Bonds in order that interest on the 2023A Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the 2023A Bonds to be included in federal gross income retroactive to the date of issuance of the 2023A Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the 2023A Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The Board of Governors, the Division, and the Board of Administration have covenanted to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the 2023A Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the 2023A Bonds is excluded from gross income for purposes of federal income taxation. Interest on the 2023A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; however, for tax years beginning after December 31, 2022, the interest on the 2023A Bonds may be included in the "adjusted financial statement income" of certain "applicable corporations" that are subject to the 15-percent alternative minimum tax under section 55 of the Code.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of 2023A Bonds. Prospective purchasers of 2023A Bonds should be aware that the ownership of 2023A Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry 2023A Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on 2023A Bonds; (iii) the inclusion of interest on 2023A Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on 2023A Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on 2023A Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the Board of Governors and the Division, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the 2023A Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE 2023A BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE PURCHASERS AND BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the 2023A Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the 2023A Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of 2023A Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the 2023A Bonds and proceeds from the sale of 2023A Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of 2023A Bonds. This withholding generally applies if the owner of 2023A Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"); (ii) furnished the payor an incorrect TIN; (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code; or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the 2023A Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Other Tax Matters

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the 2023A Bonds. Similar proposals may also be considered by the State legislature. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the 2023A Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the 2023A Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to or have an adverse effect upon the 2023A Bonds.

Prospective purchasers of the 2023A Bonds should consult their own tax advisors as to the tax consequences of owning the 2023A Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations, or litigation, as to which Bond Counsel expresses no opinion.

Tax Treatment of Original Issue Discount

Under the Code, the difference between the maturity amount of the Series 2023A Bonds maturing in 2042 and 2043, (collectively, the "Discount Bonds"), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity and, if applicable, interest rate, was sold is "original issue discount." Original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded periodically. A purchaser who acquires the Discount Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Bonds, and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above.

Tax Treatment of Original Issue Premium

The difference between the principal amount of the Premium Bonds maturing in 2024 through 2039, both inclusive (collectively, the "Premium Bonds"), and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity and, if applicable, interest rate, was sold constitutes to an initial purchaser amortizable bond premium, which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on such Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds.

PROSPECTIVE PURCHASERS AND BONDHOLDERS OF ANY SUCH DISCOUNT BONDS OR PREMIUM BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE PRECISE DETERMINATION FOR FEDERAL INCOME TAX PURPOSES OF ORIGINAL ISSUE DISCOUNT AND AMORTIZABLE BOND PREMIUM, AS APPLICABLE, THE TREATMENT UPON THE SALE, REDEMPTION, OR OTHER DISPOSITION OF DISCOUNT BONDS OR PREMIUM BONDS, AS APPLICABLE, AND THE STATE AND LOCAL TAX CONSEQUENCES OF OWNING AND DISPOSING OF DISCOUNT BONDS OR PREMIUM BONDS, AS APPLICABLE.

State Taxes

The 2023A Bonds and the income therefrom are not subject to any taxation by the State or any county, municipality, political subdivision, agency, or instrumentality of the State, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended.

Florida laws governing the imposition of estate taxes do not provide for an exclusion of state or local bonds from the calculation of the value of the gross estate for tax purposes. Florida's estate tax is generally calculated on the basis of the otherwise unused portion of the federal credit allowed for state estate taxes. Under Chapter 198, Florida Statutes, all values for state estate tax purposes are as finally determined for federal estate tax purposes. Since state and local bonds are included in the valuation of the gross estate for federal tax purposes, such obligations would be included in such calculation for Florida estate tax purposes. Prospective owners of the 2023A Bonds should consult their own attorneys and advisors for the treatment of the ownership of the 2023A Bonds for estate tax purposes.

The 2023A Bonds and the income therefrom are subject to the tax imposed by Chapter 220 on interest, income, or profits on debt obligations owned by corporations and other specified entities.

MISCELLANEOUS

Investment of Funds

Funds Held Pursuant to the Resolution. The Resolution directs the manner in which amounts held in the various funds may be invested. At closing, the net proceeds of the 2023A Bonds will be deposited as described under the heading "THE REFUNDING PROGRAM." After collection, the Pledged Revenues are transferred to the Revenue Fund, which is held by the University, and amounts required for the payment of debt service are transferred to the Sinking Fund held by the Board of Administration.

Investment by the Chief Financial Officer. Funds held in the State Treasury are invested by internal and external investment managers. As of June 30, 2022, the ratio was approximately 61% internally managed funds, 33% externally managed funds, and 6% in an externally managed Security Lending program. The total portfolio market value on June 30, 2022, was $57.199 billion.

Under State law, the State Treasury is charged with investing funds of each State agency and the judicial branch. As of June 30, 2022, $50.431 billion of the investments in the Treasury consisted of accounts held by State agencies that are required by law to maintain their investments in the State Treasury; additionally, $6.769 billion as of this date consisted of moneys held by certain boards, associations, or entities created by the Florida Constitution or State law that are not required to maintain their investments with the State Treasury and are permitted to withdraw these funds from the State Treasury.

As provided by State law, the State Treasury must be able to timely meet all disbursement needs of the State. Accordingly, the State Treasury allocates its investments to provide for estimated disbursements plus a cushion for liquidity in instances of greater than expected disbursement demand.

To this end, a portion of State Treasury's investments are managed for short term liquidity and preservation of principal. The remainder is managed to obtain maximum yield, given the safety parameters of State law and State Treasury's Comprehensive Investment Policy. Investments managed for short term liquidity and preservation of principal are managed "internally" by State Treasury personnel. The majority of investments managed for a maximum return are managed by "external" investment companies hired by the State.

The Externally Managed Investment Program provides long term value while limiting risk appropriately and provides a backup source of liquidity. External investment strategy focuses on medium term and long-term fixed income securities, rather than money market instruments, in order to take advantage of higher returns historically achieved by such securities. Portfolio managers are hired to actively manage funds. These funds may be invested in U.S. Treasury government agency obligations, investment grade corporate debt, municipal debt, mortgage-backed securities, asset backed securities, and U.S. dollar denominated investment grade foreign bonds that are registered with the Securities and Exchange Commission. The managers may also use leveraging techniques such as forward purchase commitments, and interest rate futures.

Investment by the Board of Administration. The Board of Administration manages investment of assets on behalf of the members of the Florida Retirement System (the "FRS") Defined Benefit Plan. It also acts as sinking fund trustee for most State bond issues and oversees the management of FRS Investment Plan investment options, Florida Hurricane Catastrophe Fund moneys, a short-term investment pool for local governments, and smaller trust accounts on behalf of third-party beneficiaries.

The Board of Administration adopts specific investment policy guidelines for the management of its funds which reflect the long-term risk, yield, and diversification requirements necessary to meet its fiduciary obligations. As of June 30, 2022, the Board of Administration directed the investment/administration of 27 funds.

As of June 30, 2022, the total market value of the FRS (Defined Benefit) Trust Fund was approximately $180 billion. The Board of Administration pursues an investment strategy which allocates assets to different investment types. The long-term objective is to meet liability needs as determined by actuarial assumptions. Asset allocation levels are determined by the liquidity and cash flow requirements of the FRS, absolute and relative valuations of the asset class investments, and opportunities within those asset classes. Funds are invested internally and externally under a Defined Benefit Plan Investment Policy Statement.

The Board of Administration uses a variety of derivative products as part of its overall investment strategy. These products are used to manage risk or to execute strategies more efficiently or more cost effectively than could be done in the cash markets. They are not used to speculate in the expectation of earning extremely high returns. Any of the products used must be within investment policy guidelines designed to control the overall risk of the portfolio.

The Board of Administration invests assets in 26 designated funds other than the FRS (Defined Benefit) Trust Fund. As of June 30, 2022, the total market value of these funds equaled approximately $48.092 billion. Each fund is independently managed by the Board of Administration in accordance with the applicable documents, legal requirements and investment plans. Liquidity and preservation of capital are preeminent investment objectives for most of these funds, so investments for these are restricted to high quality money market instruments (e.g., cash, short term treasury securities, certificates of deposit, banker's acceptances, and commercial paper). The term of these investments is generally short but may vary depending upon the requirements of each trust and its investment plan.

Environmental Risk Factors

With more than 2,000 linear miles of coastline and relatively low elevations, Florida's weather and natural resources affect its economy in a variety of ways. Economic activity attributable to in-migration and tourism represents a significant part of the State's economy, and the State's warm weather and beaches are responsible for attracting seasonal and permanent residents and tourists to the State. In addition, a majority of the State's residents live and work in coastal counties. Because of the State's reliance on its natural resources to generate business and sustain in-migration, its economy and financial condition may be vulnerable to the impacts of environmental events, including hurricanes and inland and coastal flooding, as well as long-term environmental risks associated with climate change, such as sea level rise.

The State has effectively responded to past environmental events because of its financial resources, emergency response system, and dedicated leadership and regulatory programs focused on addressing environmental risks. However, the frequency of environmental events, such as hurricanes, may increase on an annual basis according to models and forecasts. The State's demographic and economic growth have steadily increased the value of property at risk from any single environmental event even as improvements in building codes and innovations in construction have reduced disaster mortality. Consequently, the magnitude of the impact on the State's operations, economy, or financial condition from environmental risks is indeterminate and is unpredictable for future environmental events. There can be no assurance that such risks will not have an adverse effect on the operations, economy, or financial condition of the State.

Resources. The State has a variety of resources available to respond to damage caused by environmental events. The State has financial reserves available to cover response-related expenditures, and, in most cases, the State can request reimbursement from federal relief funds to pay for a portion of such expenditures. Further, upon a declaration of a state of emergency, Florida law provides the Governor broad spending authority to meet financial needs resulting from a disaster, including access to a $500 million Emergency Preparedness and Response Fund. Notwithstanding multiple hurricanes, State finances and the economy have only experienced temporary economic disruption. In addition, the State has improved its resiliency to the threat of environmental risks through the establishment of the Florida Hurricane Catastrophe Fund and the Citizens Property Insurance Corporation to stabilize the property insurance market in the State.

Emergency Response. The State can respond to the impacts of environmental events through its robust emergency response system. The Division of Emergency Management ("DEM") was established as part of the State's structure to plan for and respond to both natural and manmade disasters. In addition to coordinating disaster response activities, DEM prepares and implements a statewide Comprehensive Emergency Management Plan and routinely conducts extensive exercises to test State and county emergency response capabilities.

Leadership. The State's response to environmental risks includes the creation of state-level leadership positions to help coordinate resilience efforts through the State's 67 counties and over 400 cities. Although a portion of environmental resiliency efforts in each county or city falls on its respective local government leadership, state-level leadership provides valuable resources and support to the State's local governments. Statewide resiliency efforts are directed and coordinated by Statewide Office of Resilience within the Executive Office of the Governor. The office was created in law in 2022 and is led by the Chief Resilience Officer, a position that was created by the Governor in 2019, to, in part, develop and coordinate the implementation of a comprehensive statewide resilience plan with goals designed to adapt to the environmental challenges facing the State's communities. Also in 2019, the Governor created the Office of Environmental Accountability and Transparency within the Department of Environmental Protection ("DEP"), led by the State's Chief Science Officer, to conduct scientific research that focuses on current and emerging environmental concerns most pressing to Floridians. The Chief Science Officer is charged with coordinating and prioritizing scientific data, research, monitoring, and analysis needs to ensure alignment with current and emerging environmental concerns most pressing to the State.

Regulatory Programs and Planning – State level

Building and Development: The State's resilience to environmental risks has been enhanced through state law restrictions and targeted regulatory programs. Coastal construction is regulated by DEP in various ways in order to protect Florida's beaches and dunes from imprudent construction. For example, under the Coastal Zone Protection Act, Florida law imposes strict construction standards for most activities within the "coastal building zone", which covers over 1,500 feet from the coastline. Further, the Office of Resilience and Coastal Protection was created within DEP to focus time, energy, and resources into resiliency issues. DEP regulations include a prohibition on most construction within 50 feet of the mean high-water line, known as the 50-foot setback. Also, DEP requires new construction in the coastal areas with higher risks of environmental impacts to meet more stringent standards and demonstrate that the proposed project will not result in a significant adverse impact. Additionally, for coastal areas that are further inland, DEP makes 30-year erosion projections and generally will not issue construction permits for areas projected to be within the erosion projection. In lieu of meeting State law restrictions, local governments may establish coastal construction zoning and building codes as long as they are pre-approved by DEP. In addition, entities must conduct and submit to DEP a sea level impact projection (SLIP) study prior to commencing construction of any coastal structure utilizing state financing. The SLIP studies may inform the development of alternative construction designs that minimize future flood risk, and DEP and the Chief Science Officer review the SLIP studies to help inform policies and guidance to address sea level rise issues that may arise on a statewide basis.

Clean Water: In 2020, the State enacted the Clean Waterways Act that strengthens regulatory requirements and provides a wide range of water-quality protection provisions aimed at minimizing the impact of known sources of nutrient pollution, including stormwater-related pollution. The Clean Waterways Act directed DEP and the State's water management districts (the "WMDs") to update stormwater design and operation regulations using the latest scientific information. To reach this objective, DEP created the Clean Waterways Act Technical Advisory Committee to develop and provide consensus on stormwater rulemaking recommendations for DEP and the WMDs. The Committee's recommendations were finalized in 2022 and will be used to strengthen stormwater design and operation regulations in the Florida Administrative Code.

Flooding and Sea level Rise: In 2021, the State enacted a law that requires DEP to develop a Comprehensive Statewide Flood Vulnerability and Sea Level Rise Data Set and Assessment, including statewide sea level rise projections, containing information necessary to determine the risks of flooding and sea level rise to inland and coastal communities. The law also directed DEP to develop the Statewide Flooding and Sea Level Rise Resilience Plan consisting of ranked projects addressing the risks of flooding and sea-level rise to communities in the state. DEP selected, and the Legislature funded 76 projects statewide totaling more than $270 million, for the first annual plan. The State also provided DEP with supplemental Resilient Florida funding for 189 additional implementation projects totaling over $404 million in state matching funds. In addition to the Statewide Resilience Plan, in 2022, the Legislature has directed the Department of Transportation to develop a resilience action plan for the State Highway System based on current conditions and forecasted future events. In order to support the development of standardized statewide sea level rise and flood projections, the legislature created the Florida Flood Hub for Applied Research and Innovation (Flood Hub) within the University of South Florida ("USF") College of Marine Science. USF's College of Marine Science will serve as the lead institution to coordinate efforts to inform local governments of potential flood risks and support applied research and innovation to address flooding and sea-level rise in the State.

Regulatory Programs and Planning – Local Level

DEP implements programs related to sea-level rise and coastal issues that offer technical assistance and funding to communities to address coastal flooding, erosion, and ecosystem changes, including the Beach Management Funding Assistance Program and the Florida Resilient Coastlines Program. Further, the Resilient Florida Grant Program was created in 2021 to provide grants to counties and municipalities for community resiliency planning, such as vulnerability assessments, plan development, and projects to adapt critical assets in those communities. The Resilient Florida Grant Program is available to both coastal and inland communities to address current and projected sea-level rise and flooding risks.

On a regional level, Broward, Miami-Dade, Monroe, and Palm Beach Counties formed a collaboration, the Southeast Florida Regional Climate Change Compact (the "Compact"), to address climate change. The Compact's work includes developing a Regional Climate Action Plan and developing a Unified Sea-Level Rise Projection. Many local governments in southeast Florida have since incorporated the Compact's projections into their planning documents and policies. Other collaborative resilience partnerships are forming in other regions to provide regional support to local governments, often times in conjunction with the State's regional planning councils, and funded, in part, by regional resilience entity grants from DEP. Local governments in coastal areas are required to have a "Perils of Flood" coastal management element in their comprehensive plans that uses principles to reduce flood risk and eliminate unsafe development in coastal areas. In certain coastal areas, local governments are authorized to establish an "adaptation action area" designation in their comprehensive plan to develop policies and funding priorities that improve coastal resilience and plan for sea-level rise.

Information Technology Security

Similar to other large organizations, the State (including the institutions in the State University System) relies on electronic systems and information technologies ("IT") to conduct operations. Protecting the State's IT infrastructure and data is essential to delivering government services.

The University maintains a security posture designed to protect its data and deter attacks on its IT infrastructure and respond to such attacks to minimize their impact on operations. The University's cybersecurity program follows a defense in depth approach with a focus on protecting the integrity, confidentiality, and availability of University's infrastructure, data, electronic systems and information technology. The University's cybersecurity strategy includes a comprehensive set of security policies and procedures, which are designed to guide faculty, staff, students, and persons of interest in their cybersecurity responsibilities; a security awareness program, which educates staff on active cybersecurity threats and security best practices; and a risk-based threat and vulnerability management program, which is internally and externally monitored. Furthermore, the University is in the process of deploying endpoint detection and response security tools on managed workstations. The University has deployed network and wireless security controls as part of its IT infrastructure, both of which are critical components of its overall cybersecurity strategy. Additionally, the University has implemented access and authentication protocols, which includes multi-factor authentication, and industry standard encryption to protect its data. As a further precaution, the University's cybersecurity program is subjected to routine internal and external audits to evaluate the effectiveness of the program. The University's cybersecurity strategy is supported by administrative and technical controls, which assist in identifying potential threats and preventing attacks that may target the University's data and IT infrastructure.

In 2014, the State Legislature created the Florida Center for Cybersecurity ("Cyber Florida"). Cyber Florida works with all of the State Universities, as well as private industry and local, state, and federal government entities to improve cybersecurity in Florida and its related workforce. Cyber Florida meets quarterly with State University System representatives and produces annual and five-year reports to the Board of Governors and the Governor. Cyber Florida's goals include positioning Florida as a national leader in cybersecurity, helping to create jobs and enhance the cybersecurity workforce, serving as a cooperative facilitator for state business and higher education communities to share cybersecurity knowledge, and partnering with military installations to assist with homeland cybersecurity defense initiatives.

The Board of Administration acts as the fiscal agent for the bonds that the Division issues on behalf of the State and its agencies. As trustee for the Division's bond programs, the Board of Administration protects its data and IT infrastructure, including data and information related to bond programs, through a multifaceted cybersecurity strategy. The Board of Administration's cybersecurity strategy includes a comprehensive set of security policies and procedures, which are designed to guide staff in their cybersecurity responsibilities; a security awareness program, which educates staff on active cybersecurity threats and security best practices; and a risk-based threat and vulnerability management program, which is internally monitored. Additionally, the Board of Administration has implemented access and authentication protocols, which includes multi-factor authentication, and industry standard encryption to protect data in transit and at rest. As a further precaution, the Board of Administration's cybersecurity program is subjected to routine internal audits to evaluate the effectiveness of the program, as well as annual external audits and penetration testing to identify opportunities to improve its security posture. The Board of Administration's cybersecurity strategy is supported by administrative and technical controls, which assist in identifying potential threats and preventing attacks that may target the Board of Administration's data and IT systems. In the event a cybersecurity issue arises, the Board of Administration has an incident response capability to quickly address such issues, including comprehensive plans and external services to assist with incident response, crisis communication, and breach notification management.

Despite the University's and the Board of Administration's robust cybersecurity policies and procedures designed to protect their data and IT infrastructure, no assurance is given that such security measures will prevent cyber-attacks, nor can any assurance be given that any cyber-attacks, if successful, will not have a material impact on State operations.

Bond Ratings

Fitch Ratings, Moody's Investor Services, and S&P Global Ratings (herein referred to collectively as "Rating Agencies"), have assigned their municipal bond ratings of A+ (positive outlook), Aa3 (stable outlook) and AA- (stable outlook), respectively, to the 2023A Bonds. Such ratings reflect only the respective views of such Rating Agencies at the time such ratings were issued, and an explanation of the significance of such ratings may be obtained from any of the respective rating agencies.

The University furnished to such Rating Agencies certain information and material in respect to the University, the Parking System, and the 2023A Bonds. Generally, Rating Agencies base their ratings on such information and materials and on investigations, studies and assumptions made by the Rating Agencies. There is no assurance that such ratings will be maintained for any given period of time or that they may not be lowered, suspended or withdrawn entirely by the Rating Agencies, or any of them, if in their or its judgment, circumstances warrant. Any such downward change in, suspension of or withdrawal of such ratings may have an adverse effect on the market price of the 2023A Bonds.

Litigation

There is no litigation pending, or to the knowledge of the University, the Board of Governors, or the Division threatened, which if successful would have the effect of restraining or enjoining the issuance or delivery of the 2023A Bonds or the fixing or collection of the revenues pledged thereto. Nor is there any litigation pending, or to the knowledge of the University, the Board of Governors, or the Division threatened, which questions or affects the validity of the 2023A Bonds, the proceedings and authority under which the 2023A Bonds are to be issued or the corporate existence of the Board of Governors or the title of the present officers to their respective offices. The University, the Board of Governors, and the Division from time to time engage in certain routine litigation the outcome of which would not be expected to have any material adverse effect on the issuance and delivery of the 2023A Bonds.

The University has been named in a potential class action lawsuit by some of its students seeking refunds for tuition and student fees related to the transition to remote instruction for the spring and summer 2020 semesters as a result of the COVID-19 pandemic. The University is actively defending the lawsuit, and the outcome of the lawsuit is not expected to affect the 2023A Bonds.

Legal Opinion and Closing Certificates

The approving legal opinion of Bryant Miller Olive P.A., Tallahassee, Florida, will be provided on the date of delivery of the 2023A Bonds, as well as a certificate, executed by appropriate State officials, to the effect that to the best of their knowledge the Official Statement, as of its date and as of the date of delivery of the 2023A Bonds, does not contain an untrue statement of a material fact or omit to state a material fact which should be included herein for the purpose for which the Official Statement is intended to be used, or which is necessary to make the statements contained herein, in the light of the circumstances under which they were made, not misleading. A proposed form of the legal opinion of Bond Counsel is attached hereto as Appendix J.

Continuing Disclosure

The Board of Governors and the University will undertake, for the benefit of the beneficial owners and the Registered Owners of the 2023A Bonds to provide, or cause to be provided, certain financial information and operating data and to provide notices of certain material events. Such financial information and operating data will be transmitted to the Municipal Securities Rulemaking Board (the "MSRB") using its Electronic Municipal Market Access System ("EMMA"). Any notice of material events will also be transmitted to the MSRB using EMMA. This undertaking is being made in order to assist the underwriters in complying with Rule 15c2-12 of the Securities and Exchange Commission. Additionally, the Division has policies and procedures in place to assist the Board of Governors and the University in complying with disclosure undertakings. The form of the undertaking is set forth in Appendix I, Form of Continuing Disclosure Agreement. Neither the Board of Governors, the University, nor the Division has failed, in the previous five years, to comply in all material aspects with any prior disclosure undertakings.

From time to time, the Board of Governors or the University may voluntarily submit additional information that is not required by any of the Board of Governors and the University's continuing disclosure undertakings on EMMA or the Division's website. Although the Board of Governors and the University may provide additional information from time to time regarding the matters in such voluntary submissions, they are not required to do so. Further, the information on the Division's website is not incorporated by reference into this Official Statement and the Division is not obligated to provide or update such information at any time in the future. Neither the Board of Governors, the University, nor the Division will have any obligation to update such information or include it in any future submission.

Underwriting

Fidelity Capital Markets (the "Underwriter") has agreed to purchase the 2023A Bonds at an aggregate purchase price of $27,032,423.84 (which represents the par amount of the 2023A Bonds plus a net original issue premium of $2,438,509.85 and minus the Underwriter's discount of $241,086.01). The Underwriter may offer and sell the 2023A Bonds to certain dealers (including dealers depositing bonds into investment trusts) and others at prices lower than the offering price stated on the inside front cover.

Execution of Official Statement

The Division and the Board of Governors have authorized the execution and delivery of the Official Statement.

DIVISION OF BOND FINANCE of the STATE BOARD OF ADMINISTRATION	BOARD OF GOVERNORS of the STATE UNIVERSITY SYSTEM
J. BEN WATKINS III Director, Division of Bond Finance	BRIAN LAMB Chair, Board of Governors

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $9,100,000 STATE OF FLORIDA, BOARD OF REGENTS, FLORIDA INTERNATIONAL UNIVERSITY PARKING FACILITY REVENUE BONDS, SERIES 1995, TO FINANCE THE CONSTRUCTION OF A PARKING FACILITY AT THE FLORIDA INTERNATIONAL UNIVERSITY; PROVIDING FOR CERTAIN COVENANTS IN CONNECTION THEREWITH AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE GOVERNOR AND CABINET OF THE STATE OF FLORIDA, AS THE GOVERNING BOARD OF THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION ON BEHALF OF AND IN THE NAME OF THE BOARD OF REGENTS OF THE DIVISION OF UNIVERSITIES OF THE STATE OF FLORIDA DEPARTMENT OF EDUCATION;

ARTICLE I
AUTHORITY AND DEFINITIONS

SECTION 1.01. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Article VII, Section 11(d) of the Florida Constitution; Sections 215.57-215.83, Florida Statutes, the State Bond Act; Chapters 240 and 243, Florida Statutes, and other applicable provisions of law.

SECTION 1.02. DEFINITIONS. The following terms shall have the following meanings in this Resolution unless the text otherwise requires:

"Accreted Value" shall mean, as of any date of computation with respect to any Capital Appreciation Bonds, an amount equal to the principal amount of such Capital Appreciation Bond at its initial offering plus the accrued interest on such Capital Appreciation Bond from the date of delivery to the original purchasers thereof to the Interest Payment Date next preceding the date of computation or to the date of computation if such date is an Interest Payment Date, such interest to accrue at a rate per annum determined pursuant to a subsequent resolution of the Division of Bond Finance (not to exceed the maximum rate permitted by law), compounded periodically, plus, with respect to matters related to the payment upon redemption of the Capital Appreciation Bond, if such date of computation shall not be an Interest Payment Date, the ratable portion of the difference between the Accreted Value as of the immediately preceding Interest Payment Date (or the date of delivery of the Bonds to the original purchasers thereof if the date of computation is prior to the first Interest Payment Date succeeding the date of delivery) and the Accreted Value as of the immediately succeeding Interest Payment Date, calculated based on the assumption that Accreted Value accrues during any period in equal daily amounts on the basis of a year of twelve 30-day months.

"Additional Parity Bonds" shall mean any obligations hereafter issued pursuant to the terms and conditions of this Resolution and payable from the Pledged Revenues on a parity with the 1995 Bonds originally issued hereunder. Such Additional Parity Bonds shall be deemed to have been issued pursuant to this Resolution the same as the Bonds originally authorized and issued pursuant to this Resolution, and all of the applicable covenants and other provisions of this Resolution (except as to details of such Additional Parity Bonds inconsistent herewith), shall be for the equal benefit, protection and security of the Registered Owners of the Bonds originally authorized and issued pursuant to this Resolution, and the Registered Owners of any Additional Parity Bonds evidencing additional obligations subsequently issued within the limitations of and in compliance with this Resolution. All of such Additional Parity Bonds, regardless of the time or times of their issuance, shall rank equally with other Bonds with respect to their lien on and source and security for payment from the Pledged Revenues without preference of any Bonds over any other. Additional Parity Bonds shall also include any outstanding indebtedness previously issued with respect to any parking facility which is being added to the Parking System and which is secured by the revenue of such parking facility.

"Administrative Expenses" shall mean, with respect to the Bonds or the administration of any funds under this Resolution, to the extent applicable: (i) fees or charges, or both, of the Board of Administration and the Division of Bond Finance; and (ii) such other fees or charges, or both, as may be approved by the Board of Administration or the Division of Bond Finance, including but not limited to those relating to tax law compliance, disclosure of information, paying agents, rating agencies and providers of credit enhancement; all as may be determined from time to time as necessary.

"Amortization Installment" shall mean an amount so designated which is established for the Term Bonds of each Series; provided that each such Amortization Installment shall be deemed due upon the date provided pursuant to a subsequent resolution adopted by the Division of Bond Finance and the aggregate of such Amortization Installments for each Series shall equal the aggregate principal of the Term Bonds together with redemption premiums, if any, on the Term Bonds.

"Annual Debt Service Requirement" shall mean, at any time, the amount of money required to pay the interest, principal and Amortization Installment in each Fiscal Year, provided that any interest, principal, or Amortization Installment payable on July 1 of any Fiscal Year shall be deemed payable in the prior Fiscal Year.

"Auditor General" shall mean the Auditor General of the State of Florida.

"Board of Administration" shall mean the State Board of Administration, as created pursuant to the provisions of Article XII, Section 9, Florida Constitution and Chapter 215, Florida Statutes.

"Board of Regents" shall mean the Board of Regents of the Division of Universities of the State of Florida Department of Education, as created pursuant to the provisions of Chapter 240, Florida Statutes.

"Bond Amortization Account" shall mean the account within the Sinking Fund created pursuant to Section 4.02(A)(2) of this Resolution.

"Bond Insurance Policy" shall mean an insurance policy issued for the benefit of the Registered Owners of any Bond, pursuant to which the issuer of such insurance policy shall be obligated to pay when due the principal of and interest on such Bond to the extent of any deficiency in the amounts in the funds and accounts held under this Resolution, in the manner and in accordance with the terms provided in such Bond Insurance Policy.

"Bond Registrar/Paying Agent" shall mean State Street Bank and Trust Co., N.A., New York, New York, or its successor.

"Bonds" shall mean the 1995 Bonds and any Additional Parity Bonds issued in accordance with Section 5.01 hereof.

"Capital Appreciation Bonds" shall mean those Bonds issued under this Resolution as to which interest is compounded periodically on each of the applicable periodic dates designated for compounding and is payable in an amount equal to the then current Accreted Value at the maturity, earlier redemption or other payment date thereof, and which may be either Serial Bonds or Term Bonds, all as determined pursuant to a subsequent resolution of the Division of Bond Finance.

"Completion Bonds" shall mean those Bonds issued pursuant to Section 5.04 of this Resolution to pay the cost of completing the 1995 Project.

"Current Expenses" shall mean and include all necessary expenses of the Board of Regents or the University incident to the normal operation of the Parking System, but shall exclude depreciation, all general administrative expenses of the Board of Regents or the University, the expenses of operation of auxiliary facilities the revenues of which are not pledged as security for the Bonds and the payments into the Parking System Maintenance and Equipment Reserve Fund hereinafter provided for.

"Defeasance Obligations" shall mean, to the extent permitted by law, direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States and including advance refunded tax-exempt bonds fully secured by non-callable direct obligations of the United States of America, non-callable obligations guaranteed by the United States of America, or "stripped" interest payment obligations of debt obligations of the Resolution Funding Corporation.

"Division of Bond Finance" shall mean the Division of Bond Finance of the State Board of Administration.

"Fiscal Year" shall mean the period beginning with and including July 1 of each year and ending with and including the next June 30.

"Governing Board" shall mean the Governor and Cabinet of the State of Florida as the governing board of the Division of Bond Finance.

"Interest Payment Date" shall mean, for each Series of Bonds, the dates of each Fiscal Year on which interest on the Outstanding Bonds of such Series is payable, as set forth pursuant to a subsequent resolution of the Division of Bond Finance.

"Maximum Annual Debt Service" shall mean, at any time, the maximum amount (with respect to the particular Series of Bonds, or all Bonds, as the case may be), required to be deposited into the Sinking Fund during the then current or any succeeding Fiscal Year. For the purpose of calculating the deposits to be made into a sub-account in the Reserve Account, Maximum Annual Debt Service shall mean, at any time, the maximum amount, if any, required to be deposited during the then current or any succeeding Fiscal Year, into the Sinking Fund with respect to the Bonds for which such sub-account has been established. In the calculation of Maximum Annual Debt Service, any interest, principal, or Amortization Installment payable on July 1 of any Fiscal Year shall be deemed payable in the prior Fiscal Year. The amount of Term Bonds maturing in any Fiscal Year shall not be included as part of the Amortization Installment in determining the Maximum Annual Debt Service for that Fiscal Year.

"1995 Bonds" shall mean the not to exceed $9,100,000 State of Florida, Board of Regents, Florida International University Parking Facility Revenue Bonds, Series 1995.

"1995 Project" shall mean the parking facility located on the main campus of the Florida International University as previously approved by the Board of Regents and the Legislature, and subject to any deletions, modifications, or substitutions deemed necessary and expedient and approved by resolution of the Board of Regents.

"1995 Project Construction Fund" shall mean a trust fund in which shall be deposited the net proceeds of the 1995 Bonds and other available moneys for the construction of the 1995 Project.

"Outstanding" shall mean, as of any date of determination, all Bonds theretofore authenticated and delivered except:

(i) Bonds theretofore cancelled by the Bond Registrar/Paying Agent or delivered to the Bond Registrar/Paying Agent for cancellation;

(ii) Bonds which are deemed paid and defeased and no longer Outstanding as provided herein;

(iii) Bonds in lieu of which other Bonds have been issued pursuant to the provisions hereof relating to Bonds destroyed, stolen or lost, unless evidence satisfactory to the Bond Registrar/Paying Agent has been received that any such Bond is held by a bona fide purchaser; and

(iv) For purposes of any consent or other action to be taken hereunder by the Registered Owners of a specified percentage of principal amount of Bonds, Bonds held by or for the account of the Division of Bond Finance or the Board of Regents.

"Parking System" shall mean (1) the University's existing parking facilities located in Miami; (2) the 1995 Project; and (3) such additional parking facilities as at some future date may be added to the Parking System by designation of the Board of Regents.

"Parking System Maintenance and Equipment Reserve Fund" shall mean the fund required to be created pursuant to Section 4.02(A) hereof.

"Parking System Revenues" shall mean all fees, rentals or other charges and income received by the University from the operation of the Parking System, and all parts thereof, and specifically including, without limiting the generality of the foregoing, parking decal sales, towing revenues, parking meter collections, parking fine revenues and interest income.

"Pledged Revenues" shall mean the Parking System Revenues after deducting the Administrative Expenses, the Current Expenses and the Rebate Amount, if any.

"Principal Payment Date" shall mean, for each Series of Bonds, the dates during each Fiscal Year on which the principal of the Outstanding Bonds of such Series is payable, as set forth pursuant to a subsequent resolution of the Division of Bond Finance.

"Project Costs" shall mean the actual costs of the 1995 Project, including costs of design and construction; materials, labor, parking equipment and apparatus; sitework and landscaping; interest on the Bonds for a reasonable period after the date of delivery thereof, if necessary; an amount sufficient to establish adequate reserves; architectonic and engineering fees; legal fees; reimbursement for prior authorized expenditures; and fees and expenses of the Division of Bond Finance, the Board of Administration, the University, or the Board of Regents necessary to the construction and placing in operation of the 1995 Project and the financing thereof.

"Rating Agency" shall mean a nationally recognized bond rating agency.

"Rebate Amount" shall have the meaning ascribed to that term in Section 6.04 of this Resolution.

"Rebate Fund" shall mean the Rebate Fund created and established pursuant to Section 6.04 of this Resolution.

"Rebate Year" shall mean, with respect to each Series of Bonds issued hereunder, (i) the twelve-month period commencing on the anniversary of the "closing date" in each year and ending on the day prior to the anniversary of the "closing date" in the following year, except that the first Rebate Year shall commence on the "closing date" and the final Rebate Year shall end on the date of final maturity or early redemption or (ii) such other period as regulations promulgated or to be promulgated by the United States Department of Treasury may prescribe. "Closing date" as used herein shall mean the date of delivery of Bonds to the original purchaser thereof.

"Record Date" shall mean with respect to each Series of Bonds, the 15th day of the calendar month next preceding the month of an Interest Payment Date.

"Registered Owner" shall mean any person who shall be the registered owner of any Bond.

"Reserve Account" shall mean the account within the Sinking Fund created pursuant to Section 4.02(A)(2) of this Resolution and which shall include any subaccounts established for a particular Series of Bonds.

"Reserve Account Credit Facility" shall mean a Reserve Account Insurance Policy, Reserve Account Letter of Credit or other comparable insurance or financial product, if any, deposited in a debt service reserve subaccount in lieu of or in partial substitution for cash or securities on deposit therein. The provider of such Reserve Account Credit Facility shall be rated in one of the two highest full rating categories of a Rating Agency.

"Reserve Account Insurance Policy" shall mean the insurance policy, surety bond or other acceptable evidence of insurance, if any, deposited in a debt service reserve subaccount, if any, in lieu of or in partial substitution for cash or securities on deposit therein. The provider of such Reserve Account Insurance Policy shall be an insurer rated in one of the two highest full rating categories of a Rating Agency.

"Reserve Account Letter of Credit" shall mean the irrevocable, transferable letter of credit, if any, deposited in a debt service reserve subaccount, if any, in lieu of or in partial substitution for cash or securities on deposit therein. The provider of such letter of credit shall be a banking association, bank or trust company or branch thereof whose letter of credit results in the rating of municipal obligations secured by such letter of credit to be rated in one of the two highest full rating categories of a Rating Agency.

"Reserve Requirement" shall mean, as of any date of calculation for a particular debt service reserve subaccount within the Sinking Fund, an amount to be determined by subsequent resolution of the Governing Board, which amount shall not exceed the lesser of (1) the Maximum Annual Debt Service on the Bonds secured by such subaccount, (2) 125% of the average annual debt service of the Bonds secured by such subaccount, (3) 10% of the par amount of the Bonds secured by such subaccount, or (4) the maximum debt service reserve permitted with respect to tax-exempt obligations under the U.S. Internal Revenue Code of 1986, as amended, with respect to the Bonds secured by such subaccount.

"Resolution" shall mean this resolution adopted by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the issuance of the 1995 Bonds.

"Revenue Fund" shall mean the Florida International University Parking System Revenue Fund created and established pursuant to Section 4.02 of this Resolution.

"Serial Bonds" shall mean the Bonds of a Series which shall be stated to mature in periodic installments.

"Series" or **"Series of Bonds"** shall mean all of the Bonds authenticated and delivered on original issuance pursuant to this Resolution or any supplemental resolution authorizing such Bonds as a separate Series of Bonds, or any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article II hereof, regardless of variations in maturity, interest rate or other provisions.

"Sinking Fund" shall mean the Florida International University Parking System Sinking Fund created and established pursuant to Section 4.02(A)(2) of this Resolution.

"State" shall mean the State of Florida.

"Term Bonds" shall mean the Bonds of a Series which shall be stated to mature on one date and for the amortization of which payments are required to be made into the Bond Amortization Account in the Sinking Fund, hereinafter created, as may be provided pursuant to a subsequent resolution of the Division of Bond Finance.

"University" shall mean Florida International University.

Where the context so requires, words importing singular number shall include the plural number in each case and vice versa, words importing persons shall include firms and corporations, and the masculine includes the feminine and vice versa.

SECTION 1.03. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the 1995 Bonds by those who shall be Registered Owners of the same from time to time, this Resolution shall be deemed to be and shall constitute a contract among the Division of Bond Finance, the Board of Regents, the University and such Registered Owners. The covenants and agreements to be performed by the Board of Regents and the University shall be for the equal benefit, protection, and security of the Registered Owners of any and all of the 1995 Bonds, as defined herein, all of which shall be of equal rank and without preference, priority, or distinction as to any of such Bonds over any other thereof, except as expressly provided therein and herein.

ARTICLE II
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION, TRANSFER AND ISSUANCE OF BONDS

SECTION 2.01. AUTHORIZATION OF 1995 BONDS. Subject and pursuant to the provisions of this Resolution, fully registered revenue bonds of the Board of Regents of the Division of Universities of the State of Florida Department of Education to be known as "State of Florida, Board of Regents, Florida International University Parking Facility Revenue Bonds, Series 1995" (or such other designation as may be approved by the Division), are hereby authorized to be issued by the Division of Bond Finance on behalf of the Board of Regents in an aggregate principal amount not to exceed Nine Million One Hundred Thousand Dollars ($9,100,000), for the purpose of financing the construction and equipping of the 1995 Project.

SECTION 2.02. DESCRIPTION OF BONDS. The Bonds shall be issued in fully registered form without coupons; shall be dated as determined pursuant to a subsequent resolution of the Division of Bond Finance; shall be numbered consecutively from one upward and shall be in the denomination of $5,000 each or any integral multiples thereof; shall bear interest at not exceeding the maximum rate permitted by law, payable on each Interest Payment Date, except for Capital Appreciation Bonds which shall bear interest as described under the defined term Accreted Value, payable only upon redemption, acceleration or maturity thereof; and shall mature on such dates in such years and amounts as shall be determined pursuant to a subsequent resolution adopted by the Division of Bond Finance on or prior to the sale of the Bonds.

The Bonds may be sold at one time or in Series from time to time as the Division of Bond Finance may determine by resolution. If issued in Series, each Series shall be dated and have an identifying number or letter. All of such Bonds, when issued, will rank equally as to source and security for payment.

Interest shall be paid on the Interest Payment Dates to the Registered Owner whose name appears on the books of the Bond Registrar/Paying Agent (the "Registered Owner") as of 5:00 p.m. (local time, Tallahassee, Florida) on the Record Date next preceding such Interest Payment Date by check or draft mailed (or transferred by a mode at least equally as rapid as mailing) from the Bond Registrar/Paying Agent to the Bondholder, except for Capital Appreciation Bonds which shall bear interest as described under the defined term Accreted Value, payable only upon redemption, acceleration or maturity thereof.

SECTION 2.03. BONDS MAY BE ISSUED AS SERIAL BONDS OR TERM BONDS. The Bonds may be issued as, or as a combination of, Serial Bonds, Term Bonds, Capital Appreciation Bonds or such other type of bonds as shall be determined pursuant to a subsequent resolution of the Division of Bond Finance.

SECTION 2.04. PRIOR REDEMPTION OF THE BONDS. The Bonds shall be subject to redemption as provided in this Resolution and in the Notice of Bond Sale, provided that the Director or the Secretary or an Assistant Secretary of the Governing Board is authorized to amend the redemption provisions of the Bonds in such manner as such official may determine to be in the best interest of the State.

Unless waived by any Registered Owner of Bonds to be redeemed, a notice of the redemption prior to maturity of any of the Bonds shall be mailed by first class mail (postage prepaid) at least thirty days prior to the date of redemption to the Registered Owner of the Bonds to be redeemed, of record on the books of the Bond Registrar, as of forty-five days prior to the date of redemption. Such notice of redemption shall specify the serial or other distinctive numbers or letters of the Bonds to be redeemed, if less than all, the date fixed for redemption, and the redemption price thereof and, in the case of Bonds to be redeemed in part only, the principal amount thereof to be redeemed. Failure to give any such notice by mailing to any Registered Owner of Bonds, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bond or portion thereof with respect to which no such failure has occurred. Any notice mailed as provided above shall be conclusively presumed to have been given, whether or not the Registered Owner of such Bond receives such notice.

The privilege of transfer or exchange of any of the Bonds is suspended during a period beginning at the opening of business on the 15th business day next preceding the date fixed for redemption and ending at the close of business on the date fixed for redemption.

Notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions of Bonds so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Bonds or portions of Bonds on such date. On the date so designated for redemption, notice having been given and moneys for payment of the redemption price being held in separate accounts by an escrow agent, the Board of Administration, or the Bond Registrar/Paying Agent, in trust for the Registered Owners of the Bonds or portions thereof to be redeemed, all as provided in this Resolution, interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds and portions of Bonds shall cease to be Outstanding under the provisions of this Resolution and shall not be entitled to any lien, benefit or security under this Resolution, and the Registered Owners of such Bonds or portions of Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof from the moneys held in trust for the payment thereof and, to the extent provided herein to receive Bonds for any unredeemed portion of the Bonds. Any and all Bonds redeemed prior to maturity shall be duly cancelled by the Bond Registrar/Paying Agent and shall not be reissued.

In addition to the foregoing notice, further notice shall be given by the Bond Registrar/Paying Agent as set out below, but no defect in said further notice nor any failure to give all or a portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; (v) the publication date of the official notice of redemption; (vi) the name and address of the Bond Registrar/Paying Agent; and (vii) any other descriptive information needed to identify accurately the Bonds being redeemed.

(b) Each further notice of redemption shall be sent at least thirty-five days before the redemption date by certified mail or overnight delivery service or telecopy to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories now being The Depository Trust Company, New York, New York, Midwest Securities Trust Company, Chicago, Illinois, and Philadelphia Depository Trust Company, Philadelphia, Pennsylvania) and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(c) Each further notice of redemption shall be published one time in The Bond Buyer of New York, New York or in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the Bonds, such publication to be made at least thirty days prior to the date fixed for redemption.

(d) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying the Bonds redeemed with the proceeds of such check or other transfer.

In case part but not all of an Outstanding Bond shall be selected for redemption, the Registered Owner thereof shall present and surrender such Bond to the Bond Registrar/Paying Agent for payment of the principal amount thereof so called for redemption, and the Bond Registrar/Paying Agent shall execute and deliver to or upon the order of such Registered Owner, without charge therefor, for the unredeemed balance of the principal amount of the Bond so surrendered, a Bond or Bonds fully registered as to principal and interest.

SECTION 2.05. EXECUTION OF BONDS. The Bonds shall be executed in the name of the Board of Regents by its Chairman, and attested to by its Vice-Chairman, or such other authorized member of the Board of Regents, and the corporate seal of the Board of Regents or a facsimile thereof shall be affixed thereto or reproduced thereon. Any of the signatures required hereinabove may be a facsimile signature imprinted or reproduced on the Bonds. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Board of Regents before the Bonds so signed and sealed shall have been actually sold and delivered, the Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office.

A certificate as to validation, in the form hereinafter provided, shall be executed with the facsimile signature of any present or future Chairman of the Governing Board .

A certificate as to the approval of the issuance of the Bonds pursuant to the provisions of the State Bond Act, in the form provided herein, shall be executed by the facsimile signature of the Comptroller of the State of Florida, as Secretary of the Governing Board of the Division of Bond Finance.

SECTION 2.06. NEGOTIABILITY. The Bonds shall have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code - Investment Securities Law of the State of Florida. The original Registered Owner and each successive Registered Owner of any of the Bonds shall be conclusively deemed by the acceptance thereof to have agreed that the Bonds shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code - Investment Securities Law of the State of Florida.

SECTION 2.07. REGISTRATION AND TRANSFER. The Bonds shall be issued only as fully registered bonds without coupons. The Bond Registrar/Paying Agent shall be responsible for maintaining the books for the registration of and for the transfer of the Bonds in compliance with its agreement with the State.

Upon surrender to the Bond Registrar/Paying Agent for transfer or exchange of any Bond, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney duly authorized in writing, the Bond Registrar/Paying Agent shall deliver in the name of the transferee or transferees a fully registered Bond or Bonds of authorized denominations of the same maturity for the aggregate principal amount which the Registered Owner is entitled to receive.

All Bonds presented for transfer, exchange, redemption or payment shall be accompanied (if so required by the Division of Bond Finance or the Bond Registrar/Paying Agent) by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Division of Bond Finance and the Bond Registrar/Paying Agent, duly executed by the Registered Owner or by his duly authorized attorney.

Neither the Division of Bond Finance nor the Bond Registrar/Paying Agent may charge the Bondholder or his transferee for any expenses incurred in making any exchange or transfer of the Bonds. However, the Division of Bond Finance and the Bond Registrar/Paying Agent may require payment from the Bondholder of a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in relation thereto. Such governmental charges and expenses shall be paid before any such new Bond shall be delivered.

New Bonds delivered upon any transfer or exchange shall be valid obligations of the Board of Regents evidencing the same debt as the Bonds surrendered, shall be secured by this Resolution, and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

The Board of Regents and the Bond Registrar/Paying Agent may treat the Registered Owner of any Bond as the absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and shall not be bound by any notice to the contrary.

Notwithstanding the foregoing provisions of this Section 2.07, the Division of Bond Finance reserves the right, on or prior to the delivery of the Bonds, to amend or modify the foregoing provisions relating to registration of the Bonds in order to comply with all applicable laws, rules, and regulations of the United States and the State of Florida relating thereto.

SECTION 2.08. AUTHENTICATION. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless and until a certificate of authentication on such Bond substantially in the form herein set forth shall have been duly executed by the manual signature of the Bond Registrar/Paying Agent, and such executed certificate of the Bond Registrar/Paying Agent upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Resolution. The Bond Registrar/Paying Agent's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Bond Registrar/Paying Agent, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereinafter.

SECTION 2.09. DISPOSITION OF BONDS PAID OR EXCHANGED. Whenever any Bond shall be delivered to the Bond Registrar/Paying Agent for cancellation, upon payment of the principal amount thereof or for replacement or transfer or exchange, such Bond shall either be cancelled and retained by the Bond Registrar/Paying Agent for a period of time specified in writing by the Division of Bond Finance or the Board of Administration, or, at the option of the Division of Bond Finance or the Board of Administration, shall be cancelled and destroyed by the Bond Registrar/Paying Agent and counterparts of a certificate of destruction evidencing such destruction shall be furnished to the Division of Bond Finance or the Board of Administration.

SECTION 2.10. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Division of Bond Finance may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen, or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Registered Owner furnishing the Division of Bond Finance proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Division of Bond Finance may prescribe and paying such expense as the Division of Bond Finance may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar/Paying Agent. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Division of Bond Finance may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bond issued pursuant to this Section 2.10 shall constitute original, additional, contractual obligations on the part of the Board of Regents, whether or not the lost, stolen or destroyed Bond be at any time found by anyone and such duplicate Bond shall be entitled to equal and proportionate benefits and rights as to lien, source and security for payment, pursuant to this Resolution from the Pledged Revenues.

SECTION 2.11. FORM OF BONDS. The text of the Bonds, together with the validation certificate to be endorsed thereon, shall be substantially of the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution or any subsequent resolution adopted prior to the issuance thereof:

(Form of Bond intentionally omitted)

ARTICLE III
APPLICATION OF PROCEEDS

SECTION 3.01. CONSTRUCTION OF THE 1995 PROJECT. The Board of Regents is authorized to cause the construction of the 1995 Project from the proceeds derived from the sale of the 1995 Bonds and other legally available funds, subject to the provisions of this Resolution and the applicable laws of the State.

SECTION 3.02. APPLICATION OF 1995 BOND PROCEEDS. Upon receipt of the proceeds of the sale of the 1995 Bonds, and after reserving an amount sufficient to pay all costs and expenses incurred in connection with the preparation, issuance and sale of the 1995 Bonds, including a reasonable charge for the Division of Bond Finance's services, including arbitrage compliance program set-up, the Division of Bond Finance shall transfer and deposit the remainder of the 1995 Bond proceeds as follows:

(1) An amount which, together with other moneys available therefor and on deposit in the Reserve Account, is equal to the Reserve Requirement, shall be transferred to the Board of Administration and deposited in the Reserve Account in the Sinking Fund to be used solely for the purpose of the Reserve Account. Alternatively, the Division of Bond Finance, as provided in Section 4.02(A)(2), may elect at any time to provide in lieu of all or a portion of such funds, a Reserve Account Credit Facility.

(2) Any accrued interest or amounts to be used to pay interest for a specified period of time shall be transferred to the Board of Administration and deposited in the Sinking Fund, created by this Resolution, and used for the payment of interest on the 1995 Bonds.

(3) After making the transfers provided for in (1) and (2) above, the balance of the proceeds of the Bonds shall be transferred to and deposited into the 1995 Project Construction Fund, which is hereby created in the State Treasury, and used for the purposes of said 1995 Project Construction Trust Fund.

Any unexpended balance remaining in the 1995 Project Construction Fund, after a consulting architect shall certify that the 1995 Project has been completed and all costs thereof paid or payment provided for, shall be deposited in the Sinking Fund created by this Resolution.

In addition to the aforementioned proceeds of the 1995 Bonds, the Board of Regents covenants that it will deposit into the 1995 Project Construction Fund additional funds legally available for such purpose which, together with the proceeds of the 1995 Bonds, will be sufficient to finance the total 1995 Project Costs. Any such additional funds, other than the proceeds of the 1995 Bonds or Completion Bonds, shall be derived from sources and in a manner which will not jeopardize the security of the Bonds issued pursuant to this Resolution.

All moneys in said 1995 Project Construction Fund, or in any other construction fund hereafter created for any project hereafter financed in whole or in part from the proceeds of Additional Parity Bonds as provided herein, shall constitute a trust fund for such purposes and there is hereby created a lien upon such funds in favor of the Registered Owners of Bonds issued pursuant to this Resolution, until such funds are applied as provided herein, except to the extent such moneys are required for the payment of any Rebate Amount, and all moneys in such funds shall be continuously secured in the manner now provided by the laws of the State for securing deposits of State funds.

SECTION 3.03. INVESTMENT OF 1995 PROJECT CONSTRUCTION FUND. Any moneys in the 1995 Construction Fund not immediately needed for the purposes provided in this Resolution, may be temporarily invested and reinvested as provided in Section 18.10, Florida Statutes.

ARTICLE IV
APPLICATION AND ADMINISTRATION OF PLEDGED REVENUES

SECTION 4.01. BONDS SECURED BY PLEDGED REVENUES. (A) The payment of principal of and interest on the Bonds shall be secured forthwith equally and ratably by a valid and enforceable senior lien on the Pledged Revenues as provided for in Section 6.01 of this Resolution and to be received under this Resolution, and such Pledged Revenues, except as may be required for payment of Rebate Amounts, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds, as the same become due.

(B) The Bonds shall not be or constitute an indebtedness of the State, or any political subdivision thereof or any instrumentality thereof, but shall be payable solely from the Pledged Revenues, as provided herein. No Registered Owner or Registered Owners of the Bonds shall ever have the right to compel the exercise of the taxing power of the State, or any political subdivision thereof, to pay such Bonds or the interest thereon, or be entitled to payment of such principal and interest from any other funds except such payments consisting of the Pledged Revenues, in the manner provided herein.

SECTION 4.02. APPLICATION OF PARKING SYSTEM REVENUES. (A) Upon collection the Parking System Revenues shall be deposited daily by the University into the "Florida Board of Regents Florida International University Clearing Account", in a bank approved by the Board of Regents and the State Treasurer and from there shall be transferred on a daily basis to a separate account held by the State Treasurer. This separate account shall be known as the "Florida International University Parking System Revenue Fund" (hereinafter referred to as the "Revenue Fund") which is hereby created. Said fund constitutes a trust fund for the purposes provided in this Resolution, and shall be kept separate and distinct from all other funds of the University and the Board of Regents and used only for the purposes and in the manner provided in this Resolution. All revenues on deposit at any time in the Revenue Fund shall be applied only in the following manner and order of priority:

(1) first, for payment of Current Expenses of the University Parking System as necessary, as determined by the University;

(2) second, a sufficient amount of moneys shall be transferred no later than thirty days before an Interest Payment Date and/or a Principal Payment Date, to the Board of Administration to be used as follows:

(a) for payment of the Administrative Expenses;

(b) for deposit into the Sinking Fund, which is hereby created, an amount sufficient to pay the next installments of principal and interest to become due during the then current Fiscal Year, including Amortization Installments for any Term Bonds which funds shall be deposited into the Bond Amortization Account which is hereby created;

(c) for the maintenance and establishment, if necessary, together with other moneys available for such purposes, of the Reserve Account, or sub-accounts therein, in the Sinking Fund in an amount equal to the Reserve Requirement.

The moneys in the Reserve Account shall be used for the payments provided for in (b) above when the other moneys in the Sinking Fund are insufficient therefor, any withdrawals from the Reserve Account shall be restored from the first moneys available therefor in the Sinking Fund after the required payments under (b) above have been made or provided for. Any unused portion of the Reserve Account may be used by the Board of Regents to reduce the final installments of the Annual Debt Service Requirement becoming due. If the funds on deposit in the Reserve Account exceed the Reserve Requirement with respect to the Series of Bonds secured thereby, such excess shall remain in the Sinking Fund to be used for the purposes thereof.

Notwithstanding the foregoing provisions, in lieu of the required deposits into the Reserve Account, the Board of Regents may at any time cause to be deposited into one or more sub-accounts in the Reserve Account, a Reserve Account Credit Facility for the benefit of the Registered Owners for which such sub-account has been established, in an amount which, together with sums on deposit, equals the Reserve Requirement. The Reserve Account Credit Facility shall be payable or available to be drawn upon, as the case may be, on or before any Interest Payment Date or Principal Payment Date on which a deficiency exists which cannot be cured by funds in any other account held for such Bonds pursuant to this Resolution and available for such purpose. In no event shall the use of such Reserve Account Credit Facility be permitted if it would cause, at the time of acquisition of such Reserve Account Credit Facility, an impairment in any existing rating on the Bonds or any Series of Bonds.

If a disbursement is made under the Reserve Account Credit Facility, the Board of Regents shall be obligated, from the first Pledged Revenues available, to either reinstate such Reserve Account Credit Facility, immediately following such disbursement to the amount required to be maintained in the Reserve Account or to deposit into the applicable sub-account in the Reserve Account from the Pledged Revenues, as herein provided, funds in the amount of the disbursement made under such Reserve Account Credit Facility plus any amounts required to reimburse the Reserve Account Credit Facility provider for previous disbursements made pursuant to such Reserve Account Credit Facility, or a combination of such alternatives as shall equal the amount required to be maintained.

In the event that any moneys shall be withdrawn by the Board of Administration from the Reserve Account for the payment of interest, principal or Amortization Installments, such withdrawals shall be subsequently restored from the first Pledged Revenues available after all required payments have been made as provided in sub-paragraph (b) of this paragraph, including any deficiencies for prior payments, unless restored by a reinstatement under a Reserve Account Credit Facility of the amount withdrawn.

Moneys in the Reserve Account shall be used for payment of principal or interest only when the other moneys in the Sinking Fund available for such purpose are insufficient therefor.

The Board of Administration shall establish one or more specific sub-accounts in the Reserve Account. Each sub-account may be established for one or more Series of Bonds. Each sub-account shall be available only to cure deficiencies in the accounts in the Sinking Fund with respect to the Series of Bonds for which such sub-account has been established, and no amounts in the other sub-accounts in the Reserve Account shall be available for such purpose. Such separate sub-account shall be established and designated in the resolution authorizing such Series of Bonds. Such resolution may also specify the method of valuation of the amounts held in such separate sub-account.

Any moneys in a sub-account in the Reserve Account in excess of the amount required to be maintained therein shall first be used to cure any deficiency in any other sub-account in the Reserve Account and any remaining monies shall remain in the Sinking Fund; and

(d) for deposit to the Rebate Fund created by Section 6.04(B) of this Resolution, an amount of moneys sufficient to pay the Rebate Amount;

(3) third, when sufficient amounts have been accumulated in the Revenue Fund to satisfy the requirements of paragraphs (1) and (2) above, moneys shall be deposited by the University into the Parking System Maintenance and Equipment Reserve Fund to be established by the University in a separate account in a bank approved by the Board of Regents and the State Treasurer. Amounts required by this Resolution to be deposited into the Parking System Maintenance and Equipment Reserve Fund shall be as approved in the annual budget of the University pursuant to Section 8.11 hereof. Such deposits shall continue to be made in each Fiscal Year in amounts necessary to maintain a balance in such account as required by the Board of Regents.

The moneys in said Parking System Maintenance and Equipment Reserve Fund may be drawn on and used by the Board of Regents or the University for the purpose of paying the cost of unusual or extraordinary maintenance or repairs, renewals and replacements, and the renovating or replacement of the equipment and furnishings not paid as part of the ordinary and normal expense of the operation and maintenance of the Parking System.

In the event the moneys in the Sinking Fund and Reserve Account therein on any Interest Payment Date or Principal Payment Date shall be insufficient to pay the next maturing installment of principal of or interest on the Bonds, then moneys in said Parking System Maintenance and Equipment Reserve Fund may be transferred by the University to the Board of Administration to be deposited into the Sinking Fund to the extent necessary to eliminate such deficiencies and to avoid a default;

(4) fourth, the balance of any money not needed for the payments provided in (1), (2) and (3) above, shall be applied in the sole discretion of the University for:

(a) Optional redemption or purchase of Bonds; or

(b) Any lawful purpose of the University.

(B) If on any payment date the revenues are insufficient to place the required amounts in any of the funds as above provided, the deficiency shall be made up in subsequent payments in addition to the payments which would otherwise be required to be made into such funds on the subsequent payment dates.

(C) The Revenue Fund and the Sinking Fund shall constitute trust funds for the purposes provided herein for such funds. All of such funds shall be continuously secured in the same manner as deposits of State funds are required to be secured by the laws of the State.

(D) Except insofar as such funds may be needed for any payment required to be made by the terms of this Resolution or the Bonds, moneys in any of the funds authorized or required by this Resolution may be invested and reinvested at any time as provided by Section 18.10, Florida Statutes. When so invested or reinvested, the proceeds derived from the investment or reinvestment of such obligations shall be held for and credited to the fund for which said obligations were purchased except as otherwise provided in this Resolution; provided, however, that any such obligations purchased as investments for moneys in the

Sinking Fund shall mature not later than the dates upon which such moneys will be needed for the payment of maturing principal and interest to be paid from said Sinking Fund.

ARTICLE V
ADDITIONAL PARITY BONDS AND REFUNDING REQUIREMENTS

SECTION 5.01. ISSUANCE OF ADDITIONAL PARITY BONDS. The Division of Bond Finance is authorized to issue Additional Parity Bonds, but only upon the following terms, restrictions and conditions:

(A) The proceeds from such Additional Parity Bonds shall be used to acquire and construct capital additions or improvements to the Parking System.

(B) All previously authorized bonds shall have been issued and delivered, or authority for the issuance and delivery of any unissued portion thereof shall have been cancelled.

(C) The Board of Regents shall authorize the issuance of such Additional Parity Bonds.

(D) The Board of Administration shall approve the fiscal sufficiency of such Additional Parity Bonds.

(E) Certificates shall be executed by the Board of Regents or other appropriate State official setting forth:

(1) the average amount of Pledged Revenues from the two Fiscal Years immediately preceding the issuance of the proposed Additional Parity Bonds, and;

(2) the Maximum Annual Debt Service on the Bonds then Outstanding and the Additional Parity Bonds then proposed to be issued.

(F) The Board of Regents must be current in all deposits into the various funds and accounts and all payments theretofore required to have been deposited or made by it under the provisions of this Resolution and the Board of Regents must be currently in compliance with the covenants and provisions of this Resolution and any supplemental resolution hereafter adopted for the issuance of Additional Parity Bonds, unless upon the issuance of such Additional Parity Bonds the Board of Regents will be in compliance with all such covenants and provisions.

(G)(1) The average amount of Pledged Revenues for the two immediately preceding Fiscal Years adjusted as hereinafter provided, as certified by the Board of Regents or other appropriate State official pursuant to (E)(1) above, will be at least equal to one hundred twenty percent of the Maximum Annual Debt Service on (i) the Bonds then Outstanding, and (ii) the Additional Parity Bonds then proposed to be issued;

(2) The Pledged Revenues calculated pursuant to the foregoing paragraph (G)(1) may be adjusted, at the option of the Board of Regents as follows:

(a) If the Board of Regents or the University, prior to the issuance of the proposed Additional Parity Bonds, shall have increased the rates, fees, rentals or other charges for the services or facilities of the Parking System, the average amount of Pledged Revenues for the two immediately preceding Fiscal Years prior to the issuance of said Additional Parity Bonds shall be adjusted to show the Pledged Revenues which would have been derived from the Parking System as if such increased rates, fees, rentals or other charges for the services or facilities of the Parking System had been in effect during all of such two preceding Fiscal Years.

(b) If the Board of Regents or the University shall have acquired or shall have contracted to acquire any privately or publicly owned existing parking facility, then the average amount of Pledged Revenues derived from the Parking System during the two immediately preceding Fiscal Years prior to the issuance of said Additional Parity Bonds as certified by the Board of Regents or other appropriate State official, shall be increased by adding to the Pledged Revenues for said two preceding Fiscal Years the net revenues which would have been derived from the existing parking facility so acquired as if such existing parking facility had been a part of the Parking System during such two Fiscal Years. For the purposes of this paragraph, the revenues derived from said existing parking facility during such two preceding Fiscal Years shall be adjusted to determine such net revenues by deducting the cost of operation and maintenance of said existing parking facility from the gross revenues of said parking facility in the same manner provided in this Resolution for the determination of Pledged Revenues. The revenues from such facilities may also be adjusted for any increase in rates as though they had been in effect during all of such two preceding Fiscal Years.

(c) Should the Board of Regents or the University be constructing or acquiring additions, extensions or improvements to the Parking System from the proceeds of such Additional Parity Bonds or from sources other than Additional Parity Bonds and if the Board of Regents or the University shall have established rates, fees, rentals or other charges to be charged and collected from users of such facilities when service is rendered, the average amount of Pledged Revenues for the two immediately preceding Fiscal Years prior to the issuance of such Additional Parity Bonds, as certified by the Board of Regents, shall be adjusted to show the Pledged Revenues estimated by the Board of Regents to be received from the users of the facilities to be financed, during the first twelve months of operation after completion of the construction or acquisition of said additions, extensions and improvements as if such rates, fees, rentals or other charges for such services or facilities had been in effect during all of such two Fiscal Years.

SECTION 5.02. REFUNDING BONDS. The Bonds originally issued pursuant to this Resolution then Outstanding, together with all Additional Parity Bonds theretofore issued and then Outstanding, may be refunded as a whole or in part. If the Annual Debt Service Requirement of the refunding Bonds in each Fiscal Year is equal to or less than the corresponding Annual Debt Service Requirement of the refunded Bonds, then the provisions of Section 5.01(G) of this Resolution shall not apply to the issuance of the refunding Bonds.

SECTION 5.03. ISSUANCE OF OTHER OBLIGATIONS OR CREATION OF ENCUMBRANCES. The Division of Bond Finance covenants that it will not issue any other obligations, except Additional Parity Bonds provided for in Section 5.01 hereof, refunding Bonds provided for in Section 5.02 hereof, or Completion Bonds provided for in Section 5.04 hereof, payable from the Pledged Revenues nor voluntarily create or cause to be created any other debt, lien, pledge, assignment, encumbrance or other charge, having priority to or being on a parity with the lien of the Bonds, upon the Pledged Revenues securing the Bonds provided for in this Resolution. Any such other obligations hereafter issued by the Board of Regents, in addition to the Bonds and parity refunding Bonds or Completion Bonds provided for in Section 5.01, 5.02 or 5.04 hereof, shall contain an express statement that such obligations are junior and subordinate to the Bonds, as to lien on and source and security for payment from such Pledged Revenues.

SECTION 5.04. COMPLETION BONDS. The Board of Regents and the Division of Bond Finance may issue Additional Parity Bonds for the purpose of completing the project being financed by the Bonds. The Board of Regents and the Division of Bond Finance need not comply with Section 5.01 of this Resolution in the issuance of Completion Bonds, provided that the net proceeds of such Completion Bonds available for deposit into the construction fund for such costs shall be equal to or less than 20% of the original estimated cost of the project on the delivery date of the Bonds.

ARTICLE VI
COVENANTS

SECTION 6.01. PLEDGE OF PLEDGED REVENUES. The Board of Regents hereby covenants and agrees with the Registered Owners of Bonds that, so long as any of the Bonds, or interest thereon, are Outstanding and unpaid, all of the Pledged Revenues provided for in this Resolution shall be pledged to the payment of the principal of and interest on the Bonds and the payment of Rebate Amounts, if any, in the manner provided in this Resolution and the Registered Owners of the Bonds shall have a valid and enforceable senior lien on such Pledged Revenues in the manner provided herein.

SECTION 6.02. PLEDGED REVENUE COVENANTS. The Board of Regents covenants:

(A) That it will punctually apply the Pledged Revenues as provided for in Section 6.01 of this Resolution in the manner and at the times provided in this Resolution and that it will duly and punctually perform and carry out all the covenants of the Board of Regents made herein and the duties imposed upon the Board of Regents by this Resolution.

(B) That in preparing, approving and adopting any budget controlling or providing for the expenditures of its funds for each budget period it will allocate, allot and approve from its Parking System Revenues and other available funds the amounts sufficient to apply the Pledged Revenues as provided in this Resolution.

(C) That it will from time to time recommend, fix and include in its budgets such revisions in the amounts of rentals, fees and other charges to be levied upon and collected from each person using the facilities of the Parking System which will produce sums sufficient to pay, when due, the requirements as set forth under this Resolution.

(D) That it will continue to collect the fines, fees, rentals and other amounts charged all individuals being served by the facilities of the Parking System.

SECTION 6.03. FEES, RENTALS OR OTHER CHARGES. (A) The Board of Regents covenants that it will fix, establish and collect such fees, rentals or other charges to be derived from the operation of the Parking System, and revise the same from time to time whenever necessary, so that the Parking System Revenues shall be sufficient in each Fiscal Year to pay at least one hundred percent of an amount equal to the Current Expenses and Administrative Expenses, and so that the Pledged Revenues shall be sufficient in each Fiscal Year to pay at least one hundred percent of an amount equal to the Annual Debt Service Requirement for the Bonds and at least one hundred percent of all other payments required by the terms of this Resolution.

(B) The Board of Regents will increase such fees, rentals or other charges as shall be necessary to comply with the provisions of subsection (A), provided that such increase will not result in a reduction of Parking System Revenues for the then current or any future Fiscal Year.

(C) Whenever in any year the amounts of Parking System Revenues stated in the annual budget, as provided hereafter, for the ensuing Fiscal Year shall be insufficient to comply with the requirements of the above paragraph for such Fiscal Year, then it shall be the duty of the Board of Regents to increase such fees, rentals or other charges for the ensuing Fiscal Year in an amount sufficient to comply with the provisions of the above paragraph for such ensuing Fiscal Year, and any deficiencies in prior years.

SECTION 6.04. COMPLIANCE WITH TAX REQUIREMENTS: REBATE FUND. (A) In addition to any other requirement contained in this Resolution, the Division of Bond Finance, the Board of Regents, and the Board of Administration hereby covenant and agree, for the benefit of the Registered Owners from time to time of the Bonds, that each will comply with the requirements contained in Section 103 and Part IV of Subchapter B of Chapter 1 of the Internal Revenue Code of 1986, as amended, and temporary, proposed or permanent implementing regulations promulgated thereunder (the "Code") as shall be set forth in the non-arbitrage certificate of the Board of Regents dated and delivered on the date of delivery of each series of Bonds. Specifically, without intending to limit in any way the generality of the foregoing, the Division of Bond Finance and Board of Regents covenant and agree:

(1) to pay or cause to be paid to the United States of America from the Parking System Revenues and any other legally available funds, at the times required pursuant to Section 148(f) of the Code, the excess of the amount earned on all nonpurpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such nonpurpose investments were invested at a rate equal to the yield on the Bonds, plus any income attributable to such excess (the "Rebate Amount");

(2) to maintain and retain or cause to be maintained and retained all records pertaining to and to be responsible for making or causing to be made all determinations and calculations of the Rebate Amount and required payments of the Rebate Amount as shall be necessary to comply with the Code;

(3) to refrain from using proceeds from the Bonds in a manner that might cause any of the Bonds to be classified as private activity bonds under Section 141(a) of the Code; and

(4) to refrain from taking any action that would cause any of the Bonds to become arbitrage bonds under Section 148 of the Code.

The Board of Regents, the Division of Bond Finance and the Board of Administration understand that the foregoing covenants impose continuing obligations that will exist throughout the term of the issue to comply with the requirements of the Code.

(B) The Division of Bond Finance and Board of Regents covenant and agree that they shall maintain and retain or cause to be maintained and retained all records pertaining to and they shall be responsible for making and having made all determinations and calculations of the Rebate Amount for each Series of Bonds issued hereunder for each Rebate Year within thirty days after the end of such Rebate Year and within thirty days after the final maturity of each such Series of Bonds. On or before the expiration of each such thirty day period, the Board of Regents shall deposit or direct the Board of Administration to deposit into the Rebate Fund which is hereby created and established in the Board of Administration, from investment earnings or moneys deposited in the other funds and accounts created hereunder, or from any other legally available funds of the Board of Regents, an amount equal to the Rebate Amount for such Rebate Year. The Board of Administration shall use such moneys deposited in the Rebate Fund only for the payment of the Rebate Amount to the United States as required by subsection (A) of this section, and as directed by the Board of Regents, which payments shall be made in installments, commencing not more than thirty days after the end of the fifth Rebate Year and with subsequent payments to be made not later than five years after the preceding payment was due except that the final payment shall be made within thirty days after the final maturity of the last obligation of the Series of Bonds issued hereunder. In complying with the foregoing, the Division of Bond Finance and the Board of Regents may rely upon any instructions or opinions from a nationally recognized bond/tax counsel.

Notwithstanding anything in this Resolution to the contrary, to the extent moneys on deposit in the Rebate Fund are insufficient for the purpose of paying the Rebate Amount and other funds of the Board of Regents are not available to pay the Rebate Amount, then the Board of Administration shall pay the Rebate Amount first from Pledged Revenues and, to the extent the Pledged Revenues be insufficient to pay the Rebate Amount, then from moneys on deposit in any of the funds and accounts created hereunder.

If at any time the Division of Bond Finance or the Board of Regents determines that the amount of money on deposit in the Rebate Fund is in excess of the Rebate Amount, the Division of Bond Finance or the Board of Regents may direct the Board of Administration to transfer the amount of money in excess of the Rebate Amount to the University, for deposit in the Revenue Fund.

If any amount shall remain in the Rebate Fund after payment in full of all Bonds issued hereunder and after payment in full to the United States in accordance with the terms hereof, such amounts shall be paid over to the Board of Regents and may be used for other purposes authorized by law.

The Rebate Fund shall be held separate and apart from all other funds and accounts of the Board of Regents and shall be subject to a lien in favor of the Registered Owners, but only to secure payment of the Rebate Amount, and the moneys in the Rebate Fund shall be available for use only as herein provided.

The Division of Bond Finance, the Board of Administration, and the Board of Regents shall not be required to continue to comply with the requirements of this section in the event that the Division of Bond Finance and the Board of Administration receive an opinion of nationally recognized bond/tax counsel that (1) such compliance is no longer required in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds or (2) compliance with some other requirement will comply with the provisions of the Code in respect of arbitrage rebate, or in the event that any other agency is subsequently designated by proper authority to comply with the requirements of this section.

SECTION 6.05. ANNUAL FINANCIAL STATEMENT. (A) Within ninety days after the end of each Fiscal Year, the University will prepare a financial statement of the Parking System for the preceding Fiscal Year, reflecting in reasonable detail the financial condition and record of operation of the Parking System, and other Pledged Revenue sources, including particularly the University's enrollment, the degree of use and rates charged for the use of, and the insurance on, the Parking System and the status of the several accounts and funds established in this Resolution.

(B) Should the University fail to comply with subsection (A) of this section, upon request of at least five percent of the Registered Owners an audit shall be completed by a certified public accountant or firm of certified public accountants. The cost of this audit shall be borne by the University.

ARTICLE VII
REMEDIES

SECTION 7.01. ENFORCEABILITY BY REGISTERED OWNERS. (A) This Resolution, including the pledge of the Pledged Revenues, shall be deemed to have been made for the benefit of the Registered Owners from time to time of the Bonds. Such pledge and all the provisions of this Resolution shall be enforceable in any court of competent jurisdiction by any Registered Owner or Registered Owners of such Bonds, against either the Board of Regents or the Board of Administration or any other agency of the State, or instrumentality thereof, having any duties concerning collection, administration and disposition of the Pledged Revenues. The Board of Regents does hereby consent to the bringing of any proceedings in any court of competent jurisdiction by any Registered Owner or Registered Owners of the Bonds for the enforcement of all provisions of this Resolution and does hereby waive, to the extent permitted by law, any privilege or immunity from suit which it may now or hereafter have as an agency of the State. However, no covenant or agreement contained in this Resolution or any Bond issued pursuant hereto shall be deemed to be the covenant or agreement of any officer or employee of the State in such person's individual capacity, and neither the officers nor employees of the State nor any official executing any of the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

(B) Any Registered Owner of the Bonds, or any trustee acting for the Registered Owner of such Bonds, may by civil action in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State, or granted and contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution, and by any applicable Statutes, to be performed by the Division of Bond Finance, the Board of Regents, the University, or the Board of Administration, or by any officer thereof, including the payment of the Pledged Revenues payable under this Resolution. Nothing herein, however, shall be construed to grant to any Registered Owner of the Bonds any lien on the Parking System or any other facility or funds of the University, or the Board of Regents, or the Division of Bond Finance.

ARTICLE VIII
MISCELLANEOUS

SECTION 8.01. LEASE OF PARKING SYSTEM. The Board of Regents may lease, from time to time, to other tenants such portion or portions of the Parking System as are not needed by the Board of Regents, to the extent that any such lease would not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

SECTION 8.02. MODIFICATION OR AMENDMENT. Except as otherwise provided in the second and third paragraphs of this section, no material modification or amendment of this Resolution, or of any resolution amendatory thereof or supplemental thereto, may be made without the consent in writing of (i) the Registered Owners of more than fifty percent in principal amount of the Bonds then Outstanding or (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, the Registered Owners of more than fifty percent in principal amount of the Bonds so affected and Outstanding at the time such consent is given; provided, however, that no modification or amendment shall permit a change in the maturity of such Bonds or a reduction in the rate of interest thereon, or affecting the promise to pay the interest on and principal of the Bonds, as the same mature or become due, or reduce the percentage of Registered Owners of Bonds required above for such modification or amendments, without the consent of the Registered Owners of all the Bonds.

For purposes of this section, to the extent any Series of Bonds is insured by a Bond Insurance Policy and such Series of Bonds is then rated in as high a rating category as the rating category in which such Series of Bonds was rated at the time of initial delivery thereof by a Rating Agency, then the consent of the issuer of the Bond Insurance Policy shall constitute the consent of the Registered Owners of such Series.

The Resolution may be amended, changed, modified and altered without the consent of the Registered Owners of Bonds, (i) to cure any defect, omission, conflict, or ambiguity in this Resolution or between the terms and provisions hereof and any other document executed or delivered herewith, (ii) to provide other changes including such changes as may be necessary in order to adjust the terms hereof so as to facilitate the issuance of various types of Bonds including, but not limited to, Capital Appreciation Bonds, and any other Bonds which may be issued hereunder, which will not adversely affect the interest of such Registered Owner of Bonds, (iii) to provide for the issuance of Bonds in coupon form if, in the opinion of a nationally recognized bond/tax counsel, such issuance will not affect the exemption from federal income taxation of interest on the Bonds, (iv) to obtain credit enhancements or a higher rating in one of the three highest full rating categories of a Rating Agency, (v) to add to the covenants and agreements of the Division of Bond Finance, the Board of Administration or the Board of Regents in this Resolution, other covenants and agreements to be observed by the Division of Bond Finance, the Board of Administration or the Board of Regents which are not contrary to or inconsistent with this Resolution as theretofore in effect, (vi) to add to the limitations and restrictions in this Resolution, other limitations and restrictions to be observed by the Division of Bond Finance, the Board of Administration or the Board of Regents which are not contrary to or inconsistent with this Resolution as theretofore in effect, (vii) to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualifications of the Bonds for sale under the securities laws of any of the states of the United States of America, (viii) to enable the Division of Bond Finance, the Board of Administration and the Board of Regents to comply with their covenants, agreements and obligations under this Resolution, (ix) to specify and determine any matters and things relative to the Bonds which are not contrary to or inconsistent with this Resolution and which shall not adversely affect the interests of the Registered Owners, and (x) to amend or modify any provisions of this Resolution so long as such amendment or modification does not adversely affect the interests of the Registered Owners.

SECTION 8.03. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants or provisions of this Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants or provisions shall be null and void and shall be deemed separable from the remaining covenants or provisions of this Resolution or of the Bonds and shall in no way affect the validity or enforceability of any other covenants, agreements or provisions of this Resolution or of the Bonds issued hereunder.

SECTION 8.04. NONPRESENTMENT OF BONDS: FUNDS HELD FOR BONDS AFTER DUE DATE OF BONDS. In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity, or otherwise, if funds sufficient to pay such Bond shall have been made available to the Board of Administration for the benefit of the Registered Owner thereof, all liability of the Board of Regents to the Registered Owner thereof for the payment of such Bond shall forthwith cease, terminate, and be completely discharged, and thereupon it shall be the duty of the Board of Administration to hold such funds, without liability for interest thereon, for the benefit of the Registered Owner of such Bonds, who shall thereafter be restricted exclusively to such funds, for any claim of whatever nature on his part under this Resolution or on, or with respect to, said Bond. Any such funds held by the Board of Administration for the Registered Owners of such Bonds for seven years after the principal or Accreted Value of the respective Bonds for which such funds have been so set aside has become due and payable and remaining (whether at maturity or upon redemption or otherwise) shall be subject to the laws of the State of Florida relating to disposition of unclaimed property, and unless demand for the payment of such Bonds shall have been made, the obligation thereon shall be extinguished.

SECTION 8.05. DEFEASANCE. The covenants, liens and pledges entered into, created or imposed pursuant to this Resolution may be fully discharged and satisfied with respect to the Bonds in any one or more of the following ways:

(A) By paying the principal of and interest on the Bonds when the same shall become due and payable; or

(B) By depositing with the Board of Administration, certain moneys which are irrevocably pledged to the payment of the Bonds and which, together with other moneys lawfully available therefor, shall be sufficient at the time of such deposit to pay when due the principal of, redemption premium, if any, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof; or

(C) By depositing with the Board of Administration, moneys which are irrevocably pledged to the payment of the Bonds and which, together with other moneys lawfully available therefor when invested in Defeasance Obligations, will provide moneys (principal and interest thereof at maturity) which shall be sufficient to pay the principal of, redemption premium, if any, and interest due and to become due on said Bonds on or prior to a date fixed for redemption or the maturity date thereof. Upon such payment or deposit in the amount and manner provided in this section, the Bonds shall be deemed to be paid and shall no longer be deemed to be Outstanding for the purposes of this Resolution and all liability of the Board of Regents and Division of Bond Finance with respect to said Bonds shall cease, terminate and be completely discharged and extinguished, and the Registered Owners thereof shall be entitled for payment solely out of the moneys or securities so deposited.

(D) Notwithstanding the foregoing, all references to the discharge and satisfaction of Bonds shall include the discharge and satisfaction of any Series of Bonds, any portion of any Series of Bonds, any maturity or maturities of any Series of Bonds, any portion of a maturity of any Series of Bonds or any combination thereof.

(E) If any portion of the moneys deposited for the payment of the principal of and redemption premium, if any, and interest on any portion of Bonds is not required for such purpose, the Board of Regents or the Board of Administration may use the amount of such excess free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Resolution.

(F) Nothing herein shall be deemed to require the Board of Regents or Division of Bond Finance to call any of the Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the Board of Regents or Division of Bond Finance in determining whether to exercise any such option for early redemption.

SECTION 8.06. INSURANCE. The Board of Regents will carry such insurance on the Parking System as is required by the State or is ordinarily and customarily carried on similar systems as the Parking System with a reputable insurance carrier or carriers, including public liability insurance and such other insurance against loss or damage by fire, explosion, hurricane, cyclone or other hazards and risks, or the Board of Regents may establish certain minimum levels of insurance for which the Board of Regents may self-insure.

SECTION 8.07. BOND ANTICIPATION NOTES. Notwithstanding any other provision of this Resolution, if the Division of Bond Finance shall deem it advisable, short-term obligations (hereinafter "Notes") are hereby authorized to be issued by the Division of Bond Finance on behalf of the Board of Regents in anticipation of the sale and delivery of the Bonds. The

Notes shall be payable from the proceeds received from the sale of the Bonds and, in the interim, from the Pledged Revenues. The Notes may be issued in such denomination or denominations, in the aggregate principal amount (not to exceed $9,100,000), in the form, may bear interest at the lawful rate or rates payable on such dates (not to exceed five (5) years from the date of issue) and may be subject to such conditions and terms as the Division of Bond Finance shall deem necessary or desirable in connection with such Notes, all as shall be provided by resolution of the Division of Bond Finance adopted at or before sale of the Notes, in accordance with Section 215.68(7), Florida Statutes.

SECTION 8.08. CAPITAL APPRECIATION BONDS. For the purposes of (i) receiving payment of the redemption price if a Capital Appreciation Bond is redeemed prior to maturity, or (ii) computing the amount of the Maximum Annual Debt Service and of Bonds held by the Registered Owner of a Capital Appreciation Bond in giving any notice, consent, request or demand pursuant to this Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value.

SECTION 8.09. TRUST FUNDS. (A) The funds and accounts established by this Resolution and all moneys on deposit therein shall constitute trust funds for their respective purposes as provided herein. The Sinking Fund shall be held and administered by the Board of Administration, and such funds shall be fully and continuously secured in the manner provided by the laws of the State for the securing of deposits of State funds. The Registered Owners shall have a lien on moneys in the Sinking Fund, except the moneys in the Rebate Fund, until such moneys are used or applied as provided herein.

(B) The designation and establishment of the various funds and accounts in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided.

SECTION 8.10. FISCAL AGENT. Upon sale and delivery of the Bonds by the Division of Bond Finance on behalf of the Board of Regents, the Board of Administration shall act as the fiscal agent for the Board of Regents with respect to the Bonds.

SECTION 8.11. ANNUAL BUDGETS. The Board of Regents shall annually, at least ninety days preceding the beginning of each Fiscal Year, or at any other time as requested by the Board of Administration, prepare a detailed budget providing reasonable estimates of the estimated Current Expenses of the University during the succeeding Fiscal Year and setting forth the amount to be deposited in the Parking System Maintenance and Equipment Reserve Fund. The budget shall be adopted by the Board of Regents and shall not be changed during the Fiscal Year except by the same procedure by which it was adopted. Copies of the annual budget and any changes therein shall be filed with the Board of Administration and, upon request, mailed to any Bondholder. The Board of Regents shall request sufficient funds in the annual budget adopted as required in this section to provide the payment of all Administrative Expenses, Current Expenses, and amounts required to be deposited in the Parking System Maintenance and Equipment Reserve Fund as set forth herein.

SECTION 8.12. VALIDATION AUTHORIZED. The attorneys for the Division of Bond Finance are hereby authorized to institute proceedings to validate the Bonds, pursuant to Chapter 75, Florida Statutes.

SECTION 8.13. REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions and parts of resolutions heretofore adopted pertaining to the subject matter of this Resolution, to the extent that they are inconsistent with this Resolution, be and the same are hereby repealed, revoked, and rescinded, but only to the extent of any such inconsistencies.

SECTION 8.14. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

ADOPTED on February 28, 1995.

A RESOLUTION (THE SECOND SUPPLEMENTAL RESOLUTION) AUTHORIZING THE ISSUANCE OF NOT EXCEEDING $26,905,000 STATE OF FLORIDA, FLORIDA BOARD OF EDUCATION, FLORIDA INTERNATIONAL UNIVERSITY PARKING FACILITY REVENUE BONDS, SERIES 2002, TO FINANCE THE CONSTRUCTION OF PARKING FACILITIES AT FLORIDA INTERNATIONAL UNIVERSITY, SUCH BONDS TO BE ISSUED PURSUANT TO THE TERMS AND CONDITIONS OF A RESOLUTION ADOPTED ON FEBRUARY 28, 1995 ENTITLED "A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $9,100,000 STATE OF FLORIDA, BOARD OF REGENTS, FLORIDA INTERNATIONAL UNIVERSITY PARKING FACILITY REVENUE BONDS, SERIES 1995, ETC".; CANCELING THE AUTHORITY FOR THE UNISSUED PORTION OF THE STATE OF FLORIDA, BOARD OF REGENTS, FLORIDA INTERNATIONAL UNIVERSITY PARKING FACILITY REVENUE BONDS, SERIES 1999; PROVIDING FOR CERTAIN COVENANTS IN CONNECTION THEREWITH; AMENDING SECTIONS 1.02 AND 6.02 OF THE ORIGINAL RESOLUTION; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE GOVERNOR AND CABINET OF THE STATE OF FLORIDA, AS THE GOVERNING BOARD OF THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA ON BEHALF OF AND IN THE NAME OF THE FLORIDA BOARD OF EDUCATION.

ARTICLE I
DEFINITIONS, AUTHORITY AND FINDINGS

SECTION 1.01. DEFINITIONS. All of the definitions contained in Article I of the Original Resolution (as defined herein), in addition to the definitions contained herein and except to the extent inconsistent with or amended by definitions contained herein, shall apply fully to the Outstanding Bonds and to the 2002 Bonds (as defined herein).

"1999 Bonds" means the $7,530,000 State of Florida, Board of Regents, Florida International University Parking Facility Revenue Bonds, Series 1999, dated October 1, 1999, issued by the Division of Bond Finance on November 23, 1999.

"1999 Project" means the parking facility constructed on the campus of the University with the proceeds of the 1999 Bonds.

"2002 Bonds" means the State of Florida, Florida Board of Education, Florida International University Parking Facility Revenue Bonds, Series 2002.

"2002 Project" means the construction of parking facilities (Parking Garages Three and Four) at Florida International University as previously approved by the Legislature, subject to any deletions, modifications, or substitutions deemed necessary and expedient and approved by resolution of the Board of Education. The 2002 Project was approved by the Board of Education on November 19/20, 2001.

"2002 Project Construction Fund" means a trust fund held by the State Treasurer in which shall be deposited the net proceeds of the 2002 Bonds and other available moneys for the construction of the 2002 Project.

"Board of Education" means the Florida Board of Education, a body corporate, established pursuant to Chapter 229, Florida Statutes, as amended, which corporate body was the recipient transferee of certain powers, duties, and existing contracts, of the Board of Regents, which latter board was abolished on July 1, 2001, by Section 3 of the Reorganization Act. On January 7, 2003, pursuant to Chapter 2002-387, Laws of Florida, the Board of Education will become the State Board of Education authorized by Article IX, Section 2 of the Florida Constitution.

"Board of Regents" means the Board of Regents of the Division of Universities of the State of Florida Department of Education, as originally created pursuant to the provisions of Chapter 240, Florida Statutes, and subsequently abolished by Section 3 of the Reorganization Act.

“Completion Bonds” means those bonds issued pursuant to Section 5.04 of the Original Resolution to pay the cost of completing the 2002 Project.

“Original Resolution” means the resolution adopted on February 28, 1995 by the Governor and Cabinet as the Governing Board of the Division of Bond Finance, as amended and supplemented from time to time, authorizing the issuance of the Bonds.

“Parking System” means the facilities enumerated in the Original Resolution, the 1999 Project and the 2002 Project.

“Project Costs” means the actual costs of the 2002 Project, including costs of design and construction; materials, labor, furnishings, equipment and apparatus; sitework and landscaping; roadway and parking facilities; the acquisition of all lands or interests therein, and all other property, real or personal, appurtenant to or useful in the 2002 Project; interest on the 2002 Bonds for a reasonable period after date of delivery thereof, if necessary; an amount sufficient to establish adequate reserves; architectonic and engineering fees; legal fees; reimbursement for prior authorized expenditures; and fees and expenses of the Division of Bond Finance, the Board of Administration, the University, or the Board of Education necessary to the construction and placing in operation of the 2002 Project and the financing thereof.

“Rebate Amount” means the excess of the amount earned on all nonpurpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such nonpurpose investments were invested at a rate equal to the yield on the Bonds, plus any income attributable to such excess.

“Reorganization Act” means Chapter 2001-170, Florida Statutes, which, *inter alia*, transferred the powers, duties, and existing contracts of the Board of Regents to the Board of Education.

“Second Supplemental Resolution” means this resolution authorizing the issuance of the 2002 Bonds.

“State Board of Education” means the corporate body identified in Article IX, Section 2 of the Florida Constitution as the state board of education. In accordance with Chapter 2002-387, Laws of Florida, effective January 7, 2003, the Florida Board of Education will become the State Board of Education and as such will be responsible for all existing bond obligations of the Florida Board of Education and its predecessor, the Board of Regents. By such law, the State Board of Education will have all powers necessary to carry out and effectuate the issuance of bonds pursuant to Article VII, Section 11(d), of the Florida Constitution.

Where the context so requires, words importing singular number shall include the plural number in each case and vice versa, words importing persons shall include firms and corporations, and the masculine includes the feminine and vice versa.

SECTION 1.02. AUTHORITY FOR THIS RESOLUTION. This Second Supplemental Resolution is adopted pursuant to the provisions of Article VII, Section 11(d) of the Florida Constitution; Sections 215.57-215.83, Florida Statutes (the “State Bond Act”); Chapters 229, 240, and 243, Florida Statutes; , Chapter 2002-387, Laws of Florida; Section 5.01 of the Original Resolution; and other applicable provisions of law and is supplemental to the Original Resolution.

SECTION 1.03. FINDINGS. It is hereby found, determined, and declared as follows:

(A) The Board of Education is authorized to acquire, own, construct, operate, maintain, improve and extend public buildings and facilities for use by any of the several State universities, and to finance such improvements; and the Board of Education is further authorized to pay the principal of and interest on obligations issued on its behalf to finance the construction and acquisition of such improvements.

(B) The construction of the 2002 Project at the University is necessary, desirable and in the best interest of the University.

(C) The Board of Education adopted a resolution on November 19/20, 2001, requesting the Division of Bond Finance to take the necessary actions required for the issuance of the 2002 Bonds.

(D) The State at this time is without immediately available funds to make the capital outlay necessary for the construction of the 2002 Project.

(E) Pursuant to the State Bond Act, the Division of Bond Finance is authorized to issue the 2002 Bonds on behalf of the Board of Education to finance the 2002 Project.

(F) The 2002 Project shall be the construction of parking facilities substantially in accordance with the plans and specifications as may be approved by the Board of Education from time to time.

(G) As required by Article VII, Section 11(f) of the Florida Constitution, the Florida Legislature approved the 2002 Project during Special Session E of the 2002 Legislature in Section 11, Items 29 and 30 of Chapter 2002-394, Laws of Florida.

(H) The principal of and interest on the bonds to be issued pursuant to this Second Supplemental Resolution, and all of the reserve, sinking fund and other payments provided for herein, will be payable solely from the revenues accruing to and to be received by the Board of Education or the University in the manner provided by this Second Supplemental Resolution, consisting of the Pledged Revenues as hereinafter defined.

(I) The bonds to be issued pursuant to this Second Supplemental Resolution will be secured on a parity as to the lien on the Pledged Revenues with the Outstanding Bonds.

(J) The bonds to be issued pursuant to this Second Supplemental Resolution shall not constitute, directly or indirectly, a debt or a charge against the State of Florida or any political subdivision thereof, but shall be revenue bonds within the meaning of Article VII, Section 11(d), Florida Constitution, and shall be payable solely from funds derived directly from sources other than state tax revenues.

(K) The Division of Bond Finance, pursuant to the statutes and constitutional provisions herein cited, is authorized to issue the 2002 Bonds, on behalf of, and in the name of the Board of Education, subject to the terms, limitations and conditions contained in this Second Supplemental Resolution.

(L) Pursuant to Sections 215.59 and 215.64, Florida Statutes, the Division of Bond Finance is authorized to issue revenue bonds on behalf of state agencies payable from funds derived directly from sources other than state tax revenues, without the vote of electors in the manner provided by law.

(M) The Original Resolution, in Section 5.01 of Article V thereof, provides for the issuance of Additional Parity Bonds under the terms, restrictions and conditions provided therein.

SECTION 1.04. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance by the Registered Owners of the 2002 Bonds, the Original Resolution as amended and supplemented by this Second Supplemental Resolution shall be and shall constitute a contract among the Division of Bond Finance, the Board of Education, the University, and such Registered Owners. The covenants and agreements to be performed by the Board of Education and the University shall be for the equal benefit, protection, and security of the Registered Owners of any and all of the Outstanding Bonds and the 2002 Bonds, all of which shall be of equal rank and without preference, priority, or distinction as to any of such bonds over any other thereof, except as expressly provided in the Original Resolution and this Second Supplemental Resolution.

ARTICLE II
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION, TRANSFER, ISSUANCE AND FORM OF BONDS

SECTION 2.01. AUTHORIZATION OF 2002 BONDS. Subject and pursuant to the provisions of this Second Supplemental Resolution and the Original Resolution, fully registered revenue bonds of the Board of Education to be known as "State of Florida, Florida Board of Education, Florida International University Parking Facility Revenue Bonds, Series 2002" (or such other designation as may be provided by the Director of the Division) are hereby authorized to be issued by the Division of Bond Finance on behalf of the Board of Education in an aggregate principal amount not exceeding $26,905,000, for the purpose of financing the construction, furnishing and equipping of the 2002 Project as described herein.

SECTION 2.02. APPLICABILITY OF ARTICLE II OF THE ORIGINAL RESOLUTION. The description, terms, redemption, execution, negotiability, registration, transfer, authentication, disposition, replacement, issuance, and form of the 2002 Bonds shall be governed by the provisions of Article II of the Original Resolution.

ARTICLE III
APPLICATION OF PROCEEDS

SECTION 3.01. CONSTRUCTION OF THE 2002 PROJECT. The Board of Education is authorized to construct the 2002 Project from the proceeds of the sale of the 2002 Bonds and other legally available funds, subject to the provisions of this Second Supplemental Resolution and the applicable laws of Florida.

SECTION 3.02. APPLICATION OF 2002 BOND PROCEEDS. (A) Upon receipt of the proceeds of the sale of the 2002 Bonds, and after reserving an amount sufficient to pay all costs and expenses incurred in connection with the preparation, issuance and sale of the 2002 Bonds, including a reasonable charge for the Division of Bond Finance's services, including arbitrage compliance program set-up, the Division of Bond Finance shall transfer and deposit the remainder of the 2002 Bond proceeds as follows:

(1) An amount which, together with other moneys available therefor and on deposit in the Reserve Account is equal to the Reserve Requirement, shall be transferred to the Board of Administration and deposited into the Reserve Account in the Sinking Fund to be used solely for the purpose of the Reserve Account. Alternatively, the Board of Education, as provided in Section 4.02(A)(2) of the Original Resolution, may elect at any time to provide in lieu of all or a portion of such funds a Reserve Account Credit Facility.

(2) Any accrued interest or amounts to be used to pay interest for a specified period of time shall be transferred to the Board of Administration and deposited into the Sinking Fund, created by the Original Resolution, and used for the payment of interest on the 2002 Bonds.

(3) After making the transfers provided for in subsections (1) and (2) above, the balance of the proceeds of the 2002 Bonds shall be transferred to and deposited into the 2002 Project Construction Fund, which is hereby created in the State Treasury.

Any unexpended balance remaining in the 2002 Project Construction Fund, after a consulting architect shall certify that the 2002 Project has been completed and all costs thereof paid or payment provided for, shall be deposited in the Sinking Fund created by the Original Resolution.

In addition to the aforementioned proceeds of the 2002 Bonds, the Board of Education covenants that it will deposit into the 2002 Project Construction Fund additional funds legally available for the purposes of such Fund which, together with the proceeds of the 2002 Bonds, will be sufficient to finance the total 2002 Project Costs. Any such additional funds, other than the proceeds of the 2002 Bonds or Completion Bonds, shall be derived from sources and in a manner which will not jeopardize the security of the bonds issued pursuant to this Second Supplemental Resolution.

All moneys in said 2002 Project Construction Fund shall constitute a trust fund for such purposes and there is hereby created a lien upon such funds in favor of the Registered Owners of 2002 Bonds issued pursuant to this Second Supplemental Resolution, until such funds are applied as provided herein, except to the extent such moneys are required for the payment of any Rebate Amount. All moneys in the 2002 Project Construction Fund shall be continuously secured in the manner now provided by the laws of the State for securing deposits of state funds.

SECTION 3.03. INVESTMENT OF 2002 PROJECT CONSTRUCTION FUND. Any moneys in the 2002 Construction Fund not immediately needed for the purposes provided in this Second Supplemental Resolution, may be temporarily invested and reinvested as provided in Section 18.10, Florida Statutes.

ARTICLE IV
SECURITY FOR THE 2002 BONDS;
COMPLETION BONDS

SECTION 4.01. 2002 BONDS ON A PARITY WITH THE OUTSTANDING BONDS. The 2002 Bonds shall be payable on a parity and rank equally as to lien on and source and security for payment from the Pledged Revenues, and in all other respects, with the Outstanding Bonds.

SECTION 4.02. BONDS SECURED BY ORIGINAL RESOLUTION. The 2002 Bonds shall be deemed to have been issued pursuant to the Original Resolution as fully and to the same extent as the Outstanding Bonds and all of the covenants and agreements contained in the Original Resolution shall be deemed to have been made for the benefit of the Registered Owners of the 2002 Bonds as fully and to the same extent as the Registered Owners of the Outstanding Bonds.

All of the covenants, agreements, and provisions of the Original Resolution, except to the extent inconsistent herewith, shall be deemed to be part of this Second Supplemental Resolution to the same extent as if incorporated verbatim in this Second Supplemental Resolution, and shall be fully enforceable in the manner provided in the Original Resolution by any of the Registered Owners of the 2002 Bonds.

SECTION 4.03. COMPLETION BONDS. The Board of Education and the Division of Bond Finance need not comply with Section 5.01 of the Original Resolution in the issuance of Completion Bonds, provided that the net proceeds of such Completion Bonds available for deposit into the 2002 Project Construction Fund for such costs shall be equal to or less than 20% of the original estimated cost of the 2002 Project at the time of the original issuance of the 2002 Bonds.

ARTICLE V
MISCELLANEOUS

SECTION 5.01. AMENDMENT OF ORIGINAL RESOLUTION. The Original Resolution is hereby amended as follows, effective upon compliance with the requirements of Section 8.02 of the Original Resolution. Language to be added to the Original Resolution is indicated by underlining, and language to be deleted from the Original Resolution is indicated by ~~strike-throughs~~.

(A) Section 1.02 of the Original Resolution is hereby amended as follows:

> **SECTION 1.02. DEFINITIONS.** The following terms shall have the following meanings in this Resolution unless the text otherwise requires:
>
> . . .
>
> **"Code"** shall mean the Internal Revenue Code of 1986, as amended, and temporary, proposed, or permanent implementing regulations promulgated thereunder.
>
> . . .
>
> **"Parking System Revenues"** shall mean all fees, rentals or other charges and income related to parking, received by the University from ~~the operation of~~ students, faculty members, and others using or being served by or having the right to use, or having the right to be served by, the Parking System, and all parts thereof, and specifically including, without limiting the generality of the foregoing, transportation access fees, parking decal ~~sales~~ fees, towing revenues, parking meter collections, parking fine revenues, ~~and~~ interest income, special rental fees and other charges for parking services or parking space provided by the University.

(B) Section 6.02 of the Original Resolution is hereby amended to simplify certain covenants regarding Pledged Revenues as follows:

> **SECTION 6.02. PLEDGED REVENUE COVENANTS.** The Board of Education ~~Regents~~ covenants:
>
> . . .
>
> (C) That it will from time to time recommend, fix and include in its budgets such revisions to ~~in~~ the ~~amounts of~~ rentals, fees, and other charges ~~to be levied upon and collected from each person using the facilities of the Parking System~~ which will produce Parking Systems Revenues ~~sums~~ sufficient to pay, when due, the amounts required ~~requirements as set forth~~ under this Resolution.
>
> (D) That it will continue to collect the ~~fines, fees, rentals and other amounts charged all individuals being served by the facilities of the~~ Parking System Revenues at the rates which are in effect at any particular time.

SECTION 5.02. RESOLUTION NOT ASSIGNABLE. This Second Supplemental Resolution shall not be assignable by the Division of Bond Finance or the Board of Administration, except for the benefit of the Registered Owners; provided, however, the Board of Education may lease, from time to time, to other tenants such portion or portions of the Parking System as are not needed by the Board of Education, to the extent that any such lease would not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

SECTION 5.03. MODIFICATION OR AMENDMENT. Modification or amendment hereof shall be governed by Section 8.02 of the Original Resolution.

SECTION 5.04. CONTINUING DISCLOSURE. (A) In order to comply with Rule 15c2-12 of the Securities and Exchange Commission, the Board of Education hereby agrees to provide or cause to be provided such information as may be required, from time to time, under such rule.

(B) The Director of the Division of Bond Finance, in conjunction with the appropriate officer of the Board of Education, is authorized and directed to execute and deliver any documents or agreement which are necessary to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission.

SECTION 5.05. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants or provisions of this Second Supplemental Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants or provisions shall be null and void and shall be deemed separable from the remaining covenants or provisions of this Second Supplemental Resolution or of the bonds issued hereunder and shall in no way affect the validity or enforceability of any other covenants, agreements or provisions of this Second Supplemental Resolution or of the bonds issued hereunder.

SECTION 5.06. FISCAL AGENT. Upon the sale and delivery of the 2002 Bonds by the Division of Bond Finance on behalf of the Board of Education, the Board of Administration shall act as the fiscal agent for the Board of Education with respect to the 2002 Bonds.

SECTION 5.07. VALIDATION AUTHORIZED. The attorneys for the Division of Bond Finance are hereby authorized to institute proceedings to validate the 2002 Bonds pursuant to Chapter 75, Florida Statutes.

SECTION 5.08. REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions and parts of resolutions heretofore adopted pertaining to the subject matter of this Second Supplemental Resolution, to the extent that they are inconsistent with this Second Supplemental Resolution, be and the same are hereby repealed, revoked, and rescinded, but only to the extent of any such inconsistencies. The authority for the issuance and delivery of the unissued portion of the State of Florida, Board of Regents, Florida International University Parking Facility Revenue Bonds, Series 1999, is hereby canceled.

SECTION 5.09 CONFIRMATION OF ORIGINAL RESOLUTION. As supplemented by this Second Supplemental Resolution, the Original Resolution is in all respects ratified and confirmed, and this Second Supplemental Resolution shall be read, taken, and construed as a part of the Original Resolution.

SECTION 5.10. EFFECTIVE DATE. This Second Supplemental Resolution shall take effect immediately upon its adoption.

ADOPTED on June 12, 2002.

A RESOLUTION OF THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA AUTHORIZING THE SALE OF NOT EXCEEDING $26,905,000 STATE OF FLORIDA, FLORIDA BOARD OF EDUCATION, FLORIDA INTERNATIONAL UNIVERSITY PARKING FACILITY REVENUE BONDS, SERIES 2002; AMENDING THE ORIGINAL RESOLUTION WITH RESPECT TO BOND INSURERS; CANCELING PREVIOUSLY AUTHORIZED BUT UNISSUED BONDS; PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE GOVERNOR AND CABINET OF THE STATE OF FLORIDA, AS THE GOVERNING BOARD OF THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA:

Section 1. The not exceeding $26,905,000 State of Florida, Florida Board of Education, Florida International University Parking Facility Revenue Bonds, Series 2002 (the "2002 Bonds") authorized by resolutions adopted by the Governor and Cabinet as the Governing Board of the Division of Bond Finance of the State Board of Administration of Florida (the "Division"), on February 18, 1995, (the "Original Resolution"), as supplemented and amended on June 12, 2002 (by the "Second Supplemental Resolution") (collectively, the "Resolution"), are hereby authorized to be sold at public sale on the date and at the time to be set out in the Notice of Bond Sale to be published as provided in this resolution. The designation of the 2002 Bonds may be changed at the discretion of the Director of the Division; such bonds may be sold and issued in one or more series, provided that, if sold in more than one series, the designation of each series (including a change of year designation, if desirable) shall be determined by the Director of the Division, and each series shall be numbered consecutively from one upwards. The 2002 Bonds may be sold separately or combined with any other Florida Board of Education bond issues authorized by the Governing Board to be sold.

Proposals for purchase of the 2002 Bonds will be received at the office of the Division, 1801 Hermitage Boulevard, Hermitage Centre, Suite 200, Tallahassee, Florida, or at another location designated in the Notice of Bond Sale, from the time that the Notice of Bond Sale is published until the time and date of sale specified or provided for in such Notice of Bond Sale.

Section 2. The Director of the Division is hereby authorized to determine the most advantageous date and time of sale and to publish the Notice of Bond Sale of the 2002 Bonds, or an abbreviated version thereof, in *The Bond Buyer*, New York, New York, such publication to be not less than 10 days prior to the date of sale; and to publish such Notice of Bond Sale in such other newspapers on such date as may be deemed appropriate by the Director of the Division; provided, that if no bids are received at the time and place called for in the Notice of Bond Sale, or if all bids received are rejected, such 2002 Bonds may again be offered for sale upon reasonable notice, the timing and manner of which shall be determined by the Director of the Division. Any prior publication of a Notice of Bond Sale, or abbreviated version thereof, is hereby ratified.

Section 3. The Director of the Division is hereby authorized to publish and distribute the Notice of Bond Sale and a proposal for the sale of the 2002 Bonds. The Notice of Bond Sale shall be in such form as shall be determined by the Director of the Division and shall contain such information as required by applicable law. Any prior distribution of a Notice of Bond Sale and proposal for sale is hereby ratified.

Section 4. The Director of the Division is hereby authorized to prepare and distribute Preliminary and Final Official Statements in connection with the public offering of the 2002 Bonds. The Director of the Division is further authorized and directed to amend, supplement or complete the information contained in the Preliminary Official Statement, as may be needed, and to furnish such certification as to the completeness and finality of the Preliminary Official Statement as is necessary to permit the successful bidder to fulfill its obligations under any applicable securities laws. The Chairman and Secretary of the Governing Board are hereby authorized to execute the Final Official Statement in connection with the public offering of the 2002 Bonds, and the execution thereof shall be conclusive evidence that the Governing Board has approved the form and content of the Final Official Statement and that the Final Official Statement is complete as of its date.

Section 5. The Director of the Division is hereby authorized to have up to 1,500 copies of the Preliminary Official Statement and 3,500 copies (plus such additional copies as may be requested by the successful bidder at the expense of the successful bidder) of the Final Official Statement relating to the public offering of the 2002 Bonds printed and distributed; to contract with national rating services; to retain bond counsel; to make a determination that the Preliminary Official Statement is "deemed final" for purposes of SEC Rule 15c2-12(b)(1); to conduct information meetings; and to take such other actions as may be deemed appropriate for the dissemination of information relating to the sale of the 2002 Bonds. Any prior printing and distribution of a Preliminary Official Statement is hereby ratified.

Section 6. The Secretary or any Assistant Secretary of the Governing Board is hereby authorized and empowered to award said 2002 Bonds when offered, on his or her determination of the best Proposal, as defined in the Notice of Bond Sale, submitted in accordance with the terms of the Notice of Bond Sale provided for herein, and such award shall be final. The Director or Assistant Secretary of the Division shall report such sale to this Board after award of the 2002 Bonds. The Director or Assistant Secretary of the Division are authorized to deliver such 2002 Bonds to the purchasers thereof upon payment of the purchase price, together with any accrued interest to the date of delivery, and to distribute the proceeds of the 2002 Bonds as provided by the Resolution and other proceedings authorizing the issuance of the 2002 Bonds.

Section 7. The 2002 Bonds shall be executed in the name of the Florida Board of Education by its Chairman, and attested to by its Secretary, or, in either case, by such other person authorized by the Florida Board of Education, and the corporate seal of the Florida Board of Education or a facsimile thereof may be affixed thereto or reproduced thereon. Any of the signatures required hereinabove may be a facsimile signature imprinted or reproduced on the Bonds. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Florida Board of Education before the Bonds so signed and sealed shall have been actually sold and delivered, the Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office.

Section 8. Until definitive obligations are ready for delivery, there may be executed and delivered to the purchasers, in lieu of definitive obligations and subject to the same limitations and conditions, one or more temporary 2002 Bonds, in one or more denominations totaling the aggregate principal amount of the 2002 Bonds to be issued, maturing in installments and bearing interest with respect to each installment, in substantially the same tenor as otherwise herein authorized for the 2002 Bonds, and with such omissions, insertions and variations as may be required. If temporary obligations are issued, the definitive obligations will be prepared and executed and, upon presentation of temporary obligations, the Director of the Division shall provide for cancellation of the temporary obligations and deliver to the holders thereof definitive obligations of an equal aggregate principal amount, bearing appropriate characteristics as herein authorized and as sold to the purchasers thereof. Until so exchanged, the temporary obligations shall in all respects be entitled to the same benefit and security as the definitive obligations. Interest and principal installments on the temporary obligations, when due and payable, if the definitive obligations are not then ready for exchange, shall be paid upon presentation of the temporary obligations to the Registrar/Paying Agent, and notation of such payment shall be endorsed thereon. The temporary obligations shall be in such form and denominations as shall be determined by the Director of the Division, and shall be executed by the officers who will execute the definitive obligations, which execution is hereby authorized.

Section 9. State Street Bank and Trust Company, N.A., is hereby designated as bond registrar and paying agent for the 2002 Bonds on the terms and conditions set forth in the Registrar, Paying Agent and Transfer Agreement by and between the State Board of Administration of Florida and State Street Bank and Trust Company, N.A.

Section 10. The Interest Payment Dates and the Principal Payment Dates for the 2002 Bonds shall be as set forth in the Notice of Bond Sale.

Section 11. The 2002 Bonds shall be dated, shall mature in such years and amounts and shall be subject to redemption as set forth in the Notice of Bond Sale, a copy of which, as published, shall be retained in the files of the Division with this resolution. In no event, however, shall the principal amount of the 2002 Bonds exceed $26,905,000. The 2002 Bonds shall be payable at the corporate trust office of State Street Bank and Trust Company, N.A., New York, New York, or its successors.

Section 12. Amounts deposited into the Reserve Account attributable to the 2002 Bonds may be commingled with the amounts therein for other bonds or certificates which are on a parity with the 2002 Bonds and shall be held for the benefit of the Registered Owners of the 2002 Bonds and such other bonds or may be held in a separate subaccount for the benefit of only the Registered Owners of the 2002 Bonds.

The reserve requirement with respect to the 2002 Bonds shall be the amount necessary to make the amount on deposit in the Reserve Account equal to the lesser of (1) the Maximum Debt Service Requirement with respect to the 2002 Bonds and all other bonds secured by the Reserve Account securing the 2002 Bonds, or (2) the maximum amount permitted under applicable provisions of the Code. The deposit to the Reserve Account made with respect to the 2002 Bonds shall be funded with proceeds of the 2002 Bonds or a Reserve Account Credit Facility (as provided for in the Resolution), or some combination thereof, as determined by the Director of the Division.

Section 13. The Director of the Division is hereby authorized to offer for sale a lesser principal amount of 2002 Bonds than that set forth in this resolution and to adjust the maturity schedule and redemption provisions for the 2002 Bonds, if necessary, to reflect the issuance of such lesser amount, and to modify the Notice of Bond Sale as may be required.

Section 14. The Director of the Division is authorized to provide in the Notice of Bond Sale of the 2002 Bonds that the purchase price for the 2002 Bonds may include a discount of not to exceed 3% excluding original issue discount, if any, of the aggregate principal amount of such 2002 Bonds offered for sale.

Section 15. The Chairman and Secretary and any Assistant Secretary of the Governing Board and the Director of the Division, and such other officers and employees of the Division as may be designated by this Board as agents of the Division in connection with the issuance and delivery of the 2002 Bonds, are authorized and empowered, collectively or individually, to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other action on behalf of the Division, in each case as they may deem necessary or desirable, in connection with the execution and delivery of the 2002 Bonds.

Section 16. That, notwithstanding anything contained in the Resolution to the contrary, it is the intent of the Governing Board that interest on the 2002 Bonds be and remain excluded from gross income for federal income tax purposes and therefore to comply with all requirements of federal tax law applicable to the 2002 Bonds, or any series thereof, whether such requirements are now in effect, pending or subsequently enacted. The Division is hereby authorized and directed to take all actions necessary with respect to the 2002 Bonds and each series thereof to comply with such requirements of federal tax law.

Section 17. In order to clarify the rights of the issuer of a Bond Insurance Policy with respect to the Bonds, the Original Resolution is hereby amended as follows. Language to be added to the Original Resolution is <u>underlined</u>; language to be deleted from the Original Resolution is ~~stricken-through~~.

(A) The definition of "

> **"Outstanding"** shall mean, as of any date of determination, all Bonds theretofore authenticated and delivered except:
>
> . . . .
>
> <u>(v) Bonds with respect to which debt service has been paid pursuant to a Bond Insurance Policy, to the extent that the amount of such payment has been reimbursed to the issuer of such Bond Insurance Policy (or monies have been deposited to defease such payment).</u>

(B) Section 7.01 of the Original Resolution is amended by adding Subsection (C) thereto, as follows:

> <u>(C) For purposes of exercising remedies pursuant to this section, the issuer of a Bond Insurance Policy for Bonds issued after September 10, 2002, shall be deemed the sole owner of Bonds it has insured, provided that the issuer of such Bond Insurance Policy has not failed to comply with its payment obligations under the Bond Insurance Policy and the ratings on the insured Bonds, based on the Bond Insurance Policy, are no lower than the "A" category, including any rating modifiers, by each Rating Agency which has rated such Bonds.</u>

(C) Section 8.05 of the Original Resolution is amended by adding Subsection (G) thereto, to read as follows:

> **SECTION 8.05 DEFEASANCE.**
>
> . . . .
>
> <u>(G) Notwithstanding the foregoing, the covenant, liens and pledges entered into, created or imposed pursuant to this Resolution shall not be discharged and satisfied with respect to any of the Bonds with respect to which debt service has been paid pursuant to a Bond Insurance Policy, to the extent that the amount so paid has not been reimbursed to the issuer of such Bond Insurance Policy (or monies have not been deposited as set forth above to provide for payment of such amounts). The bond insurer shall be subrogated to the rights of the Registered Owners of Bonds with respect to which it has made payments pursuant to a Bond Insurance Policy.</u>

Section 18. As amended by this resolution, the Original Resolution is in all respects ratified and confirmed.

Section 19. All prior or concurrent resolutions or parts of resolutions inconsistent with this resolution are hereby amended by this resolution, including the Notice of Bond Sale, but only to the extent of any such inconsistency.

Section 20. In accordance with Section 5.01(B) of the Original Resolution, all previously granted authority to issue State of Florida, Florida International University Parking Facility Revenue Bonds is hereby canceled, except for the authority to issue not exceeding $26,905,000 State of Florida, Florida International University Parking Facility Revenue Bonds, Series 2002, which was granted on June 12, 2002.

Section 21. In order to comply with Rule 15c2-12 of the Securities and Exchange Commission, the Florida Board of Education hereby agrees to provide or cause to be provided such information as may be required, from time to time, under such rule.

The Director of the Division, in conjunction with the appropriate officer of the Florida Board of Education, is authorized and directed to execute and deliver any documents or agreements which are necessary to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission.

Section 22. This resolution shall take effect immediately.

ADOPTED on September 10, 2002.

APPENDIX D

DIVISION OF BOND FINANCE
OF THE
STATE BOARD OF ADMINISTRATION
OF FLORIDA

A RESOLUTION
(THE THIRD SUPPLEMENTAL RESOLUTION)
AUTHORIZING THE ISSUANCE OF
NOT EXCEEDING $32,000,000
STATE OF FLORIDA, BOARD OF GOVERNORS,
FLORIDA INTERNATIONAL UNIVERSITY PARKING FACILITY REVENUE BONDS
SERIES 2009A

September 15, 2009

A RESOLUTION (THE THIRD SUPPLEMENTAL RESOLUTION) AUTHORIZING THE ISSUANCE OF NOT EXCEEDING $32,000,000 STATE OF FLORIDA, BOARD OF GOVERNORS, FLORIDA INTERNATIONAL UNIVERSITY PARKING FACILITY REVENUE BONDS, SERIES 2009A; PROVIDING FOR CERTAIN COVENANTS IN CONNECTION WITH SAID ISSUANCE; CANCELING THE AUTHORITY FOR UNISSUED PREVIOUSLY AUTHORIZED BONDS; AMENDING THE ORIGINAL RESOLUTION; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE GOVERNOR AND CABINET OF THE STATE OF FLORIDA, AS THE GOVERNING BOARD OF THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA:

ARTICLE I
DEFINITIONS, AUTHORITY AND FINDINGS

SECTION 1.01. DEFINITIONS. All of the definitions contained in Article I of the Original Resolution (as defined herein), in addition to the definitions contained herein and except to the extent inconsistent with or amended by definitions contained herein, shall apply fully to the Series 1995 Bonds, the Series 1999 Bonds, the Series 2002 Bonds, and the Series 2009A Bonds (as such terms are hereinafter defined).

"1999 Project" means the parking facility constructed on the campus of the University with the proceeds of the Series 1999 Bonds.

"2002 Project" means the parking facility constructed on the campus of the University with the proceeds of the Series 2002 Bonds.

"2009A Project" means the construction of a parking garage on the Miami campus of the Florida International University, as approved by the Board of Governors, subject to any deletions, modifications or substitutions deemed necessary and expedient and approved by resolution of the Board of Governors.

"2009A Project Construction Fund" means a trust fund held in the State Treasury in which shall be deposited the net proceeds of the Series 2009A Bonds and other available moneys for the construction of the 2009A Project.

"Assistant Secretary" means an Assistant Secretary of the Division of Bond Finance.

"Board of Governors" means the Florida Board of Governors, a body corporate, established pursuant to Article IX, Section 7, Florida Constitution, and includes any other entity succeeding to the powers thereof.

"Bond Registrar/Paying Agent" means U.S. Bank Trust National Association, New York, New York, or its successor.

"Bond Year" means, with respect to a particular Series of Bonds issued hereunder, the annual period relevant to the application of Section 148(f) of the Code to the Series of Bonds, except that the first and last Bond Years may be less than 12 months long. The last day of a Bond Year shall be the close of business on the day preceding the anniversary of the date of issuance of the Series unless the Division of Bond Finance selects another date on which to end a Bond Year in the manner permitted by the Code.

"Code" means the Internal Revenue Code of 1986, as amended, and temporary, proposed or permanent implementing regulations promulgated thereunder.

"Completion Bonds" means those Bonds issued pursuant to Section 5.04 of the Original Resolution to pay the cost of completing the 2009A Project.

"Director" means the Director of the Division of Bond Finance and shall include any Assistant Secretary to whom the Director delegates authority.

"Original Resolution" means the resolution adopted on February 28,1995 by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the issuance of the Series 1995 Bonds, as amended by the Second Supplemental Resolution and the Series 2002 Bonds Sale Resolution.

"**Parity Bonds**" means the Series 1995 Bonds, the Series 1999 Bonds, the Series 2002 Bonds, the Series 2009A Bonds and subsequent series of Bonds issued on a parity therewith in accordance with Section 5.01 of the Original Resolution.

"Parking System" means the facilities enumerated in the Original Resolution, the 1999 Project, the 2002 Project, and the 2009A Project.

"Project Costs" means the actual costs of the 2009A Project, including costs of design and construction; materials, labor, furnishings, equipment and apparatus; sitework and landscaping; roadway and parking facilities; the acquisition of all lands or interests therein, and all other property, real or personal, appurtenant to or useful in the 2009A Project; interest on the 2009A Bonds for a reasonable period after date of delivery thereof, if necessary; an amount sufficient to establish adequate reserves; architectonic and engineering fees; legal fees; reimbursement for prior authorized expenditures; and fees and expenses of the Division of Bond Finance, the Board of Administration, the University, or the Board of Governors necessary to the construction and placing in operation of the 2009A Project and the financing thereof.

"Rebate Amount" means the excess of the amount earned on all nonpurpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such nonpurpose investments were invested at a rate equal to the yield on the Bonds, plus any income attributable to such excess.

"Second Supplemental Resolution" means the resolution adopted on June 12, 2002 by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the issuance of the Series 2002 Bonds and amending the Original Resolution.

"Series 1995 Bonds" means the $7,780,000 State of Florida, Board of Regents, Florida International University Parking Facility Revenue Bonds, Series 1995.

"Series 1999 Bonds" means the $7,530,000 State of Florida, Board of Regents, Florida International University Parking Facility Revenue Bonds, Series 1999.

"Series 2002 Bonds" means the $22,915,000 State of Florida, Florida Board of Education, Florida International University Parking Facility Revenue Bonds, Series 2002.

"Series 2002 Bonds Sale Resolution" means the resolution adopted on September 10, 2002 by the Governor and Cabinet as the Governing Board of the Division of Bond Finance authorizing the sale of the Series 2002 Bonds and amending the Original Resolution.

"Series 2009A Bonds" means the not exceeding $32,000,000 State of Florida, Board of Governors, Florida International University Parking Facility Revenue Bonds, Series 2009A authorized by this Third Supplemental Resolution.

"Third Supplemental Resolution" means this resolution authorizing the issuance of the Series 2009A Bonds.

Where the context so requires, words importing singular number shall include the plural number in each case and vice versa, words importing persons shall include firms and corporations, and the masculine includes the feminine and vice versa.

SECTION 1.02. AUTHORITY FOR THIS RESOLUTION. This Third Supplemental Resolution is adopted pursuant to the provisions of Article VII, Sections 11 (d) of the Florida Constitution; Sections 215.57-215.83, Florida Statutes (the "State Bond Act"); Section 1010.62, Florida Statutes; other applicable provisions of law; the Original Resolution; and any other applicable laws, and constitutes a resolution authorizing bonds pursuant to the State Bond Act.

SECTION 1.03. FINDINGS. It is hereby found, determined, and declared as follows:

(A) The Board of Governors is authorized to acquire, own, construct, operate, maintain, improve and extend public buildings and facilities for use by any of the several State universities, and to finance such improvements; and the Board of

Governors is further authorized to pay the principal of and interest on obligations issued on its behalf to finance the construction and acquisition of such improvements.

(B) The construction of the 2009A Project at the University is necessary, desirable and in the best interest of the University.

(C) The Board of Governors has adopted a resolution on June 18, 2009, requesting the Division of Bond Finance to take the necessary actions required for the issuance of the State of Florida, Board of Governors, Florida International University Parking Facility Revenue Bonds, Series 2009A.

(D) The State at this time is without immediately available funds to make the capital outlay necessary for the construction of the 2009A Project.

(E) Pursuant to the State Bond Act, the Division of Bond Finance is authorized to issue, on behalf of the Board of Governors, the Series 2009A Bonds to finance the 2009A Project.

(F) The 2009A Project shall be the construction of a parking garage substantially in accordance with the plans and specifications as may be approved by the Board of Governors from time to time.

(G) As required by Article VII, Section 11(f) of the Florida Constitution, the Florida Legislature has approved the 2009A Project pursuant to Section 1010.62(7), Florida Statutes.

(H) The principal of and interest on the Series 2009A Bonds, and all of the reserve, sinking fund and other payments provided for herein, will be payable solely from the Pledged Revenues accruing to and to be received by the Board of Governors or the University in the manner provided by the Original Resolution and this Third Supplemental Resolution.

(I) The Series 2009A Bonds will be secured on a parity as to the lien on the Pledged Revenues with the Series 1995 Bonds, the Series 1999 Bonds, the 2002 Bonds, and any additional parity bonds, when and if issued.

(J) The Series 2009A Bonds shall not constitute, directly or indirectly, a debt or a charge against the State of Florida or any political subdivision thereof, but shall be revenue bonds within the meaning of Article VII, Section 11(d), Florida Constitution, and shall be payable solely from funds derived directly from sources other than state tax revenues.

(K) Pursuant to the statutes and constitutional provisions herein cited, including Sections 215.59, 215.64, and 215.79, Florida Statutes, the Division of Bond Finance is authorized to issue the Series 2009A Bonds, subject to the terms, limitations and conditions contained in this Third Supplemental Resolution.

(L) Pursuant to Sections 215.59 and 215.64, Florida Statutes, the Division of Bond Finance is authorized to issue revenue bonds on behalf of state agencies payable from funds derived directly from sources other than state tax revenues, without the vote of electors in the manner provided by law.

(M) The Original Resolution, in Section 5.01 of Article V thereof, provides for the issuance of the Parity Bonds under the terms, restrictions and conditions provided therein.

SECTION 1.04. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Series 2009A Bonds by the Registered Owners, this Third Supplemental Resolution and the Original Resolution shall be deemed to be and shall constitute a contract among the Division of Bond Finance, the Board of Governors, the University and such Registered Owners. The covenants and agreements to be performed by the Board of Governors and the University shall be for the equal benefit, protection, and security of the Registered Owners of any and all of the Series 1995 Bonds, the Series 1999 Bonds, the Series 2002 Bonds, and the Series 2009A Bonds, as defined herein, all of which shall be of equal rank and without preference, priority, or distinction as to any of such Bonds over any other thereof, except as expressly provided in the Original Resolution and this Third Supplemental Resolution.

ARTICLE II
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION, TRANSFER, ISSUANCE AND FORM OF BONDS

SECTION 2.01. AUTHORIZATION OF SERIES 2009A BONDS. Subject and pursuant to the provisions of this Third Supplemental Resolution and the Original Resolution, fully registered revenue bonds of the Board of Governors to be known as "State of Florida, Board of Governors, Florida International University Parking Facility Revenue Bonds, Series 2009A" (or such other designation as may be determined by the Director), are hereby authorized to be issued by the Division of Bond Finance on behalf of the Board of Governors in an aggregate principal amount not exceeding $32,000,000, for the purpose of financing the construction, furnishing and equipping of the 2009A Project as described herein. Such bonds may be sold and issued in one or more series, and in combination with other Florida International University Parking Facility Revenue Bonds; provided that the actual designation of any series of such bonds, whether sold in one or more than one series (including a change of year designation, if desirable), and whether such bonds or any portion thereof are to be taxable or tax-exempt, shall be determined by the Director of the Division (the "Director").

SECTION 2.02. APPLICABILITY OF ARTICLE II OF THE ORIGINAL RESOLUTION. The terms, description, negotiability, redemption, registration, transfer, authentication, disposition, replacement, and issuance of the Series 2009A Bonds shall be governed by the provisions of Article II of the Original Resolution, adjusted to the extent necessary to apply to the Series 2009A Bonds, except as otherwise provided in this Third Supplemental Resolution. The form of the Series 2009A Bonds shall be governed by this Third Supplemental Resolution. The text of the Series 2009A Bonds may contain such provisions, specifications and descriptive words not inconsistent with the provisions of this Third Supplemental Resolution as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, or otherwise, or to comply with applicable laws, rules and regulations of the United States and the State, all as may be determined by the Director prior to the delivery thereof.

SECTION 2.03. EXECUTION OF THE SERIES 2009A BONDS. The Series 2009A Bonds shall be executed in the name of the Board of Governors by its Chairman and attested to by its Vice-Chairman, or such other member of the Board of Governors as may be designated pursuant to subsequent resolution of the Governing Board of the Division of Bond Finance, and the corporate seal of the Board of Governors or a facsimile thereof shall be affixed thereto or reproduced thereon. The Bond Registrar/Paying Agent's certificate of authentication shall appear on the Series 2009A Bonds, signed by an authorized signatory of said Bond Registrar/Paying Agent. Any of the signatures required hereinabove may be a facsimile signature imprinted or reproduced on the Series 2009A Bonds, provided that at least one signature required shall be manually subscribed. In case any one or more of the officers who shall have signed or sealed any of the Series 2009A Bonds shall cease to be such officer of the Board of Governors before the Series 2009A Bonds so signed and sealed shall have been actually sold and delivered, the Series 2009A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2009A Bonds had not ceased to hold such office. Any Series 2009A Bond may be signed and sealed on behalf of the Board of Governors by such person as to the actual time of the execution of such Series 2009A Bond shall hold the proper office, although at the date of such Series 2009A Bond, such person may not have held such office or may not have been so authorized.

A certificate as to the approval of the issuance of the Series 2009A Bonds pursuant to the provisions of the State Bond Act, shall be executed by the facsimile signature of the Secretary or an Assistant Secretary of the Governing Board.

SECTION 2.04. FORM OF SERIES 2009A BONDS.

(A) Notwithstanding anything to the contrary in the Original Resolution or this Third Supplemental Resolution, or any other resolution relating to the Series 2009A Bonds (for the purposes of this section, collectively, the "Resolution"), the Series 2009A Bonds may be issued in book-entry only form utilizing the services of a Securities Depository (as used herein, "Securities Depository" means The Depository Trust Company, New York, New York, or its nominees, successors and assigns).

So long as a book-entry only system of evidence of transfer of ownership of all the Series 2009A Bonds is maintained in accordance herewith, any provision of the Resolution relating to the delivery of physical bond certificates shall be inapplicable, and the Resolution shall be deemed to give full effect to such book-entry system.

If the Series 2009A Bonds are issued in book-entry only form:

(1) The Series 2009A Bonds shall be issued in the name of the Securities Depository as Registered Owner of the Series 2009A Bonds, and held in the custody of the Securities Depository or its designee.

(2) Transfers of beneficial ownership of the Series 2009A Bonds will be effected on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository ("Participants" include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, as well other organizations that clear through or maintain a custodial relationship with such organizations, either directly or indirectly).

(3) Each Participant shall be credited in the records of the Securities Depository with the amount of such Participant's interest in the Series 2009A Bonds. Beneficial ownership interests in the Series 2009A Bonds may be purchased by or through Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive Series 2009A Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the Participant from which such Beneficial Owner purchased its Series 2009A Bonds. Transfers of ownership interests in the Series 2009A Bonds shall be accomplished by book entries made by the Securities Depository and, in turn, by Participants acting on behalf of Beneficial Owners.

(4) Unless otherwise provided herein, the Division of Bond Finance, the Board of Governors, the Board of Administration and the Bond Registrar/Paying Agent (as used in this section, the "State and its agents") shall treat the Securities Depository as the sole and exclusive owner of the Series 2009A Bonds registered in its name for the purposes of

> (a) payment of the principal of, premium, if any, and interest on the Series 2009A Bonds or portion thereof to be redeemed or purchased. Payments made to the Securities Depository of principal, premium, and interest shall be valid and effective to fully satisfy and discharge the Board of Governors' obligations to the extent of the sums so paid;
>
> (b) giving any notice permitted or required to be given to Registered Owners under the Resolution; and
>
> (c) the giving of any direction or consent or the making of any request by the Registered Owners hereunder. The State and its agents may rely conclusively upon
>
> > (i) a certificate of the Securities Depository as to the identity of the Participants with respect to the Series 2009A Bonds; and
> >
> > (ii) a certificate of any such Participant as to the identity of, and the respective principal amount of Series 2009A Bonds beneficially owned by, the Beneficial Owners.

(5) The State and its agents shall have no responsibility or obligations to the Securities Depository, any Participant, any Beneficial Owner or any other person which is not shown on the Series 2009A Bond Register, with respect to

> (a) the accuracy of any records maintained by the Securities Depository or any Participant;
>
> (b) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption or purchase price of, or interest on, any Series 2009A Bond;
>
> (c) the delivery of any notice by the Securities Depository or any Participant;
>
> (d) the selection of the Participants or the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2009A Bonds; or
>
> (e) any consent given or any other action taken by the Securities Depository or any Participant.

(6) The requirements in the Resolution of holding, delivering or transferring Series 2009A Bonds shall be deemed modified to require the appropriate person to meet the requirements of the Securities Depository as to registering or transferring the book-entry Series 2009A Bonds to produce the same effect. Any provision hereof permitting or

requiring delivery of the Series 2009A Bonds shall, while the Series 2009A Bonds are in book-entry only form, be satisfied by the notation thereof on the books of the Securities Depository in accordance with applicable state law.

(B) The Division of Bond Finance may discontinue the book-entry system with the then-current securities depository, subject to the terms of its agreement with such securities depository. In this event, the Division of Bond Finance shall either

(1) identify another qualified securities depository or

(2) prepare and deliver replacement Series 2009A Bonds in the form of fully registered bonds to each Beneficial Owner.

ARTICLE III
APPLICATION OF PROCEEDS

SECTION 3.01. CONSTRUCTION OF THE 2009A PROJECT. The Board of Governors is authorized to construct the 2009A Project from the proceeds of the sale of the Series 2009A Bonds and other legally available funds, subject to the provisions of this Third Supplemental Resolution and the applicable laws of Florida.

SECTION 3.02. APPLICATION OF SERIES 2009A BOND PROCEEDS. (A) Upon receipt of the proceeds of the sale of the Series 2009A Bonds, and after reserving an amount sufficient to pay all costs and expenses incurred in connection with the preparation, issuance and sale of the Series 2009A Bonds, including a reasonable charge for the Division of Bond Finance's services, the Division of Bond Finance shall transfer and deposit the remainder of the Series 2009A Bond proceeds as follows:

(1) An amount which together with other moneys available therefor and on deposit in the Reserve Account is equal to the Reserve Requirement, shall be transferred to the Board of Administration and deposited into the Reserve Account in the Sinking Fund to be used solely for the purpose of the Reserve Account. Alternatively, the Board of Governors, as provided in Section 4.02(A)(2)(c) of the Original Resolution, may elect at any time to provide in lieu of all or a portion of such funds a Reserve Account Credit Facility in an amount equal to the difference between the Reserve Requirement and the sums then on deposit in the applicable sub-account in the Reserve Account.

(2) Any accrued interest or amounts to be used to pay interest for a specified period of time shall be transferred to the Board of Administration and deposited into the Sinking Fund, created by the Original Resolution, and used for the payment of interest on the Series 2009A Bonds.

(3) After making the transfers provided for in subsections (1) and (2) above, the balance of the proceeds of the Series 2009A Bonds shall be transferred to and deposited into the 2009A Project Construction Fund, which is hereby created in the State Treasury.

Any unexpended balance remaining in the 2009A Project Construction Fund, after a consulting architect shall certify that the 2009A Project has been completed and all costs thereof paid or payment provided for, shall be deposited in the Sinking Fund created by the Original Resolution.

All moneys in said 2009A Project Construction Fund shall constitute a trust fund for such purposes and there is hereby created a lien upon such funds in favor of the Registered Owners of Series 2009A Bonds issued pursuant to this Third Supplemental Resolution, until such funds are applied as provided herein, except to the extent such moneys are required for the payment of any Rebate Amount, and all moneys in such funds shall be continuously secured in the manner now provided by the laws of the State for securing deposits of state funds.

SECTION 3.03. INVESTMENT OF 2009A PROJECT CONSTRUCTION FUND. Any moneys in the 2009A Construction Fund not immediately needed for the purposes provided in this Third Supplemental Resolution, may be temporarily invested and reinvested as provided in Section 17.57, Florida Statutes.

SECTION 3.04. REIMBURSEMENT OF CONSTRUCTION COSTS. Expenditures for the construction and equipping of the 2009A Project which are incurred by the University from the date hereof may be reimbursed from the proceeds of the Series 2009A Bonds. The expenditures will be reimbursed from the 2009A Project Construction Fund.

ARTICLE IV
SECURITY FOR THE SERIES 2009A BONDS; COMPLETION BONDS

SECTION 4.01. SERIES 2009A BONDS ON A PARITY WITH THE SERIES 1995 BONDS, SERIES 1999 BONDS, AND SERIES 2002 BONDS. The Series 2009A Bonds shall be payable on a parity and rank equally as to lien on and source and security for payment from the Pledged Revenues and in all other respects, with the Series 1995 Bonds, Series 1999 Bonds, and Series 2002 Bonds.

SECTION 4.02. BONDS SECURED BY ORIGINAL RESOLUTION. The Series 2009A Bonds shall be deemed to have been issued pursuant to the Original Resolution as fully and to the same extent as the Series 1995 Bonds, Series 1999 Bonds, and Series 2002 Bonds and all of the covenants and agreements contained in the Original Resolution shall be deemed to have been made for the benefit of the Registered Owners of the Series 2009A Bonds as fully and to the same extent as the Registered Owners of the Series 1995 Bonds, Series 1999 Bonds, and Series 2002 Bonds.

All of the covenants, agreements, and provisions of the Original Resolution, except to the extent inconsistent herewith, shall be deemed to be part of this Third Supplemental Resolution to the same extent as if incorporated verbatim in this Third Supplemental Resolution, and shall be fully enforceable in the manner provided in the Original Resolution by any of the Registered Owners of the Series 2009A Bonds.

SECTION 4.03. COMPLETION BONDS. The Board of Governors and the Division of Bond Finance need not comply with Section 5.01 of the Original Resolution in the issuance of Completion Bonds, provided that the net proceeds of such Completion Bonds available for deposit into the 2009A Project Construction Fund for such costs shall be equal to or less than 20% of the original estimated cost of the 2009A Project at the time of the original issuance of the Series 2009A Bonds.

ARTICLE V
MISCELLANEOUS AND AMENDMENT OF ORIGINAL RESOLUTION

SECTION 5.01. RESOLUTION NOT ASSIGNABLE. This Third Supplemental Resolution shall not be assignable by the Division of Bond Finance or the Board of Administration, except for the benefit of the Registered Owners; provided, however, the Board of Governors may lease, from time to time, to other tenants such portion or portions of the Parking System as are not needed by the Board of Governors, to the extent that any such lease would not adversely affect the exclusion of interest on any tax-exempt Bonds from gross income for federal income tax purposes.

SECTION 5.02. MODIFICATION OR AMENDMENT. Modification or amendment hereof shall be governed by Section 8.02 of the Original Resolution.

SECTION 5.03. CONTINUING DISCLOSURE. (A) In order to comply with Rule 15c2-12 of the Securities and Exchange Commission, the Board of Governors hereby agrees to provide or cause to be provided such information as may be required, from time to time, under such rule.

(B) The Director of the Division of Bond Finance, in conjunction with the appropriate officer of the Board of Governors, is authorized and directed to execute and deliver any documents or agreement which are necessary to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission.

SECTION 5.04. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants or provisions of this Third Supplemental Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants or provisions shall be null and void and shall be deemed separable from the remaining covenants or provisions of this Third Supplemental Resolution or of the Bonds and shall in no way affect the validity or enforceability of any other covenants, agreements or provisions of this Third Supplemental Resolution or of the Series 2009A Bonds issued hereunder.

SECTION 5.05. FISCAL AGENT. Upon the sale and delivery of the Series 2009A Bonds by the Division of Bond Finance on behalf of the Board of Governors, the Board of Administration shall act as the fiscal agent for the Board of Governors with respect to the Series 2009A Bonds.

SECTION 5.06. VALIDATION AUTHORIZED. The attorneys for the Division of Bond Finance are hereby authorized to institute proceedings to validate the Series 2009A Bonds pursuant to Chapter 75, Florida Statutes, if validation is deemed to be necessary or desirable by the Division.

SECTION 5.07. REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions and parts of resolutions heretofore adopted pertaining to the subject matter of this Third Supplemental Resolution, to the extent that they are inconsistent with this Third Supplemental Resolution, be and the same are hereby repealed, revoked, and rescinded, but only to the extent of any such inconsistencies. The authority for the issuance and delivery of the unissued portion of any previously authorized State of Florida, Florida International University Parking Facility Revenue Bonds is hereby canceled.

SECTION 5.08. SUCCESSOR AGENCIES AND OFFICIALS. Any references in the Original Resolution or this Third Supplemental Resolution to offices, bodies, or agencies which have been or are superceded, replaced or abolished by law shall be deemed to refer to the successors of such offices, bodies, and agencies. Any action required or authorized to be taken by an official whose office, body, or agency has been or is so superceded, replaced, or abolished shall be taken by the successor to such official.

SECTION 5.09. CONFIRMATION OF ORIGINAL RESOLUTION. As amended and supplemented by this Third Supplemental Resolution, the Original Resolution is in all respects ratified and confirmed, and this Third Supplemental Resolution shall be read, taken, and construed as a part of the Original Resolution.

SECTION 5.10. AMENDMENT OF ORIGINAL RESOLUTION. The Original Resolution is amended as follows. Language to be added to the Original Resolution is indicated by underlining, and language to be deleted from the Original Resolution is indicated by ~~strike-throughs~~.

(A) Section 1.02 of the Original Resolution is hereby amended as follows:

> SECTION 1.02. DEFINITIONS. The following terms shall have the following meanings in this Resolution unless the text otherwise requires:
>
> . . .
>
> "Board of Governors ~~Regents~~" or "Board" shall mean ~~the Board of Regents of the Division of Universities of the State of Florida Department of Education, as created pursuant to the provisions of Chapter 240, Florida Statutes~~ the Board of Governors created by Article IX, Section 7 of the Florida Constitution, and includes any other entity succeeding to the powers thereof.

(B) The Original Resolution is further amended to replace all occurrences of the term "Board of Regents" with the term "Board of Governors".

SECTION 5.11. EFFECTIVE DATE. This Third Supplemental Resolution shall take effect immediately upon its adoption.

ADOPTED on September 15, 2009.

A RESOLUTION (THE SEVENTH SUPPLEMENTAL RESOLUTION) AUTHORIZING THE ISSUANCE AND SALE OF STATE OF FLORIDA, BOARD OF GOVERNORS, FLORIDA INTERNATIONAL UNIVERSITY PARKING FACILITY REVENUE REFUNDING BONDS, SERIES 2023A, REFUNDING ALL OR A PORTION OF CERTAIN OUTSTANDING BONDS; CANCELLING THE AUTHORITY FOR ANY UNISSUED PREVIOUSLY AUTHORIZED BONDS; AMENDING THE ORIGINAL RESOLUTION; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE GOVERNOR AND CABINET OF THE STATE OF FLORIDA, AS THE GOVERNING BOARD OF THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA:

ARTICLE I
DEFINITIONS; AUTHORITY; RESOLUTION TO CONSTITUTE CONTRACT

SECTION 1.01. DEFINITIONS. All of the definitions contained in Article I of the Original Resolution (as defined herein), as amended, in addition to the definitions contained herein and except to the extent inconsistent with or amended by definitions contained herein, shall apply fully to the Outstanding Bonds and the Refunding Bonds (as defined herein).

"Bond Registrar/Paying Agent" means U.S. Bank Trust Company, National Association (formerly, U.S. Bank Trust National Association), or its successor.

"Original Resolution" means the resolution adopted by the Governing Board on February 28, 1995, authorizing the issuance of the 1995 Bonds.

"**Outstanding Bonds**" means the Outstanding State of Florida, Board of Governors, Florida International University Parking Facility Revenue Bonds, Series 2013A, and State of Florida, Board of Governors, Florida International University Parking Facility Revenue Refunding Bonds, Series 2019A.

"Parking System" means the facilities enumerated in the Original Resolution, as amended and supplemented through the date of this Seventh Supplemental Resolution and such additional facilities as at some future date may be added to the Parking System.

“Refunded Bonds” means all or a portion of the Outstanding State of Florida, Board of Governors, Florida International University Parking Facility Revenue Bonds, Series 2013A.

“Refunding Bonds” means the State of Florida, Board of Governors, Florida International Parking Facility Revenue Refunding Bonds, Series 2023A, authorized by this Seventh Supplemental Resolution.

“Resolution” means the Original Resolution, as supplemented and amended through the date of this Seventh Supplemental Resolution.

“Second Supplemental Resolution” means the resolution adopted by the Governing Board on June 12, 2002, which amended the Original Resolution.

“Series 2002 Bonds Sale Resolution” means the resolution adopted by the Governing Board on September 10, 2002, which amended the Original Resolution.

“Seventh Supplemental Resolution” means this resolution authorizing the issuance and sale of the Refunding Bonds and amending the Original Resolution.

“Third Supplemental Resolution” means the resolution adopted by the Governing Board on September 15, 2009, which amended the Original Resolution.

Where the context so requires, words importing singular number shall include the plural number in each case and vice versa, words importing persons shall include firms and corporations, and the masculine includes the feminine and vice versa.

SECTION 1.02. AUTHORITY FOR THIS RESOLUTION. This Seventh Supplemental Resolution is adopted pursuant to the provisions of Article VII, Section 11(d) of the Florida Constitution; Sections 215.57-215.83, Florida Statutes (the “State Bond Act”); Section 1010.62, Florida Statutes, and other applicable provisions of law; and Section 5.01 of the Original Resolution; and is supplemental to said Original Resolution, as amended.

SECTION 1.03. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Refunding Bonds by the Registered Owners, the Resolution shall be deemed to be and shall constitute a contract among the Division of Bond Finance, the Board of Governors, the University and such Registered Owners. The covenants and agreements to be performed by the Board of Governors and the University shall be for the equal benefit, protection, and security of the Registered Owners of any and all of the Outstanding Bonds and the Refunding Bonds, all of which shall be of equal rank and without preference, priority, or distinction as to any of such Bonds over any other thereof, except as expressly provided in the Original Resolution, as amended and supplemented.

ARTICLE II
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION, TRANSFER, ISSUANCE, FORM OF BONDS, AND AUTHORIZATION TO EXECUTE ESCROW DEPOSIT AGREEMENT

SECTION 2.01. AUTHORIZATION OF ISSUANCE AND SALE OF REFUNDING BONDS. (A) Subject and pursuant to the provisions of the Resolution, fully registered revenue bonds of the Board of Governors to be known as "State of Florida, Board of Governors, Florida International University Parking Facility Revenue Refunding Bonds, Series 2023A" (or such other designation as may be determined by the Director), are hereby authorized to be issued and sold at competitive sale by the Division of Bond Finance in an aggregate principal amount not exceeding $28,500,000 on a date and at the time to be determined by the Director. The Refunding Bonds shall be sold to refund all or a portion of the Refunded Bonds. The Refunding Bonds may be combined with, designated the same as, and sold with any other series of Florida International University Parking Facility Revenue Bonds. The maturities or portions of maturities to be refunded shall be as determined by the Director to be in the best financial interest of the State. The redemption of the Refunded Bonds on or after their first call date is hereby authorized.

(B) The Director is hereby authorized to determine the most advantageous date and time of sale and to provide notice pursuant to applicable law of such sale, at a time and in such manner as determined by the Director to be appropriate to provide adequate notice to potential bidders; provided, that if no bids are received, or if all bids received are rejected, such Refunding Bonds may again be offered for sale upon reasonable notice, the timing and manner of which shall be determined by the Director. Bids for the purchase of the Refunding Bonds will be received at the office of the Division of Bond Finance or at another location designated in the Notice of Bond Sale, until the time and date of sale determined by the Director.

(C) The Director is hereby authorized to publish and distribute a Notice of Bond Sale and a proposal for the sale of the Refunding Bonds. The Notice of Bond Sale shall be in such form as shall be determined by the Director and shall contain such information as is consistent with the terms of the Resolution which the Director determines is in the best financial interest of the State. Any prior publication or distribution of a Notice of Bond Sale, or abbreviated version thereof, and proposal for sale is hereby ratified.

(D) The Director is hereby authorized to prepare and distribute preliminary and final official statements in connection with the public offering of the Refunding Bonds. The Director is further authorized and directed to amend, supplement or complete the information contained in the preliminary official statement, as may be needed, and to furnish such certification as to the completeness and finality of the preliminary official statement as is necessary to permit the successful bidder to fulfill its obligations under any applicable securities laws. The Chairman and Secretary of the Governing Board and the Director are hereby authorized to execute the final official statement in connection with the public offering of the Refunding Bonds, and the execution thereof by any of the authorized individuals shall be conclusive evidence that the Governing Board has approved the form and content of the final official statement and that the final official statement is complete as of its date.

(E) The Director is hereby authorized to cause as many copies as he determines to be necessary of the preliminary official statement and final official statements relating to the public offering of the Refunding Bonds printed and distributed; to contract with national rating services and providers of municipal bond insurance and Reserve Account Credit Facilities; to retain bond counsel; to make a determination that the preliminary official statement is “deemed final” for purposes of Rule 15c2-12(b)(1) of the Securities and Exchange Commission; to conduct information meetings; and to take such other actions as may be deemed appropriate for the dissemination of information relating to the sale of the Refunding Bonds. Any prior printing and distribution of a preliminary official statement is hereby ratified.

(F) The Secretary or any Assistant Secretary of the Governing Board is hereby authorized and empowered to award said Refunding Bonds when offered, on his determination of the best proposal, as defined in the Notice of Bond Sale, submitted in accordance with the terms of the Notice of Bond Sale provided for herein, and such award shall be final. The Director or any Assistant Secretary of the Governing Board shall report such sale to the Governing Board after award of the Refunding Bonds. The Secretary or any Assistant Secretary of the Governing Board is authorized to deliver such Refunding Bonds to the purchasers thereof upon payment of the purchase price, together with any accrued interest to the date of delivery, and to distribute the proceeds of the Refunding Bonds as provided by this Seventh Supplemental Resolution and other proceedings authorizing the issuance of the Refunding Bonds.

(G) The Refunding Bonds shall be executed in the name of the Board of Governors by its Chair, or by such other authorized person. Any of the signatures required hereinabove may be a facsimile signature imprinted or reproduced on the Refunding Bonds. In case any one or more of the officers who shall have signed any of the Refunding Bonds shall cease to be such officer before the Refunding Bonds so signed and sealed shall have been actually sold and delivered, the Refunding Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Refunding Bonds had not ceased to hold office.

(H) A certificate as to the approval of the issuance of the Refunding Bonds, shall be executed by the facsimile signature of the Secretary of the Governing Board, an Assistant Secretary, or as otherwise provided by law.

(I) U.S. Bank Trust Company, National Association, or its successor, is hereby designated as Bond Registrar/Paying Agent for the Refunding Bonds pursuant to the terms and conditions set forth in the Registrar, Paying Agent and Transfer Agreement between the Board of Administration and U.S. Bank Trust, National Association (now, U.S. Bank Trust Company, National Association), or its successor.

(J) The Interest Payment Dates and the Principal Payment Dates for the Refunding Bonds shall be as set forth in the Notice of Bond Sale. Interest on the Refunding Bonds shall be paid by check or draft mailed on the Interest Payment Date (or, in certain cases, may be paid by wire transfer at the election of a Registered Owner, other than a securities depository, in the manner and under the terms provided for in the Registrar, Paying Agent and Transfer Agreement, provided that such Registered Owner advances to the

Bond Registrar/Paying Agent the amount, if any, necessary to pay the wire charges or authorizes the Bond Registrar/Paying Agent to deduct the amount of such payment) to the Registered Owner thereof as of 5:00 p.m. eastern time on the Record Date shown on the registration books maintained by the Bond Registrar/Paying Agent for the Refunding Bonds.

(K) The Refunding Bonds shall be dated, shall mature in such years and amounts and shall bear interest commencing on such date as set forth or provided for in the Notice of Bond Sale, a copy of which, as published, shall be retained in the files of the Division of Bond Finance with this Seventh Supplemental Resolution. The Refunding Bonds shall be issued in denominations of $1,000 or any integral multiple thereof unless otherwise provided in the Notice of Bond Sale. The Refunding Bonds shall be payable at the corporate trust office of the Bond Registrar/Paying Agent.

The Refunding Bonds will bear interest at the interest rate specified by the successful bidder, calculated based on a 360-day year consisting of twelve 30-day months.

(L) The Refunding Bonds shall be subject to redemption as provided in the Notice of Bond Sale. The Notice of Bond Sale shall contain such redemption provisions as shall be determined by the Director to be in the best financial interest of the State. Upon election by the successful bidder as provided in the Notice of Bond Sale, a portion of the Refunding Bonds identified in such election may be designated as Term Bonds. Additionally, in lieu of mailing the notice of redemption, the Bond Registrar/Paying Agent may elect to provide such notice by electronic means to any Registered Owner who has consented to such method of receiving notices.

(M) The Reserve Account for the Refunding Bonds authorized by this Seventh Supplemental Resolution shall be funded in an amount determined by the Director, which shall not exceed the Reserve Requirement for the Refunding Bonds. Such amount may be zero.

The amount of the Reserve Requirement funded from the proceeds of the Refunding Bonds shall not exceed the amount permitted under the Code. The Reserve Requirement for the Refunding Bonds, if any, shall be deposited, as determined by the Director, in either a subaccount in the Reserve Account established for any of the Outstanding Bonds or in a subaccount in such Reserve Account which is hereby established for the Refunding Bonds. Amounts on deposit in any subaccount in the Reserve Account may be commingled with the amounts deposited for Bonds of additional Series which are secured thereby, shall be held for the benefit of the Registered Owners of only such Bonds as may be specifically secured by the respective subaccount, and shall be applied in the manner provided in the Resolution.

(N) Any portion of the Refunding Bonds may be issued as a separate series, provided that the Refunding Bonds of each series shall be numbered consecutively from one upward. The Refunding Bonds referred to herein may be sold separately or combined with any other Bonds authorized by the Division of Bond Finance to be sold.

(O) The Director is hereby authorized to offer for sale a lesser principal amount of Refunding Bonds than that set forth in this Seventh Supplemental Resolution and to adjust the maturity schedule and redemption provisions for the Refunding Bonds, if necessary, to reflect the issuance of such lesser amount, and to modify the Notice of Bond Sale as may be required. Any portion of the Refunding Bonds not offered shall remain authorized to be offered at a later date.

(P) The Director is authorized to provide in the Notice of Bond Sale of the Refunding Bonds that the purchase price for the Refunding Bonds may include a discount of not to exceed 3%, excluding original issue discount, if any, of the aggregate principal amount of such Refunding Bonds offered for sale.

(Q) The Chairman, Secretary, any Assistant Secretary of the Governing Board, the Director, and such other officers and employees of the Division of Bond Finance as may be designated by the Governing Board as agents of the Division of Bond Finance are authorized and empowered, collectively or individually, to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other action on behalf of the Division of Bond Finance, in each case as they may deem necessary or desirable, in connection with the execution and delivery of the Refunding Bonds, including, but not limited to, contracting with a consultant to verify escrow calculations of the Refunding Bonds, retaining bond counsel to render a special tax opinion relating to the use of the proceeds from the sale of the Refunding Bonds, and providing for redemption of the Refunded Bonds. Notwithstanding anything contained in the Original Resolution to the contrary, it is the intent of the Division of Bond Finance that interest on the

Refunding Bonds, if issued as tax-exempt Refunding Bonds, be and remain excluded from gross income for federal income tax purposes and therefore to comply with all requirements of federal tax law applicable to such tax-exempt Refunding Bonds, whether such requirements are now in effect, pending or subsequently enacted. The Division of Bond Finance is hereby authorized and directed to take all actions necessary with respect to the Refunding Bonds to comply with such requirements of federal tax law.

SECTION 2.02. AUTHORIZATION TO EXECUTE AND DELIVER AN ESCROW DEPOSIT AGREEMENT; DESIGNATION OF ESCROW AGENT. The Chairman, Secretary, and any Assistant Secretary of the Governing Board, the Director, and such other officers and employees of the Division of Bond Finance as may be designated by the Governing Board as agents of the Division of Bond Finance are hereby each authorized to execute and deliver an escrow deposit agreement on behalf of the Division of Bond Finance in such form as may be determined by the Director for the purpose of providing for the deposit of a portion of the proceeds of the Refunding Bonds and such other funds as determined to be necessary into an escrow deposit trust fund for the refunding of the Refunded Bonds. The escrow deposit trust fund shall be held and administered by an escrow agent acceptable to the Director as evidenced by the Director's execution of the escrow deposit agreement.

SECTION 2.03. APPLICABILITY OF ARTICLE II OF THE ORIGINAL RESOLUTION. Except as otherwise provided in this Seventh Supplemental Resolution, the terms, description, execution, negotiability, redemption, authentication, disposition, replacement, registration, transfer, issuance and form of the Refunding Bonds shall be governed by the provisions of Article II of the Original Resolution, adjusted to the extent necessary to apply to the Refunding Bonds.

SECTION 2.04. FORM OF REFUNDING BONDS. (A) Notwithstanding anything to the contrary in the Resolution, or any other resolution related to the Refunding Bonds, the Refunding Bonds may be issued in book-entry only form utilizing the services of a Securities Depository (as used herein, "Securities Depository" means The Depository Trust Company, New York, New York, or its nominees, successors and assigns).

So long as a book-entry only system of evidence of transfer of ownership of all the Refunding Bonds is maintained in accordance herewith, any provision of the Resolution relating to the delivery of physical bond certificates shall be inapplicable, and the Resolution shall be deemed to give full effect to such book-entry system.

If the Refunding Bonds are issued in book-entry only form:

(1) The Refunding Bonds shall be issued in the name of the Securities Depository as Registered Owner of the Refunding Bonds and held in the custody of the Securities Depository or its designee.

(2) Transfers of beneficial ownership of the Refunding Bonds will be effected on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository ("Participants" include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, as well other organizations that clear through or maintain a custodial relationship with such organizations, either directly or indirectly).

(3) Each Participant shall be credited in the records of the Securities Depository with the amount of such Participant's interest in the Refunding Bonds. Beneficial ownership interests in the Refunding Bonds may be purchased by or through Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive Refunding Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the Participant from which such Beneficial Owner purchased its Refunding Bonds. Transfers of ownership interests in the Refunding Bonds shall be accomplished by book entries made by the Securities Depository and, in turn, by Participants acting on behalf of Beneficial Owners.

(4) Unless otherwise provided herein, the Division of Bond Finance, the Board of Governors, the Board of Administration, and the Bond Registrar/Paying Agent (as used in this

section, the "State and its agents") shall treat the Securities Depository as the sole and exclusive owner of the Refunding Bonds registered in its name for the purposes of:

(a) payment of the principal of, premium, if any, and interest on the Refunding Bonds or portion thereof to be redeemed or purchased. Payments made to the Securities Depository of principal, premium, and interest shall be valid and effective to fully satisfy and discharge the Board of Governors' obligations to the extent of the sums so paid;

(b) giving any notice permitted or required to be given to Registered Owners under the Resolution; and

(c) the giving of any direction or consent or the making of any request by the Registered Owners hereunder. The State and its agents may rely conclusively upon:

(i) a certificate of the Securities Depository as to the identity of the Participants with respect to the Refunding Bonds; and

(ii) a certificate of any such Participant as to the identity of, and the respective principal amount of Refunding Bonds beneficially owned by, the Beneficial Owners.

(5) The State and its agents shall have no responsibility or obligations to the Securities Depository, any Participant, any Beneficial Owner or any other person which is not shown on the Refunding Bond Register, with respect to:

(a) the accuracy of any records maintained by the Securities Depository or any Participant;

(b) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption or purchase price of, or interest on, any Refunding Bond;

(c) the delivery of any notice by the Securities Depository or any Participant;

(d) the selection of the Participants or the Beneficial Owners to receive payment in the event of any partial redemption of the Refunding Bonds; or

(e) any consent given or any other action taken by the Securities Depository or any Participant.

(6) The requirements in the Resolution of holding, delivering or transferring Refunding Bonds shall be deemed modified to require the appropriate person to meet the requirements of the Securities Depository as to registering or transferring the book-entry Refunding Bonds to produce the same effect. Any provision hereof permitting or requiring delivery of the Refunding Bonds shall, while the Refunding Bonds are in book-entry only form, be satisfied by the notation thereof on the books of the Securities Depository in accordance with applicable state law.

(B) The Division of Bond Finance may discontinue the book-entry system with the then-current securities depository, subject to the terms of its agreement with such securities depository. In this event, the Division of Bond Finance shall either:

(1) identify another qualified securities depository, or

(2) prepare and deliver replacement Refunding Bonds in the form of fully registered bonds to each Beneficial Owner.

ARTICLE III
APPLICATION OF PROCEEDS

SECTION 3.01. APPLICATION OF REFUNDING BOND PROCEEDS. Upon receipt of the proceeds of the sale of the Refunding Bonds, the Division of Bond Finance shall transfer and apply such proceeds as follows:

(A) The amount necessary to pay all costs and expenses of the Division of Bond Finance in connection with the preparation, issuance, and sale of the Refunding Bonds, including a reasonable charge for the services of the Division of Bond Finance for its fiscal services and for arbitrage rebate compliance program set-up, shall be transferred to the Division of Bond Finance and deposited in the Bond Fee Trust Fund.

(B) An amount necessary to fund the incremental increase in the Reserve Requirement, if any, attributable to the Refunding Bonds, shall be transferred to the Board of Administration and deposited in the Reserve Account within the Sinking Fund. Alternatively, the Board of Governors, as provided in Section 4.02 of the Original Resolution, may elect at any time to provide in lieu of all or a portion of such funds a Reserve Account Credit Facility in an amount equal to the difference between the Reserve Requirement and the sums then on deposit in the applicable sub-account in the Reserve Account.

(C) Any accrued interest or amounts to be used to pay interest for a specified period of time shall be transferred to the Board of Administration and deposited into the Sinking Fund and used for the payment of interest on the Refunding Bonds.

(D) After making the transfers provided for in subsections (A) through (C) above, a sufficient amount from the balance of the proceeds of the Refunding Bonds shall be transferred to and deposited in escrow pursuant to the terms of the escrow deposit agreement or, at the discretion of the Director, deposited with the Bond Registrar/Paying Agent, to pay when due: (1) the principal amount of the Refunded Bonds, (2) the amount of interest and redemption premium payable on the Refunded Bonds, and (3) the amount of fees and expenses incurred in connection with the payment and retirement of the Refunded Bonds.

(E) Any balance of the proceeds of the Refunding Bonds after providing for the requirements of subsections (A) through (D) above shall be transferred to the Board of Administration and deposited into the Sinking Fund and used for the purposes set forth therein.

ARTICLE IV
SECURITY FOR THE BONDS;
AMENDMENT OF ORIGINAL RESOLUTION

SECTION 4.01. REFUNDING BONDS ON A PARITY WITH THE OUTSTANDING BONDS. The Refunding Bonds shall be issued subject to the provisions of Sections 5.01 and 5.02 of the Original Resolution governing the issuance of Additional Parity Bonds thereunder. The Refunding Bonds shall be payable on a parity and rank equally as to lien on and source and security for payment from the Pledged Revenues and in all other respects, with the Outstanding Bonds.

SECTION 4.02. REFUNDING BONDS SECURED BY ORIGINAL RESOLUTION. The Refunding Bonds shall be deemed to have been issued pursuant to the Original Resolution, as previously amended, and as supplemented by this Seventh Supplemental Resolution, as fully and to the same extent as the Outstanding Bonds, and all of the covenants and agreements contained in the Original Resolution shall be deemed to have been made for the benefit of the Registered Owners of the Refunding Bonds as fully and to the same extent as the Registered Owners of the Outstanding Bonds.

All of the covenants, agreements, and provisions of the Original Resolution, as amended, except to the extent inconsistent herewith, shall be deemed to be part of this Seventh Supplemental Resolution to the same extent as if incorporated verbatim in this Seventh Supplemental Resolution, and shall be fully enforceable in the manner provided in the Original Resolution by any of the Registered Owners of the Refunding Bonds.

SECTION 4.03. AMENDMENT OF ORIGINAL RESOLUTION. The initial Holders of the Refunding Bonds and the initial Holders of subsequently issued Bonds, by virtue of their purchase and acceptance thereof, shall be deemed to have consented to in writing and approved the amendments to the Original Resolution set forth in this Section 4.03. All subsequent Holders of the Refunding Bonds and subsequent Series of Bonds shall be bound by the terms of such consent and approval. By virtue of their purchase and acceptance of the Refunding Bonds, the Holders of more than fifty percent in principal amount of the Bonds then Outstanding shall have consented in writing to the amendments herein. The Original Resolution shall be deemed amended as follows, in accordance with Section 8.02 thereof, upon the issuance of the Refunding Bonds, as follows. Language to be added to the Original Resolution is indicated by <u>underlining,</u> and language to be deleted is indicated by ~~strike-through~~.

(A) Section 1.02 of the Original Resolution is hereby amended as follows:

SECTION 1.02. DEFINITIONS. The following terms shall have the following meanings in this Resolution unless the text otherwise requires:

<u>**"Assistant Secretary"** shall mean an Assistant Secretary of the Division of Bond Finance.</u>

<u>**"Director"** shall mean the Director of the Division of Bond Finance and shall include any Assistant Secretary to whom the Director delegates authority.</u>

"Reserve Requirement" shall mean, as of any date of calculation for a particular debt service reserve subaccount within the Sinking Fund, an amount to be determined by<u> the Director</u> ~~subsequent resolution of the Governing Board~~, which amount <u>may be zero, and </u>shall not exceed the lesser of: (1) the Maximum Annual Debt Service on the Bonds secured by such subaccount, (2) 125% of the average annual debt service of the Bonds secured by such subaccount, (3) 10% of the par amount of the Bonds secured by such subaccount, or (4) the maximum debt service reserve permitted with respect to tax-exempt obligations under the Code, with respect to the Bonds secured by such subaccount.

(B) Section 5.01 of the Original Resolution is hereby amended as follows:

SECTION 5.01. ISSUANCE OF ADDITIONAL PARITY BONDS. The Division of Bond Finance is authorized to issue Additional Parity Bonds, but only upon the following terms, restrictions and conditions:

(A) The proceeds from such Additional Parity Bonds shall be used to acquire and construct capital additions or improvements to the Parking System.

~~(B) All previously authorized bonds shall have been issued and delivered, or authority for the issuance and delivery of any unissued portion thereof shall have been cancelled.~~

<u>(B)</u>~~(C)~~ The Board of Governors shall authorize the issuance of such Additional Parity Bonds.

~~(D) The Board of Administration shall approve the fiscal sufficiency of such Additional Parity Bonds.~~

<u>(C)</u>~~(E)~~ Certificates shall be executed by the Board of Governors or other appropriate State official setting forth:

(1) the average amount of Pledged Revenues from the two Fiscal Years immediately preceding the issuance of the proposed Additional Parity Bonds, and;

(2) the Maximum Annual Debt Service on the Bonds then Outstanding and the Additional Parity Bonds then proposed to be issued.

<u>(D)</u>~~(F)~~ The Board of Governors<u> and the University</u> must be current in all deposits into the various funds and accounts and all payments theretofore required to have been deposited or made by it under the provisions of this Resolution and the Board of Governors<u> </u>must be currently in compliance with the covenants and provisions of this Resolution and any supplemental resolution hereafter adopted for the issuance of Additional Parity Bonds, unless upon the issuance of such Additional Parity Bonds the Board of Governors will be in compliance with all such covenants and provisions.

<u>(E)</u>~~(G)~~(l) The average amount of Pledged Revenues for the two immediately preceding Fiscal Years adjusted as hereinafter provided, as certified by the Board of Governors or other appropriate State official pursuant to <u>(C)</u>~~(E)~~(l) above, will be at least equal to one hundred twenty percent of the Maximum Annual Debt Service on (i) the Bonds then Outstanding, and (ii) the Additional Parity Bonds then proposed to be issued.

(2) The Pledged Revenues calculated pursuant to the foregoing paragraph <u>(E)</u>~~(G)~~(l) may be adjusted, at the option of the Board of Governors as follows [. . .]

(C) Section 5.02 of the Original Resolution is hereby amended to read as follows:

SECTION 5.02. REFUNDING BONDS. The Bonds originally issued pursuant to this Resolution then Outstanding, together with all Additional Parity Bonds theretofore issued and then Outstanding, may be refunded as a whole or in part. If the Annual Debt Service Requirement of the refunding Bonds in each Fiscal Year is equal to or less than the corresponding Annual Debt Service Requirement of the refunded Bonds, then the provisions of Section 5.01(A), (C), and (E)~~(G)~~ of this Resolution shall not apply to the issuance of the refunding Bonds.

ARTICLE V
MISCELLANEOUS

SECTION 5.01. RESOLUTION NOT ASSIGNABLE. This Seventh Supplemental Resolution shall not be assignable by the Division of Bond Finance or the Board of Administration, except for the benefit of the Registered Owners.

SECTION 5.02. MODIFICATION OR AMENDMENT. Modification or amendment hereof shall be governed by Section 8.02 of the Original Resolution.

SECTION 5.03. CONTINUING DISCLOSURE. (A) In order to comply with Rule 15c2-12 of the Securities and Exchange Commission, the Board of Governors hereby agrees to provide or cause to be provided such information as may be required, from time to time, under such rule or any successor rule applicable to the Board of Governors.

(B) The Director, in conjunction with the appropriate officer of the Board of Governors, is authorized and directed to execute and deliver any documents or agreement which are necessary to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission or any successor rule applicable to the Board of Governors.

SECTION 5.04. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants or provisions of this Seventh Supplemental Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants or provisions shall be null and void and shall be deemed separable from the remaining covenants or provisions of this Seventh Supplemental Resolution or of the Refunding Bonds and shall in no way affect the validity or enforceability of any other covenants, agreements or provisions of this Seventh Supplemental Resolution or of the Refunding Bonds issued hereunder.

SECTION 5.05. FISCAL AGENT. Upon the sale and delivery of the Refunding Bonds by the Division of Bond Finance on behalf of the Board or Governors, the Board of Administration shall act as the fiscal agent for the Board of Governors with respect to the Refunding Bonds.

SECTION 5.06. REPEAL OF INCONSISTENT RESOLUTIONS AND CANCELLATION OF PRIOR ISSUANCE AUTHORITY. All prior or concurrent resolutions or parts of resolutions inconsistent with this Seventh Supplemental Resolution are hereby amended by this Seventh Supplemental Resolution, but only to the extent of any such inconsistency and only with respect to the Refunding Bonds. The authority for the issuance and delivery of the unissued portion of any Bonds authorized prior to the date of this Seventh Supplemental Resolution pursuant to the Original Resolution is hereby cancelled.

SECTION 5.07. SUCCESSOR AGENCIES AND OFFICIALS. Any references in the Resolution to offices, bodies, or agencies which have been or are superseded, replaced or abolished by law shall be deemed to refer to the successors of such offices, bodies, and agencies. Any action required or authorized to be taken by an official whose office, body, or agency has been or is so superseded, replaced, or abolished shall be taken by the successor to such official.

SECTION 5.08. CONFIRMATION OF ORIGINAL RESOLUTION. As amended and supplemented by this Seventh Supplemental Resolution, the Original Resolution is in all respects ratified and confirmed, and this Seventh Supplemental Resolution shall be read, taken, and construed as a part of the Original Resolution.

SECTION 5.09. EFFECTIVE DATE. This Seventh Supplemental Resolution shall take effect immediately upon its adoption.

ADOPTED on January 17, 2023.

FLORIDA INTERNATIONAL UNIVERSITY[1]
Miami, Florida

Introduction and Brief History

Florida International University ("FIU" or the "University") is a multi-campus public research university offering a broad array of undergraduate, graduate, and professional programs. Its colleges and schools offer approximately 200 bachelor's, master's, and doctoral degree programs in fields such as engineering, international relations, architecture, law, and medicine. It has approximately 280,000 alumni and enrolls approximately 56,000 students across two campuses – the Modesto A. Maidique campus in western Miami-Dade County and the Biscayne Bay Campus in northeast Miami-Dade County, Florida – plus centers in downtown Miami, South Beach, and Miramar, Florida. More than 18,000 degrees are awarded annually. FIU is the largest university in South Florida and one of the largest public universities in the United States based upon fall 2022 student enrollment data.

Chartered by the Florida Legislature in 1965, FIU opened its doors in 1972 to the largest opening-day enrollment in the history of American higher education. Initially a two-year, upper-division school with limited graduate programs; FIU added lower-division classes in 1981 and received authority to begin offering degree programs at the doctoral level in 1984. Approximately, Ninety-nine percent of FIU's full-time tenured or tenure-track instructional faculty hold doctorates or the highest degree attainable in their fields. The Carnegie Foundation for the Advancement of Teaching classifies FIU as a Research University/Very High Research Activity. FIU's annual research expenditures are approximately $281 million.

Committed to both high quality and access, FIU meets the educational needs of full-time and part-time undergraduate and graduate students, and lifelong learners. Reflecting the vibrant ethnic diversity of South Florida, approximately 85 percent of FIU students are Hispanic, black, or other minorities. FIU takes pride in the impact its graduates make on the nation and the world.

Alumni. The University's approximate 280,000 alumni constitute the largest university alumni group of any in Miami-Dade County. Most of the degrees awarded by universities in Miami-Dade County are conferred by the University. Unlike most university graduates, FIU alumni remain in the region with approximately 93 percent (260,000 alumni) remain Florida.

Economic Impact. The University has approximately 6,567 employees (5,500 full-time), making it one of Miami-Dade County's largest employers. The annual budget of the University, including financial aid and current capital projects, is $1.7 billion.

Accreditation and Memberships. The University is an accredited member of the Southern Association of Colleges and Schools ("SACS"). The professional programs of the University's respective schools are accredited, approved by the appropriate professional associations, or are pursuing full professional accreditation approval. All academic programs of the University are approved by the State Board of Education and the Board of Governors of the State University System of Florida (the "Board of Governors").

The University is also an affiliate member of the American Council of Education, the Association of Upper Level Colleges and Universities, the American Association of State Colleges and Universities, the Association of Public and Land-Grant Universities, and numerous other educational and professional associations.

Governance and Administration

Effective January 7, 2003, a statewide Board of Governors was created pursuant to Article IX, Section 7(d), of the Florida Constitution to operate, regulate, control, and be fully responsible for the management of the State University System. The Board of Governors defines the mission of each university and ensures the well-planned coordination and operation of the State University System. The Governor appoints fourteen members to the Board of Governors for staggered terms of seven years. The appointed members are subject to confirmation by the Senate. The Commissioner of Education, the chair of the Advisory Council of Faculty Senates, and the president of the Florida Student Association also serve as members.

Each university is directly governed by a Board of Trustees (the "Trustees"), consisting of 13 members. The Trustees were created pursuant to Article IX, Section 7(c), of the Florida Constitution. The Governor appoints six citizen members and the Board of Governors appoints five citizen members. These members are confirmed by the 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 the rules of the Board of Governors.

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[1] Source: Information in Appendix G is provided by Florida International University

[1] Trustees who were appointed by the Governor and whose terms expired will continue to serve on the Board of Trustees until such time as successor Trustees may be appointed by the Governor.

The establishment of individual university Boards of Trustees has increased the individual institutions' control of academic and fiscal affairs. Under this structure, the universities are no longer state agencies, but rather are autonomous state-supported public corporations. While the exact structure of the system continues to evolve, certain of the changes, provide, the individual universities with greater fiscal autonomy and financial control. The university president serves as the executive officer and corporate secretary of the Trustees and is responsible for all operations of the university. The president designates other senior administrative officers of the universities. Generally, the Provost/Vice President for Academic Affairs assumes responsibility for the president during any absence and is the chief academic officer in the university organization. Other vice presidents have responsibility for specific areas within the organization. The deans of colleges and schools are responsible to the Provost for all matters relating to programs and personnel in their respective academic units.

University Official	Position
Dr. Kenneth A. Jessell	President
Dr. Elizabeth M. Bejar	Provost, Executive Vice President & Chief Operating Officer (Interim)
Aime Martinez	Senior Vice President of Administration & Chief Financial Officer (Interim)
Dr. Andres G. Gil	Vice President, Research and Economic Development
El pagnier K. Hudson	Vice Provost, Senior Vice President – Human Resources, Diversity, Equity and Inclusion
Mr. Howard R. Lipman	Senior Vice President, University Advancement; CEO, FIU Foundation Inc.
Michelle Palacio	Senior Vice President, Strategic Communications, Government and External Affairs
Dr. Juan Cendan	Senior Vice President, Health Affairs
Dr. Robert Sackstein	Senior Vice President, Global Medical Affairs
Kevin Coughlin Jr.	Vice President of Enrollment Management Services; Vice Provost, FIU Virtual Campus
Mr. Robert Grillo	Vice President of Information Technology Chief Information Officer
Javier I. Marques	Vice President, Operations & Safety Chief of Staff
Mr. Pablo Ortiz	Vice President, Regional & World Locations; Vice Provost, Biscayne Bay Campus
Charlie Andrews	Interim Vice President, Student Affairs
Bridgette Cram	Interim Vice President for Innovative Education and Student Success
Mr. Carlos Castillo	General Counsel
Justin "Scott" Carr	Director of Athletics

Budget. Each university has control over its own budget, once State funds have been received. The Florida Legislature retains control of the appropriations process.

Tuition. The universities have been granted certain powers with regard to setting tuition and the right to retain their own tuition revenues instead of sending them to the State for redistribution. However, tuition-setting power for in-state students remains largely in the hands of the Legislature, with lawmakers determining the maximum allowable tuition increase and universities setting the tuition within those limits. An amendment to the Florida Constitution took effect on January 8, 2019, which requires a two-thirds vote of each chamber of the Legislature to adopt legislation authorizing a new state tax or fee or raising any state tax or fee. As a result, future increases in undergraduate in-state tuition, which require legislative action, will require a two-thirds vote of each chamber of the Legislature for approval.

The University's ability to set and collect certain student service fees provides a meaningful offset to limitations regarding tuition. An amendment to the Florida Constitution took effect on January 8, 2019, which requires a super-majority vote of any university board of trustees (9 of 13 members) to raise, impose, or authorize any university fee.

Bonding Authority. Bond-issuing authority is retained by the Division of Bond Finance of the State Board of Administration of Florida (the "Division of Bond Finance"); the University can borrow through affiliated foundations outside the Division of Bond Finance. The Board of Governors is authorized to request the issuance of revenue bonds to finance or refinance capital outlay projects permitted by law.

Buildings and Other Capital Facilities

The University has two main campuses and four off-campus educational sites in South Florida. The 342-acre Modesto A. Maidique Campus ("MMC") is in southwest Miami-Dade County and the 200-acre Biscayne Bay Campus is in northeast Miami-Dade County. The University operates four off-campus educational sites: the Engineering Center (near MMC); FIU Downtown Center (Brickell neighborhood in downtown Miami); Miami Beach Urban Studios; and FIU at I-75 (Miramar West Broward County). In addition, the University has several major research facilities, The Center for Translational Science, The National Forensic Science Tech Center, Aquarius Reef and Shore bases, the Frost Museum on the Modesto A. Maidique Campus, and the Wolfsonian FIU, a museum located in the historic South Beach neighborhood of Miami Beach that houses a collection of art and design. The University has approximately 100 major buildings totaling over eleven million square feet. The Modesto A. Maidique Campus has 65 major buildings, which include two five-story parking garages, four six-story parking garages, seven residence halls, a football stadium, a baseball stadium, and a wellness and recreation center. The Biscayne Bay Campus has 16 major buildings, including a residential hall and an Olympic-type aquatic center.

The Legislature approved a College of Law at the University (Chapter 2000-259, Laws of Florida), the first such public college in the State south of Gainesville, Florida. The College of Law opened in fall 2002 and received permanent accreditation in spring 2006.

The Legislature and Board of Governors authorized FIU's College of Medicine in March 2006, in response to a regional shortage of physicians, the need for better access to medical education and patient care, and the need to reduce health disparities in the community. The College of Medicine opened in fall 2009 following the Liaison Committee on Medical Education's preliminary accreditation. The College of Medicine received full accreditation in February 2013.

The Board of Regents, the predecessor to the Board of Governors, approved the formation of a football program in spring 2001. The University's football team played in a temporary stadium built in 1995. In 2005, the NCAA approved FIU's application to play Division 1-A sports. The University opened a permanent stadium in fall 2008 on the Modesto A. Maidique campus and expanded capacity to 25,000 seats in fall 2012.

Since 2010, the University completed the following capital projects: SIPA/Social Sciences, PG5 Market Station, Academic Health Center 4, Stocker Astro-Science Center, Satellite Chiller Plant, Parkview student housing facility, the Mixed Use College of Business Building, Ambulatory Care Center, Academic Health Center 5, the PG 6 Tech Station building, Student Academic Support Center, the expansion of the Recreation Center, expansion of EOC Facility, International Center for Tropical Botany and the Tamiami student housing facility.

Construction has started for the Green School of International & Public Affairs (SIPA) Phase II, Bell Chapel, East Loop Road Realignment Construction and the Engineering Building Phase I. Designing has started for the University City Prosperity Project, CasaCuba, CASE Building Remodeling, and Primera Casa Hardening.

Capital Improvement Plan

The following table shows the University's capital improvement projects currently in progress or planning as well as the funding sources for each. Historically, many projects have been funded with Public Education Capital Outlay ("PECO") funds, which are generated from the collection of gross receipts taxes levied on utilities and telecommunication services and are appropriated to State Universities by the Legislature. Various other funding sources, including, but not limited to State appropriated monies from General Revenue and the Educational Enhancement Trust Fund, the Capital Improvement Trust Fund ("CITF") fee, carry forward of accumulated E&G funds ("E&G CF"), private funds, and bond proceeds provide resources to finance the remainder of the capital improvement projects.

Capital Improvement Projects
In Progress at October 2022[1]

Project Name	PECO	E&G CF	CITF	Private Funds	Unrestricted	Grants	Bond - Auxiliary	Total Project Costs
	Funding Source							
University City Prosperity Project	-	-	-	-	-	14,900,000	-	14,900,000
Engineering Building Phase I	38,907,641	4,300,000	-	-	21,500,000	-	-	64,707,641
Trish and Dan Bell Chapel	-	-	-	16,000,000	-	-	-	16,000,000
East Loop Road Replacement	-	-	3,000,000	-	3,483,286	3,519,655	-	10,002,941
CASE Building Remodeling	7,150,000	-	-	-	-	-	-	7,150,000
Primera Casa Hardening	-	-	-	-	940,732	2,174,197	-	3,114,929
Green School (SIPA) Phase II	12,701,439	2,298,561		17,250,000	5,682,094			37,932,094
Total	$58,759,080	$6,598,561	$3,000,000	$33,250,000	$31,606,112	$20,593,852	-	$153,807,605

[1] Projects are in construction or design phase and reflect approved funding. Amounts are estimates and actual total project costs and allocations among funding sources are subject to change.

During the 2022 legislative session, PECO funds of $64,798,655 and CITF funds of $6,236,099 were appropriated to the University. The PECO appropriations were to be used for the Engineering Building Phase II project, Deferred Building Maintenance Program and the Nursing Sexual Assault Exam Center. The CITF appropriations were to be used for the MMC Aquatic Center, Recreation Fields Support Building and the Graham University expansion. The table below shows the University's fixed capital outlay budget for Fiscal Year 2022-23.

Fiscal Year 2022-23 Fixed Capital Outlay Budget

Project	Funding Source(s)	Total Project Costs	Amount Budgeted
Casa Cuba	CF,Donations, Grants	48,778,000	403,197
Chemistry & Physics Mold Phase 2	CF	5,334,940	2,394,938
PG 5 Emergency Operations Center Expansion	CF, Aux.	8,360,718	305,450
Tamiami Hall	CF, CITF, Bonds, Aux.	98,467,434	8,386,362
SIPA II	CF, PECO, Aux., Donations	41,462,701	13,779,635
Engineering Building Phase I	CF, PECO, Aux.	64,707,641	31,557,682
Primera Casa – Wind Mitigation	CF, Grants	3,618,929	2,151,280
BBC Lift Station Improvements	CF, PECO, Aux.	3,108,022	660,072
Center for Translational Science Lab	CF, Aux	2,917,804	584,655
Engineering Center Renovation	CF	2,504,837	1,235,329
Government Relations – DC Office	CF, AUX	1,961,715	1,391,123
Primera Casa – Fire Alarms	CF, PECO	2,267,873	802,676
AHC 2 – Rem/Ren	CF MS, Aux.	4,018,048	2,001,247
Ambulatory Care Center	CF, CF MS, PECO, Bonds, Aux. MS	9,506,041	149,567
AHC 3 – Nursing/Allied Health Services	PECO, Donation, Courtelis Match	44,603,031	142,683
Recreation Center Expansion	CITF, Aux.	28,553,330	126,629
Graham University Center Expansion	CITF, Aux.	52,793,400	-
Bell Chapel and East Loop Road	PECO-SFRF, CITF, Donation, Aux.	28,545,645	20,911,949
BBC Aquatic Center Pool Repairs	CITF, Aux.	2,129,899	48,333
CASE Building Rem/Ren	PECO	7,150,000	7,044,755
MMC North Rec Fields Support Building	CITF	2,486,523	256,523
Maintenance, Rep/Ren Small Projects	PECO, CITF	5,830,625	1,430,410
Green Library Restroom Renovations	PECO-SFRF	4,000,000	2,400,000
All Other Buildings Deferred Maint.	PECO-SFRF	23,279,000	13,967,400
Lakeview Housing North Refresh	Aux.	3,869,322	3,134,132
Lakeview Housing South Refresh	Aux.	4,900,000	4,900,000
FIU Stadium Kitchen	Aux.	2,255,074	2,216,000
Graham University Center New Flooring	Aux.	2,700,000	2,700,000
Student Health Center - Expansion	Aux.	12,676,139	8,873,297
BBC Hospitality Management Dining	Aux., Donations	10,210,578	613,371
MANGO Building	Aux.	36,556,836	216,083

Fiscal Year 2022-23 Fixed Capital Outlay Budget
(continued)

Project	Funding Source(s)	Total Project Costs	Amount Budgeted
BBC Frost Museum	Donations	5,000,000	178,523
International Center for Tropical Botany	Aux., Donations	6,759,279	2,048,414
All Other Auxiliary Funded	Aux., Donations	55,609,873	10,806,202
Wertheim Performing Arts HVAC	HEERF	4,902,024	4,751,321
Hospitality Management HVAC	HEERF	4,652,520	4,652,520
Owa Ehan Building HVAC AHU	HEERF	2,246,394	2,246,394
Owa Ehan Building HVAC Controls	HEERF	3,704,756	3,557,694
Green Library HVAC	HEERF	3,309,543	3,309,543
BBC Academic 2 HVAC	HEERF	4,111,857	3,985,881
All Other HEERF HVAC	HEERF	5,172,906	5,003,582
Carryforward – Consolidated Small Projects	CF, CF MS	11,891,102	10,178,475
	Total	**$ 676,964,870**	**$ 185,503,327**

The following table lists the University's five-year capital improvement plan in priority level. The timing and source of funding for these capital improvement projects may change depending on the availability of PECO and CITF funds appropriated by the Legislature for these projects in a given year.

Five-Year Capital Improvement Plan and Legislative Budget Request
In Order of Priority[1]

	Request for the Fiscal Year Ending June 30,					Total
Project Name	2024	2025	2026	2027	2028	Requested
Public Education Capital Outlay						
Engineering Building, Phase I & II	$15,150,000	-	-	-	-	$15,150,000
Honors College – MMC	12,500,000	12,500,000	12,000,000	-	-	37,000,000
Science Lab. Complex – MMC	-	20,000,000	25,000,000	25,000,000	23,130,000	93,130,000
Academic Health Center Study	-	20,800,000	20,800,000	-	-	41,600,000
Rem/Ren. DM Building MMC	-	10,000,000	9,000,000	-	-	19,000,000
Total PECO	**$27,650,000**	**$63,300,000**	**$66,800,000**	**$25,000,000**	**$23,130,000**	**$205,880,000**
Capital Improvement Trust Fund						
Graham University Center	$ 146,099	$6,800,000	$6,800,000	$4,000,000	$6,500,000	$24,246,099
Well/Recr. Field Support Building	1,090,000	-	-	-	-	1,090,000
Aquatic Center - MMC	2,500,000	-	-	-	-	2,500,000
Soccer & Track	2,500,000	-	-	-	-	2,500,000
Well/Recr. Fac. Improvements MMC	-	-	-	3,000,000	-	3,000,000
Total CITF	**$6,236,099**	**$6,800,000**	**$6,800,000**	**$7,000,000**	**$6,500,000**	**$33,336,099**
Total PECO & CITF	**$33,886,099**	**$70,100,000**	**$73,600,000**	**$32,000,000**	**$29,630,000**	**$239,216,099**

[1] List is based on the submission to the Board of Governors and reflects requested funds for projects that are survey recommended.

Budgetary Process

The University's operating budget is comprised of the following budget categories: Education and General, Auxiliary Enterprises, Intercollegiate Athletics, Concessions, Student Activities, Contracts and Grants, Student Financial Aid, Self-Insurance Program, and Faculty Practice.

Educational and General. The Education and General (E&G) budget consists of State appropriated funding from General Revenue (primarily funded from State sales tax revenues) and the Educational Enhancement Trust Fund (funded from Florida Lottery revenues), and Student Tuition and Matriculation payments. The University receives an allocation of E&G resources from the Legislature, which is developed in accordance with the General Appropriations Act, the Implementing Legislation, the Legislative Appropriations Work Papers, and the Letter of Intent. The University president approves the general guidelines for the allocation of E&G resources at the University level. Within the president's guidelines and the guidelines provided by the Trustees, an allocation is made to each vice-president for the functional areas under his/her direction. In coordination with the Office of Financial Planning and the Division of Administration and Finance, a distribution is made by account/department.

Auxiliary Enterprises, Intercollegiate Athletics and Concessions. The Auxiliary Enterprises budget consists of university business operations that are self-supporting through user fees, payments and charges; these budgets do not receive any General Revenue. Vice presidents and the Office of Financial Planning prepare operating budget requests for these activities based on anticipated revenues. The Office of Financial Planning then coordinates the vice presidents' presentations and justifications for annual budget requests as required and finalizes them based on the Board of Trustees' guidelines. Budget revisions as required by the president are incorporated in the requests.

Student Financial Aid. This budget consists of estimated expenditures of revenues received for loans, grants, scholarships and other student financial aid.

Contracts and Grants. This budget consists of estimated expenditures supported by various private businesses as well as federal, state and local units of government.

Student Activities. This budget consists of planned expenditures to be funded from activity and service fees, which the University is authorized by the rules of the Florida Board of Education to charge its students. The budget is developed and approved in accordance with Sections 1009.24(8) and (9) (a) (b), Florida Statutes.

Technology Fee. This budget consists of expenditures to enhance instructional technology for students and faculty. These expenditures are funded with the technology fee, which the University is authorized to charge its students. The budget is developed and approved in accordance with Section 1009.24(13), Florida Statutes.

Faculty Practice. This budget consists of estimated expenditures related to the University's Medical Faculty Practice Plan. Expenditures are for practice personnel, incremental start-up costs and practice operations.

Self-Insurance Program. This budget consists of estimated expenditures related to the administration of the University's Medical Self-Insurance Program. Expenditures include costs associated with risk/claims management, annual auditing fees and annual actuarial reports.

Board Approved Fees – The Board Approved Fees budget consists of the Test Preparation Fee for the University's College of Law, which has been specifically approved by the Board of Governors in accordance with Regulation 7.003(23).

Operating Budget

The University prepares and submits an annual operating budget to the Board of Trustees for approval, which represents the University's plan for utilizing the resources available through direct or continuing appropriation by the Legislature, student fees, and other local sources. The Board of Trustees submits the operating budget to the Board of Governors for review. Approved budgets are released for expenditures to the University. All of the colleges/campuses of the University submit budget requests for additional resources annually to the Office of Financial Planning. Any new State resources are allocated to the University according to the priorities set by the University President, as are any University-wide reductions. The following table sets forth history of the University's operating budget, by budget entity.

Historical Operating Budget

	Fiscal Year Ended June 30,				
Budget Entity[1]	**2018**	**2019**	**2020**	**2021**	**2022**
Educational and General	$551,564,562	$581,476,832	$588,421,113	$608,040,286	$614,660,929
Auxiliary Enterprises	208,989,678	231,124,221	240,293,504	234,985,247	237,064,755
Contracts and Grants	127,195,344	156,720,156	145,578,878	200,527,916	258,113,575
Student Activities	20,748,631	21,223,881	20,886,433	20,306,297	21,300,520
Intercollegiate Athletics	27,820,293	27,471,560	28,113,445	29,403,489	30,408,791
Campus Concessions	940,056	883,414	866,238	790,652	885,502
Student Financial Aid/Loans	158,633,416	206,264,930	214,587,627	232,496,024	300,882,414
Technology Fee	10,576,488	11,183,203	11,294,385	11,214,108	12,366,831
Self-Insurance	500,000	500,000	146,868	200,000	200,000
Board Approved Fees	405,856	417,692	422,600	422,600	422,600
Faculty Practice	5,692,482	6,081,394	6,341,740	6,595,278	12,339,223
Total	$1,113,066,806	$1,243,347,283	$1,256,952,831	$1,344,981,897	$1,488,645,150

[1] Excludes Student Loans of approximately $250 million (Pass through).

Impact of COVID-19 on the Operating Budget – The University was awarded $245 million under the Higher Education Emergency Relief Act ("HEERF") to provide financial assistance to students and to offset higher expenses and lost revenues due to the COVID-19 pandemic. The HEERF funds were received under three separate acts: The CARES Act, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and American Rescue Plan (ARP) Act. The funding awards were in three areas: Emergency Financial Aid Grants to Students, $101 million; Institutional funds, $129 million; and Minority Serving Institutions (MSI) funds, $15 million.

Historical Summary of Revenue Sources. The following table sets forth the percentage of the University's total revenues represented by each revenue source for the periods indicated.

Historical Summary of Current Fund Sources[1]
(As a Percent of Total)

Fund Source (Restricted and Unrestricted)	Fiscal Year Ended June 30, 2017	2018	2019	2020[2]	2021
Student Tuition and Fees, Net	31.17%	27.55%	25.73%	24.51%	22.63%
State Appropriations	29.35%	29.10%	29.63%	29.06%	28.94%
State Contracts, Grants and Scholarships	0.86%	0.66%	0.53%	0.52%	0.57%
Federal Contracts, Grants and Gifts	7.66%	8.53%	9.14%	9.41%	10.04%
Local Contracts, Grants and Gifts	0.18%	0.23%	0.24%	0.23%	0.30%
Private Contracts, Grants and Gifts	1.76%	1.74%	1.69%	1.70%	1.35%
Sales and Services of Educational Departments	0.15%	0.12%	0.12%	0.07%	0.08%
Sales and Services of Auxiliary Enterprises	10.98%	10.54%	10.59%	9.33%	7.90%
Noncapital Grants, Contracts, and Gifts	2.50%	2.61%	2.26%	2.18%	2.03%
Other Operating Revenues	2.06%	2.14%	2.42%	2.03%	1.63%
Federal and State Student Financial Aid	11.71%	14.95%	15.93%	18.08%	17.07%
Net Investment Income	1.44%	1.64%	1.56%	1.41%	2.88%
Other Nonoperating Income	0.18%	0.19%	0.16%	1.47%	4.58%
Total Current Fund Sources	100.00%	100.00%	100.00%	100.00%	100.00%

[1] Source: University's Unaudited Financial Results. Calculations exclude Capital Appropriation and Capital Grants and Contracts revenues.
[2] CARES Act funds are included within Federal and State Student Financial Aid, Other Nonoperating Revenues, and Federal Contracts, Grants and Gifts.

History of General Revenue Appropriations. The following table sets forth the history of General Revenue appropriations available to the University for the past five Fiscal Years. General Revenue appropriations are primarily funded from Florida's sales tax.

History of General Revenue Appropriations

Fiscal Year	University General Revenue	College of Medicine General Revenue	Total
2017-18	232,342,734	32,014,049	264,356,783
2018-19	252,458,351	32,314,853	284,773,204
2019-20	244,927,576	32,620,634	277,548,210
2020-21	258,145,827	32,842,753	290,988,580
2021-22	252,728,182	33,234,270	285,962,452

History of Trust Fund Appropriations. The following table sets forth the history of trust fund appropriations available to the University, by budget entity, for the past five Fiscal Years.

History of Revenues Other than General Revenue Appropriations

Fiscal Year	Tuition	Educational Enhancement	Contracts & Grants	Auxiliary Enterprises	Other[1]	Total
2017-18	$259,628,319	$27,579,460	$127,195,344	$208,989,678	$219,124,740	$842,517,541
2018-19	263,720,296	32,983,332	156,720,156	231,124,221	267,444,680	951,992,685
2019-20	269,658,194	41,214,709	145,578,878	240,293,504	276,170,728	972,916,013
2020-21	269,938,795	47,112,911	200,527,916	234,985,247	294,633,170	1,047,198,039
2021-22	272,761,757	55,936,720	258,113,575	237,064,755	366,266,668	1,190,143,475

[1] Includes Student Activities, Athletics, Concessions, Financial Aid

Tuition and Fees. The following tables lists the registration and tuition fees, and local fees, and flat fees charged to each undergraduate and graduate student per credit hour for the current and past five academic year. Local fees are assessed to both in-state and out-of-state undergraduate and graduate students on an academic year basis and flat fees are assessed on a per term (semester) basis.

Current and Historical Tuition and Fees
Undergraduate Students
Per Credit Hour

	Academic Year					
Registration and Tuition Fees	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**
In-State Student Fees:						
Matriculation Fee	$105.07	$105.07	$105.07	$105.07	$105.07	$105.07
Tuition Differential	52.29	52.29	52.29	52.29	52.29	52.29
Student Financial Aid Fee	5.25	5.25	5.25	5.25	5.25	5.25
Capital Improvement Trust Fund Fee	6.76	6.76	6.76	6.76	6.76	6.76
In-State Subtotal	**$169.37**	**$169.37**	**$169.37**	**$169.37**	**$169.37**	**$169.37**
Additional Out-of-State Student Fees:						
Tuition	$393.62	$393.62	$393.62	$393.62	$393.62	$393.62
Supplemental Student Financial Aid Fee	19.68	19.68	19.68	19.68	19.68	19.68
Out-of-State Subtotal	**$582.67**	**$582.67**	**$582.67**	**$582.67**	**$582.67**	**$582.67**
Local Fees[1]						
Activity & Service Fee	$14.85	$14.85	$14.45	$14.45	$14.45	$14.45
Technology Fee[2]	5.25	5.25	5.25	5.25	5.25	5.25
Athletic Fee	16.10	16.10	16.50	16.50	16.50	16.50
Local Fees Subtotal	**$36.20**	**$36.20**	**$36.20**	**$36.20**	**$36.20**	**$36.20**
Total In-State Tuition and Fees (per credit hour)	**$205.57**	**$205.57**	**$205.57**	**$205.57**	**$205.57**	**$205.57**
Total Out-of-State Tuition and Fees (per credit hour)	**$618.87**	**$618.87**	**$618.87**	**$618.87**	**$618.87**	**$618.87**
Per Student Flat Fees[3]						
Athletic Fee	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00
Health Fee	93.69	93.69	93.69	93.69	93.69	93.69
Transportation Access Fee[4]	89.00	89.00	93.45	93.45	93.45	93.45
Total Flat Fees Per Term	**$192.69**	**$192.69**	**$197.14**	**$197.14**	**$197.14**	**$197.14**

[1] Local Fees are assessed to both in state and out-of-state students in addition to the registration and tuition fees.
[2] Technology Fee approved for uses, which enhance instructional technology.
[3] Flat Fees are assessed to both in state and out-of-state students on a per term (fall, spring, and summer semester) basis, and are in addition to registration and tuition fees. These fees are tax-free with the exception of the Transportation Access Fee, which is not shown with the 1.8% sales tax.
[4] The Transportation Access Fee is higher for the fall and spring semesters than the summer semester; from the 2015-16 through 2018-19 academic years it was $89.00 fall and spring semesters and $83.00 for the summer semester, and beginning in the 2019-20 academic year it increased to $93.45 for fall and spring semesters and $87.15 for the summer semester. A one-time reduction of $50 was made to the summer 2020 Student Transportation Access Fee ($87.15 to $37.15).

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Current and Historical Tuition and Fees
Graduate Students
Per Credit Hour

	Academic Year					
Registration and Tuition Fees	**2017-18**	**2018-19**	**2019-20**[4]	**2020-21**	**2021-22**	**2022-23**
In-State Student Fees:						
Matriculation Fee	$379.95	$379.95	$379.95	$379.95	$379.95	$379.95
Student Financial Aid Fee	18.99	18.99	18.99	18.99	18.99	18.99
Capital Improvement Trust Fund Fee	6.76	6.76	6.76	6.76	6.76	6.76
In-State Subtotal	**$405.70**	**$405.70**	**$405.70**	**$405.70**	**$405.70**	**$405.70**
Additional Out-of-State Student Fees*:*						
Tuition	$520.05	$520.05	$520.05	$520.05	$520.05	$520.05
Supplemental Student Financial Aid Fee	26.00	26.00	26.00	26.00	26.00	26.00
Out-of-State Subtotal	**$951.75**	**$951.75**	**$951.75**	**$951.75**	**$951.75**	**$951.75**
Local Fees[1]						
Activity & Service Fee	$14.85	$14.85	$14.45	$14.45	$14.45	$14.45
Technology Fee[2]	18.99	18.99	18.99	18.99	18.99	18.99
Athletic Fee	16.10	16.10	16.50	16.50	16.50	16.50
Local Fees Subtotal	**$49.94**	**$49.94**	**$49.94**	**$49.94**	**$49.94**	**$49.94**
Total In-State Tuition and Fees (per credit hour)	$455.64	$455.64	$455.64	$455.64	$455.64	$455.64
Total Out-of-State Tuition and Fees (per credit hour)	$1,001.69	$1,001.69	$1,001.69	$1,001.69	$1,001.69	$1,001.69
Per Student Flat Fees[3]						
Athletic Fee	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00
Health Fee	93.69	93.69	93.69	93.69	93.69	93.69
Transportation Access Fee[4]	89.00	89.00	93.45	93.45	93.45	93.45
Total Flat Fees Per Term	**$192.69**	**$192.69**	**$197.14**	**$197.14**	**$197.14**	**$197.14**

1 Local Fees are assessed to both in state and out-of-state students in addition to the registration and tuition fees.
2 Technology Fee approved for uses, which enhance instructional technology.
3 Flat Fees are assessed to both in state and out-of-state students on a per term (fall, spring, summer) basis, and are in addition to registration and tuition fees. These fees are tax-free with the exception of the Transportation Access Fee, which is not shown with the 1.8% sales tax.
4 The Transportation Access Fee is higher for the fall and spring semesters than the summer semester; from the 2015-16 through 2018-19 academic years it was $89.00 fall and spring semesters and $83.00 for the summer semester, and beginning in the 2019-20 academic year it increased to $93.45 for fall and spring semesters and $87.15 for the summer semester. A one-time reduction of $50 was made to the summer 2020 Student Transportation Access Fee ($87.15 to $37.15).

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History of Financial Aid Awards. The following tables set forth the history of financial aid awards made to students at the University for the past five academic years.

History of Financial Aid Awards By Source

		Academic Year				
Source of Awards		**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**
Federal	Number of Awards	53,218	52,020	58,873	67,178	70,318
	Amount of Awards(000's)	$378,092	$369,919	$387,459	$389,062	$396,250
State	Number of Awards	22,884	20,291	21,285	23,390	21,997
	Amount of Awards(000's)	$41,744	$56,763	$64,400	$68,586	$65,263
Institutional	Number of Awards	33,279	28,687	29,693	27,893	29,756
	Amount of Awards(000's)	$65,482	$68,562	$69,872	$70,891	$73,549
Private	Number of Awards	1,644	2,020	1,571	1,400	1,749
	Amount of Awards(000's)	$11,377	$12,655	$11,926	$10,165	$12,494
Other	Number of Awards	2,354	2,356	2,474	2,407	2,240
	Amount of Awards(000's)	$15,644	$18,714	$22,346	$20,982	$15,501
Total	**Number of Awards**	**113,379**	**105,374**	**113,896**	**122,268**	**126,060**
	Amount of Awards(000's)	**$512,338**	**$526,612**	**$556,003**	**$559,687**	**$563,057**

History of Financial Aid Awards By Type

		Academic Year				
Type of Awards		**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**
Grants	Number of Awards	68,163	60,570	68,369	78,907	83,694
	Amount of Awards(000's)	$164,067	$ 171,834	$194,627	$204,735	$225,429
Loans	Number of Awards	25,663	23,741	22,345	20,454	19,249
	Amount of Awards(000's)	$273,335	$ 262,129	$254,418	$244,656	$232,131
Scholarships	Number of Awards	16,671	18,138	20,186	19,984	20,319
	Amount of Awards(000's)	$56,947	$ 71,383	$82,172	$87,566	$87,619
FWS & PSWEP	Number of Awards	528	569	522	517	558
	Amount of Awards(000's)	$2,345	$2,552	$2,440	$1,750	$2,377
3rd Party Pmts	Number of Awards	2,354	2,356	2,474	2,407	2,240
	Amount of Awards(000's)	$15,644	$18,714	$22,346	$20,982	$15,501
Total	**Number of Awards**	**113,379**	**105,374**	**113,896**	**122,269**	**126,060**
	Amount of Awards(000's)	**$512,338**	**$526,612**	**$556,003**	**$559,688**	**$563,057**

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Selected Historical Financial Information

Financial Information. Selected historical University financial information for Fiscal Year 2016-17 through Fiscal Year 2021-22 is set forth in the following two tables. This selected historical financial information has been derived from, and should be read in conjunction with, the University's financial statements and the related notes thereto. The following tables have been revised to reflect the University's audited financial statements (included as Appendix G-2) that were published subsequent to the date of the Preliminary Official Statement.

Historical Summary
Statement of Net Position (000's)

	as of June 30,					
ASSETS	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Current Assets:						
Cash and Cash Equivalents	$7,570	$6,688	$6,415	$9,882	$74,578	$80,607
Investments	331,472	357,752	391,064	417,214	419,779	412,800
Accounts Receivables, Net	24,230	31,789	46,775	39,588	95,562	62,512
Due from State	40,105	52,855	66,125	67,801	76,528	84,999
Loans and Notes Receivable, Net	572	448	463	437	329	160
Leases Receivable	-	-	-	-	-	454
Inventories	381	426	370	455	482	654
Due from Component Units	-	-	-	-	11,243	8,238
Other Current Assets	3,220	4,299	3,814	5,916	2,790	4,538
Total Current Assets	**407,550**	**454,257**	**515,026**	**541,293**	**681,292**	**654,963**
Noncurrent Assets:						
Restricted Cash and Cash Equivalents	154	315	68	360	1,212	3,975
Restricted Investments	6,462	8,263	14,525	24,074	52,022	30,251
Loans and Notes Receivable, Net	1,740	1,496	1,248	937	850	699
Leases Receivable	-	-	-	-	-	1,612
Depreciable Capital Assets, Net	879,207	872,103	856,425	848,068	819,955	855,951
Non-depreciable Capital Assets	108,034	123,676	129,433	140,001	216,577	292,394
Due from Component Units	-	-	-	-	852	852
Other Noncurrent Assets	8,568	8,239	7,901	7,549	-	-
Total Noncurrent Assets	**1,004,165**	**1,014,092**	**1,009,600**	**1,020,989**	**1,091,468**	**1,185,733**
Total Assets	**$1,411,715**	**$1,468,349**	**$1,524,626**	**$1,562,282**	**$1,772,760**	**$1,840,696**
Deferred Outflows of Resources						
Other Postemployment Benefits	-	5,991	5,534	115,677	127,861	107,583
Deferred Outflows Related to Pensions	106,950	119,281	124,708	113,650	121,836	87,062
Total Deferred Outflows of Resources	**106,950**	**125,272**	**130,242**	**229,327**	**249,697**	**194,645**

(Table continued on next page)

Historical Summary
Statement of Net Position (000's)[1]
(continued)

	as of June 30,					
	2017	**2018**	**2019**	**2020**	**2021**	**2022**
LIABILITIES						
Current Liabilities:						
Accounts Payable	$25,713	$27,062	$ 27,631	$ 23,033	$32,005	$30,150
Salary and Wages Payable	13,685	13,472	14,148	17,447	25,208	23,635
Construction Contracts Payable	6,642	2,611	1,846	3,801	4,812	12,675
Unearned Revenue	6,793	6,317	12,249	9,703	8,578	20,876
Deposits Payable	2,541	3,719	2,500	2,565	2,504	5,263
Due to Component Units	-	-	-	-	1,936	1,968
Due to State	169	144	281	365	317	216
Other Current Liabilities	-	-	-	-	560	901
Long-Term Liabilities – Current Portion:						
Capital Improvement Debt Payable	7,494	7,829	7,534	7,791	7,933	7,932
Leases Payable	-	-	-	-	-	5,409
Liability for Self-Insurance Claims	105	97	27	28	106	106
Installment Purchases Payable	478	484	490	496	-	-
Compensated Absences Payable	3,783	3,695	3,623	3,879	4,190	4,434
Other Post Employment Benefits Payable	-	2,964	2,939	5,346	5,870	6,387
Net Pension Liability	1,622	1,406	1,300	987	666	328
Other Current Liabilities	594	540	1,162	841	-	-
Total Current Liabilities	**69,619**	**70,340**	**75,730**	**76,282**	**94,685**	**120,281**
Noncurrent Liabilities:						
Capital Improvement Debt Payable	150,581	142,752	135,218	125,127	197,430	189,498
Leases Payable	-	-	-	-		29,754
Liability for Self-Insurance Claims	69	102	187	2	119	121
Installment Purchases Payable	1,469	985	496	-		-
Compensated Absences Payable	41,150	43,664	45,365	50,773	53,903	52,104
Other Post Employment Benefits Payable	88,101	274,370	268,236	397,648	346,694	351,800
Net Pension Liability	200,460	223,128	238,726	276,240	333,289	112,082
Other Long-Term Liabilities	38,429	38,586	55,513	61,535	1,685	965
Total Noncurrent Liabilities	**520,259**	**723,587**	**743,741**	**911,326**	**994,744**	**799,387**
Total Liabilities	**$589,878**	**$793,927**	**$819,471**	**$987,608**	**$1,089,430**	**$919,668**
Deferred Inflows of Resources						
Other Postemployment Benefits	-	39,273	55,692	68,295	154,798	138,763
Leases	-	-	-	-	-	2,036
Deferred Inflows Related to Pensions	1,486	9,852	20,721	17,081	6,476	169,673
Total Deferred Inflows of Resources	**1,486**	**49,125**	**76,413**	**85,376**	**161,274**	**310,472**
NET POSITION						
Invested in Capital Assets, Net of Related Debt	827,219	843,728	842,121	854,812	861,219	916,268
Restricted for Expendable:						
Loans	820	703	674	919	1,209	1,666
Capital Projects	2,291	20,112	19,147	29,335	30,054	33,583
Debt Service	2,884	2,860	2,877	7	2,522	20
Other	3,235	10,057	20,564	24,078	25,328	18,582
Unrestricted	90,852	(126,891)	(126,399)	(190,527)	(148,578)	(164,918)
Total Net Position	**$927,300**	**$750,569**	**$758,984**	**$718,625**	**$771,753**	**$805,202**

Historical Summary
Statement of Revenues, Expenses, and Changes in Net Position (000's)

	Fiscal Year					
	2016-17	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**
REVENUES AND EXPENSES						
Operating Revenue:						
Student Tuition and Fees	$431,934	$444,704	$456,053	$466,573	$457,333	$466,440
Less: Tuition Scholarship Allowances	(136,588)	(165,856)	(176,130)	(193,888)	(189,154)	(196,225)
Net Student Tuition and Fees	295,346	278,848	279,923	272,685	268,180	270,215
Federal Grants and Contracts[1]	72,589	86,375	99,409	104,684	119,013	144,381
State and Local Grants and Contracts	9,863	8,927	8,379	8,984	10,250	10,804
Nongovernmental Grants and Contracts	16,695	17,587	18,428	18,956	15,923	19,019
Sales and Services of Auxiliary Enterprise	104,060	106,670	115,242	103,815	93,675	119,529
Sales and Services of Educational Departments	1,385	1,198	1,285	799	1,006	1,203
Interest on Loans and Notes Receivable	58	63	69	40	-	-
Other Operating Revenue	19,481	21,599	26,241	22,544	19,320	19,453
Total Operating Revenue	**519,477**	**521,267**	**548,976**	**532,507**	**527,366**	**584,604**
Operating Expenses:						
Personnel Services	630,657	652,445	689,071	770,119	767,609	715,212
Services and Supplies	181,259	191,270	207,304	184,178	171,382	207,522
Utilities	16,672	17,181	16,343	16,295	15,844	19,400
Scholarships, Fellowships and Waivers	88,604	105,217	115,229	139,150	139,852	191,627
Depreciation	48,895	48,337	48,795	46,585	46,358	52,833
Self-Insured Claims and Expenses	(15)	50	40	55	231	44
Total Operating Expenses	**966,072**	**1,014,500**	**1,076,782**	**1,156,383**	**1,141,276**	**1,186,638**
Total Operating Loss	**(446,595)**	**(493,233)**	**(527,806)**	**(623,876)**	**(613,910)**	**(602,034)**
Nonoperating Revenues (Expenses):						
State Appropriations	278,033	294,596	322,360	323,327	343,011	346,526
Investment Income	6,623	30,473	7,361	8,346	34,105	(23,805)
Net Unrealized Gains/Losses on Investments	7,028	(13,798)	9,631	7,306	-	-
Federal and State Student Financial Aid[2]	110,935	151,327	173,355	201,210	202,373	241,860
Noncapital Grants, Contracts, and Gifts	23,675	26,380	24,589	24,228	24,086	27,225
Other Nonoperating Revenues[3]	1,668	2,021	1,708	16,337	54,338	31,354
Interest on Capital Asset-Related Debt	(7,175)	(6,840)	(6,485)	(5,236)	(5,542)	(7,243)
Gain/(Loss) on Disposal of Capital Assets	(435)	(595)	(153)	(6,273)	(690)	(454)
Other Nonoperating Expenses	(117)	(100)	(878)	(1,955)	(2,697)	(10,677)
Net Nonoperating Revenues	**420,235**	**483,464**	**531,488**	**567,291**	**648,983**	**604,787**
Income (Loss)						
Before Other Revenues, Expenses, Gains, or Losses	**(26,360)**	**(9,769)**	**3,682**	**(56,585)**	**35,073**	**2,753**
Capital Appropriations	16,677	33,050	-	4,047	12,000	-
Capital Grants and Contracts	2,954	7,202	4,733	1,083	6,055	30,696
Change in Net Assets	**(6,729)**	**30,483**	**8,415**	**(51,455)**	**53,128**	**33,449**
NET POSITION						
Net Position, Beginning of Year	934,029	927,300	750,569	758,984	718,625	771,753
Adjustment to Beginning Net Position	-	(207,214)	-	11,096	-	-
Total Adjusted Restated Net Position – Beginning	**934,029**	**720,086**	**750,569**	**770,080**	**718,625**	**771,753**
Total Net Position – Ending	**$927,300**	**$750,569**	**$758,984**	**$718,625**	**$771,753**	**$805,202**

1 Includes approximately $3.3 million of CARES Act funds (Institutional Portion of the HEERF allocation to the University).
2 Includes $19.15 million of CARES Act funds (Student Portion of the HEERF allocation to the University) distributed as Emergency Aid to students.
3 Includes $2.9 million of CARES Act funds (Institutional Portion of the HEERF allocation to the University) used to issue partial refunds to students who vacated the Housing System in spring 2020 as a result of COVID-19.

Students

General. The University's undergraduate and graduate enrollment has increased by approximately seven percent over the past five years. Competition for acceptance to the University is created by the quality and extent of the applicant pool. Students with strong academic preparation and high test scores are given preference in a competitive admissions process. The requirements for admission include: (i) submission of a State University System of Florida application form, (ii) submission of official secondary school transcripts and appropriate admission exam test scores, (iii) proof of graduation from an accredited secondary school, and (iv) 19 academic units in specified college preparatory courses. Currently, applicants who show potential in areas not easily evaluated by standard tests can be considered for admission under an admission exception rule.

Applicants to a graduate program of the University must meet the minimum standards set by the State Board of Education, the University, and when applicable, additional requirements set by each department for admission to a graduate program. A student seeking admission into a graduate program must have a bachelor's degree or equivalent from a regionally accredited institution or, in the case of foreign students, an institution recognized in its own country as preparing students for further study at the graduate level. Applicants must submit official copies of all transcripts. In most cases, an applicant must, at a minimum, present a "B" average in upper level undergraduate coursework, or a graduate degree from an accredited institution and certain minimum scores on graduate admissions exams. A State Board of Education exception policy allows up to ten percent of the graduate students admitted for a particular academic year to be admitted as exceptions to the graduate admissions criteria.

Student Recruitment. The University's Office of Admissions is responsible for recruiting and enrolling a student body consisting of nationally outstanding academic talent. Students are recruited for whom intense study with faculty in seminars and tutorials will have rich personal meaning. The annual national campaign to recruit and enroll the Fall class involves creating and updating publications; communicating with prospective students through direct mail and tele counseling campaigns; traveling to selected secondary schools, college fairs, Florida state colleges, and national and regional professional meetings of college placement counselors and admissions officers; and hosting University open houses for prospective students and their families. Affirmative action efforts include special mailings to minority students, traveling to different locations to participate in various minority programs, and hosting on-campus events for students and counselors.

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Student Enrollment. The following table shows the admission and registration data for the University for the most recent five fall semesters for which information is available.

New Admission and Registration Headcounts and Percentages by Type of Student

	Fall 2018	Fall 2019	Fall 2020	Fall 2021	Fall 2022
Total Students:					
No. of Applicants	36,905	36,322	35,525	39,730	38,341
No. Admitted	17,472	17,263	17,330	18,268	16,484
% of Applicants Admitted	47%	48%	49%	46%	43%
No. Enrolled	9,943	9,960	9,715	10,258	9,183
% of Admitted Enrolled	57%	58%	56%	56%	56%
First-Time-in-College:					
No. of Applicants	11,431	11,170	10,566	10,271	9,479
No. Admitted	4,984	5,033	5,114	5,336	4,260
% of Applicants Admitted	44%	45%	48%	52%	45%
No. Enrolled	1,744	1,592	1,701	1,838	1,393
% of Admitted Enrolled	35%	32%	33%	34%	33%
Community College Transfers:					
No. of Applicants	6,102	5,877	5,826	5,574	4,691
No. Admitted	5,258	5,080	5,026	4,799	4,066
% of Applicants Admitted	86%	86%	86%	86%	87%
No. Enrolled	3,805	3,803	3,713	3,569	3,008
% of Admitted Enrolled	72%	75%	74%	74%	74%
Other Undergraduate Transfers:					
No. of Applicants	3,952	4,194	3,688	4,103	4,395
No. Admitted	2,331	2,536	2,130	2,535	2,754
% of Applicants Admitted	59%	60%	58%	62%	63%
No. Enrolled	1,403	1,629	1,126	1,507	1,659
% of Admitted Enrolled	60%	64%	53%	59%	60%
Post Baccalaureate:[1]					
No. of Applicants	15,420	15,081	15,445	102	182
No. Admitted	4,899	4,614	5,060	101	171
% of Applicants Admitted	32%	31%	33%	99%	94%
No. Enrolled	2,991	2,936	3,180	91	161
% of Admitted Enrolled	61%	64%	63%	90%	94%
Graduate:					
No. of Applicants	8,582	8,544	8,558	9,981	10,593
No. Admitted	3,913	3,918	4,174	4,675	4,446
% of Applicants Admitted	46%	46%	49%	47%	42%
No. Enrolled	2,625	2,577	2,821	2,879	2,677
% of Admitted Enrolled	67%	66%	68%	62%	60%
Professional:					
No. of Applicants	6,838	6,537	6,887	9,699	9,001
No. Admitted	986	696	886	822	787
% of Applicants Admitted	14%	11%	13%	8%	9%
No. Enrolled	366	359	359	374	285
% of Admitted Enrolled	37%	52%	40%	45%	36%

[1] Post Baccalaureate numbers represent the sum of Graduate numbers and Professionals numbers.

Historical and Current Enrollment. The table below shows the full-time equivalent ("FTE") enrollment of the University by level for each of the five most recent academic years. The FTE student calculation factor is a measure of student enrollment based on the number of student credit hours for which students enroll. Under the semester system, 15 undergraduate student credit hours or 12 graduate student credit hours are equivalent to one FTE during the fall and spring semesters. For housing and financial aid purposes, undergraduate students are considered full time if they take 12 credit hours, and graduate students are considered full time if they take nine credit hours. During the summer semester, ten undergraduate student credit hours or eight graduate student credit hours are equivalent to one FTE. Annual full-time equivalency is 30 hours for undergraduate students and 24 hours for graduate students. FTE enrollment is determined by dividing the total number of hours enrolled by all students in a specific category by the appropriate hour requirement.

Annual FTE Enrollment by Level and
Fall Headcount Enrollment by Level

Academic	Annual FTE				Fall Headcount		
Year	Undergraduate	Graduate	Total	Fall	Undergraduate	Graduate	Total
2017-18	38,534	8,542	47,076	2017	47,779	9,107	56,886
2018-19	39,895	8,538	48,433	2018	48,867	9,196	58,063
2019-20	40,823	8,830	49,653	2019	49,366	9,421	58,787
2020-21	41,042	9,328	50,370	2020	49,077	9,851	58,928
2021-22	38,993	9,675	48,668	2021	46,364	10,228	56,592
2022-23[1]	N/A	N/A	N/A	2022	45,656	9,926	55,582

[1] Annual FTE information for the 2022-23 academic year is not yet available.

The tables below show the total headcount enrollment of students by area of origin and Florida County of origin for the five most recent fall semesters.

Fall Headcount Enrollment by Area of Origin
At Time of Admission or Readmission

Area	Fall 2018	Fall 2019	Fall 2020	Fall 2021	Fall 2022
Florida	52,281	52,806	52,871	50,169	48,800
New York	321	291	308	346	351
California	233	238	230	264	231
New Jersey	245	223	211	224	229
Texas	184	206	250	250	257
Georgia	171	185	198	202	200
Pennsylvania	138	150	152	165	172
Maryland	133	135	133	126	112
Virginia	124	114	141	157	139
Ohio	91	111	109	99	80
Illinois	99	110	121	142	150
All Other States	1,007	1,074	1,101	1,190	1,240
Foreign Countries	3,036	3,144	3,103	3,258	3,621
Total	**58,063**	**58,787**	**58,928**	**56,592**	**55,582**

Fall Headcount Enrollment by Florida County of Origin
At Time of Admission or Readmission

County	Fall 2018	Fall 2019	Fall 2020	Fall 2021	Fall 2022
Dade	37,591	37,766	37,731	35,596	34,274
Broward	9,657	9,621	9,335	8,773	8,781
Palm Beach	1,279	1,346	1,457	1,527	1,499
Orange	498	627	719	558	547
Hillsborough	429	445	451	476	452
Lee	255	312	291	281	308
Duval	201	205	215	229	232
Collier	172	195	215	230	239
St. Lucie	188	192	195	195	195
Osceola	159	184	189	192	188
Other Florida Counties	1,852	1,913	2,073	2,143	2,114
Total	**52,281**	**52,806**	**52,871**	**50,200**	**48,829**

Projected Enrollment. The following table shows the projected fall headcount enrollment and annual FTE enrollment for the University for the next five years. No representations are made as to the reasonableness of the assumptions used in preparing the projections; no assurances are made that actual results will equal those set forth below and investors should not rely on such projections in making their investment decision.

Projected Annual FTE and Fall Headcount Enrollment by Academic Year

	Academic Year				
	2022-23	**2023-24**	**2024-25**	**2025-26**	**2026-27**
Annual FTE	49,072	49,967	50,503	50,796	50,796
Fall Headcount	55,582	55,895	56,432	56,721	56,721

Student Quality Indicators. The following table shows the average high school grade point averages ("GPA"), average Scholastic Aptitude Test ("SAT") scores, and average American College Test ("ACT") scores for first-time-in-college students at the University for the five most recent fall semesters for which information is available.

Student Quality Indicators
For First-Time-In-College Students[1]

Fall	Average High School GPA	Average New SAT Score[2]	Average ACT Score
2017	4.07	1187	25
2018	4.12	1253	27
2019	4.24	1287	28
2020	4.27	1265	28
2021	4.34	1238	27
2022	4.33	1286	28

[1] Includes only regularly admitted students who meet the Florida Board of Education Freshman Admissions Requirement.
[2] Historical SAT scores have been updated to reflect the new SAT implemented in Fall 2017.

A second measure of student quality is the University's number of National Merit Scholars and National Achievement Scholars. The table below shows the number of National Merit Scholars and National Achievement Scholars, as well as the number of National Hispanic Scholars attending the University during the five most recent fall Semesters.

National Merit, National Achievement and National Hispanic Scholars

	Fall 2018	**Fall 2019**	**Fall 2020**	**Fall 2021**	**Fall 2022**
National Merit Scholars	8	11	9	12	14
National Achievement Scholars	-	-	-	-	-
National Hispanic Scholars	26	47	43	30	20

General Academic Information

The University offers approximately over 200 degree programs at the bachelor's, master's, and doctorate degree levels which are designed to respond to the changing needs of the growing metropolitan areas of South Florida. Degree programs are offered in the College of Architecture and the Arts, College of Arts, Sciences and Education, College of Business Administration, College of Engineering & Computing, College of Law, Herbert Wertheim College of Medicine, Nicole Wertheim College of Nursing and Health Sciences, Robert Stempel College of Public Health and Social Work, Chaplin School of Hospitality and Tourism Management, and Steven J. Green School of International and Public Affairs.

The University has now granted approximately 250,000 baccalaureates, 75,000 masters, 3, 500 doctoral, and 4, 400 professional degrees. The University expects to continue increasing the number of degrees conferred at all levels. With the University's large share of minority students, it is already a national leader in the conferral of baccalaureate degrees to minority students.

FIU is one of the nation's major research universities and has reached the highest Carnegie Classification of Institutions of Higher Education – R1: Doctoral Universities – Highest Research Activities. Faculty received approximately $189 million in research awards from various federal, state and private organizations in Fiscal Year 2021-22. The University had research and development expenditures of over $281 million during Fiscal Year 2021-22. Following the University's strategic plan and based on institutional strengths, the research areas of focus include the environment, globalization and health. To this end, FIU researchers have access to state of the art facilities such as the Wall of Wind, National Science Foundation Natural Hazards Engineering Research Infrastructure Experimental Facility, Forensic DNA Profiling Facility, Nanofabrication Facility, the Advanced Mass Spectrometry Facility, and the Center for Imaging Science. Preeminent programs include: Center for Children and Families, Extreme Events Institute, Global Forensic and Justice Center, Institute for Resilient and Sustainable Coastal Infrastructure, Institute of Water and Environment, and the STEM Transformation Institute, Undergraduate and graduate students at FIU actively participate in all research endeavors. FIU disseminates its discoveries for public benefit through publications, formal technology transfer agreements, public testimony and evidence-based advocacy, and the development of the next generation of scholars.

Faculty and Staff

The University's Student to Faculty Ratio is 22 to 1 for the fall 2021 semester. Approximately, sixty percent of full-time Instructional Faculty are either Tenured or Tenure-Earning. Of the Tenured/Tenure-Earning full-time Instructional Faculty, approximately 99% have Doctoral or Terminal degrees in their discipline.

Faculty Data[1]

Fiscal Year	Full-Time Faculty	Part-Time Faculty	Tenured Faculty[2]	Faculty with Terminal Degrees	Student/Faculty Ratio (FTE)[3]
2016-17	1,282	861	491	1,563	26 to 1
2017-18	1,369	875	470	1,572	25 to 1
2018-19	1,362	890	511	1,531	24 to 1
2019-20	1,400	900	526	1,538	25 to 1
2020-21	1,424	1,078	521	1,538	23 to 1
2021-22	1,417	998	537	1,558	22 to 1

1 Faculty is salaried regular appointments and does not include adjunct faculty. Includes only faculty classified as instructional, i.e., does not include faculty administrators (deans, chairs, directors, etc.) or library staff.
2 Tenured faculty includes full-time service professors with tenure and with a terminal degree in their discipline.
3 Student/Faculty Ratio of full-time equivalent students to full time equivalent faculty. Medicine and law faculty and students are excluded.

The University employs more than 6,500 people. Instructional Faculty make up 37% of the employee population. Instructional Faculty are supported by a Non-Instructional Staff of 4,152 employees. As of fall 2022, the University employed the following personnel:

Personnel Data[1]

Activity	Fall 2022
Instruction/Research/Pub. Svc.	2,415
Archivists, Curators, and Museum Technicians	25
Business and Financial Operations Occupations	225
Community Service, Legal, Arts, and Media Occupations	250
Computer, Engineering, and Science Occupations	519
Healthcare Practitioners and Technical Occupations	48
Librarians	35
Library Technicians	44
Management Occupations	1,034
Natural Resources, Construction, and Maintenance Occupations	168
No IPEDs Reporting	39
Office and Administrative Support Occupations	868
Other Teaching and Instructional Support Occupations	226
Research	326
Service Occupations	339
Executive/Admin/Managerial	1
Graduate Assistant	1
Public Service	3
Sales& Related Occupations	1
Total	**6,567**

1 Excludes Ops, Students and Temporary employees.

Division of Student Affairs

The Division of Student Affairs seeks to educate a diverse body of students by supporting their growth, both personal and academic. It promotes cross-cultural outreach and understanding, provides programs and services to encourage student development, and prepares students to become contributing members of their communities.

The Division of Student Affairs is comprised of the following departments and programs: Counseling and Psychological Services Center, Disability Resource Center, Multicultural Programs and Services, University Housing and Residential Life, Student Centers, Campus Life, University Health Services, Student Conduct and Conflict Resolution, Victim Empowerment Program, Center for Leadership and Service, Women's Center, Wellness and Recreation, Student Government Association, Student Media, Children's Creative Learning Center, Orientation and Family Programs, Student Ombudsman and Veteran and Military Affairs.

Endowments and Fund Raising Efforts

Fund-raising activities for the University are coordinated by the Division of University Advancement. Private funds raised are channeled through the Florida International University Foundation Inc. (the "Foundation"), a tax-exempt 501(c)(3) organization and a certified direct-support organization of the University as defined in Section 1004.28, Florida Statutes. The Foundation was established in 1969 and regulated by the Florida Board of Education. The Foundation is responsible for receiving, investing, and administering all private gifts and bequests to the University.

As of June 30, 2022, the total private endowment at the Foundation was $284.3 million, while the total value of the investment assets managed by the Foundation was approximately $375.0 million. The Foundation provided the University with $45.1 million in support from non-endowed gifts and spendable transfers from the endowment in Fiscal Year 2021-22.

The table below sets forth financial information relating to the Foundation as of the dates shown. The large fluctuations in revenues are directly related to the fluctuations of investment returns from year to year due to varying market conditions.

Florida International University Foundation Inc.
Financial Statement Overview

Fiscal Year	Assets	Liabilities	Revenues	Expenditures
2017-18	$372,172,479	$14,003,545	$ 53,283,020	$41,307,611
2018-19	338,895,922	15,048,372	46,359,187	38,502,974
2019-20	346,377,162	16,380,370	43,087,937	36,854,695
2020-21	488,507,074	14,940,096	178,184,522	36,937,953
2021-22	433,417,110	18,667,325	9,346,053	56,283,290

The level of gifts received by the Foundation reflects the impact of the economic climate on ability to give. As illustrated by the following table, gifts have increased for the last five Fiscal Years as economic environment improved. Gifts received by the University are shown by restriction and giving program in the table below for the past five Fiscal Years.

Gift Report
Current Receipts and Deferred Additions by Restriction and Giving Program

Fiscal Year	Unrestricted Gifts	Restricted Gifts	Endowments	Total Gifts Received
2017-18	$3,664,282	$18,255,333	$5,237,912	$27,157,527
2018-19[1]	4,131,252	19,739,529	5,391,941	29,262,722
2019-20	3,925,063	22,421,287	5,861,341	32,207,691
2020-21	43,506,094	35,478,835	6,254,386	85,239,315
2021-22	3,518,160	22,492,030	7,050,497	33,060,687

[1] Beginning in Fiscal Year 2018-19 Contribution Revenue was recognized under GASB standards. The data in prior periods was reported under FASB standards.

Recent Fund Raising Efforts. The Next Horizon capital campaign, entered the public phase on January 26, 2019. The campaign sought to raise $750 million by the year 2022. The campaign exceeded its goal in January 2022 and as of January 2023 raised $826.3 million, including cash, pledges, in-kind and planned giving. The Campaign was in alignment with the University's strategic focus on the arts, environment, globalization and health, the campaign will raise funds for specific philanthropic priorities. On student success and research excellence, the campaign will raise funds for specific philanthropic priorities under these two pillars. The campaign will empower the University to reach the goals outlined in its Next Horizon 2025 Strategic Plan, garnering the University national recognition as a top 50 public university and accelerating its designation as a Preeminent Research University by the Board of Governors. The capital campaign will also empower the University to achieve each of the goals outlined in its Beyond Possible 2020 strategic plan, enabling the University to ascend to the next level of excellence in academic, research, and outreach initiatives and creating a solid financial base that will shape its 21st century evolution. Advancement will continue to: build development capacity and a pipeline of donors, grow undergraduate alumni participation to 18% by 2025, engage alumni to create a culture of giving and fundraise for priority capital projects that will reshape the face of the campus.

FLORIDA INTERNATIONAL UNIVERSITY

APPENDIX G-1

ANNUAL REPORT
2020 - 2021

BOARD OF TRUSTEES AND PRESIDENT

During the 2020-21 fiscal year, Dr. Mark B. Rosenberg served as President of Florida International University and the following individuals served as Members of the Board of Trustees:

Notes: (1) Student Body President.

(2) Faculty Senate Chair.

FLORIDA INTERNATIONAL UNIVERSITY

ANNUAL REPORT 2020-21

TABLE OF CONTENTS


FIUSPORTS.COM
FIU
Riccardo Silva Stadium


THE PATRICIA AND PHILLIP FROST ART MUSEUM

INTRODUCTION FROM THE SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

The 2020-21 fiscal year can be characterized using many descriptors. We felt negativity, with the threat of global pandemic that created fear, isolation, and sadness. But we also felt positivity, hope, innovation, heroism, and gratitude. This year, we were all challenged to be creative and adjust operations to ensure that our students achieved their educational goals during unprecedented conditions. And we continue to adjust to our new normal in this COVID-19 pandemic world. Our university met the challenges head on, and as a result we are now stronger as an institution. As an FIU community, we reap the benefits of our diverse, passionate, and caring workforce that has collectively elevated FIU to new heights. Together, we have weathered these tumultuous times with a steadfast conviction to keep the safety and success of our students at the forefront of our decision-making process.

FIU is undeterred in its commitment to maintain the highest standards in supporting student success, research excellence, and efficient operations. The Office of Finance and Administration is dedicated to providing leadership and financial planning in support of these objectives by strategically allocating financial resources, timely reporting financial information for improved decision making, and assisting in identifying new revenue sources to support our educational mission and strategic goals.

We continue on our quest to consistently achieve remarkable success academically, strategically, and operationally. I am pleased to present the 2020-21 Annual Financial Report for FIU, and I am proud to share the following notable accomplishments and achievements.

Strategic initiatives:

- Philanthropist and author MacKenzie Scott and her husband Dan Jewett made a $40 million unrestricted gift to FIU in recognition of the university's successful efforts educating students who come from communities chronically underserved.
- FIU rose to #78 in U.S. News and World Report rankings for Public Universities.
- FIU also improved in several other rankings, including #1 in awarding bachelor's degrees to minorities; #5 in social mobility by U.S. News and World Report; #3 Life Below Water, #3 Life on Land, and #8 Clean Water and Sanitation by Time Higher Education Impact Rankings for Public Universities.
- FIU achieved the highest score in the history of the State University System Performance-Based Funding Model, 97 points, by continuing to strategically invest in student success initiatives that focus on retention and graduation rates, the awarding of strategic degrees, and jobs after graduation.

FIU continues to deliver on the promise of an affordable quality education for students through the execution of its strategic plan. I encourage you to read our annual financial report, as it provides useful, relevant, and more detailed information about the university's financial activities and results related to operations. The financial report will help you learn more about FIU's financial operations that support the university's primary mission of educating and preparing current and future students for successful careers that improve our community, our nation, and our world.

Kenneth A. Jessell, Ph.D., MBA
Senior Vice President and Chief Financial Officer

AUDITOR GENERAL
STATE OF FLORIDA

Sherrill F. Norman, CPA
Auditor General

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

Phone: (850) 412-2722
Fax: (850) 488-6975

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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Florida International University, a component unit of the State of Florida, and its aggregate discretely presented component units as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units columns. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of Florida International University and of its aggregate discretely presented component units as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Florida International University's basic financial statements. The Introduction from the Senior Vice President and Chief Financial Officer, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Introduction from the Senior Vice President and Chief Financial Officer has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2022, on our consideration of the Florida International University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Florida International University's internal control over financial reporting and compliance.

Respectfully submitted,

Sherrill F. Norman

Sherrill F. Norman, CPA
Tallahassee, Florida
March 8, 2022
Audit Report No. 2022-144

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, 2021, 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, 2021, and June 30, 2020.

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)

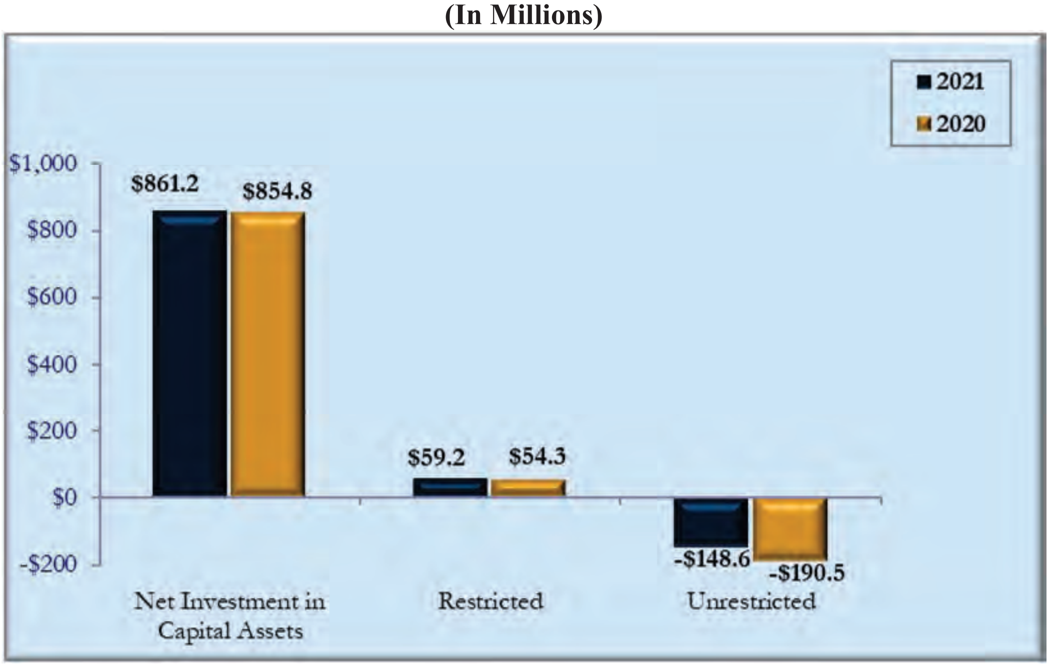
Information regarding these component units, including summaries of the discretely presented component units' separately issued financial statements, is presented in the notes to financial statements. This MD&A focuses on the University, excluding the discretely presented component units. For the component 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, 2021, and June 30, 2020, is shown in the following graph:

Net Position
(In Millions)



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)

	2021	2020
Assets		
Current Assets	$ 681.3	$ 541.3
Capital Assets, Net	1,036.5	988.1
Other Noncurrent Assets	55.0	32.9
Total Assets	1,772.8	1,562.3
Deferred Outflows of Resources	249.7	229.3
Liabilities		
Current Liabilities	94.7	76.3
Noncurrent Liabilities	994.7	911.3
Total Liabilities	1,089.4	987.6
Deferred Inflows of Resources	161.3	85.4
Net Position		
Net Investment in Capital Assets	861.2	854.8
Restricted	59.2	54.3
Unrestricted	(148.6)	(190.5)
Total Net Position	$ 771.8	$ 718.6

The lingering effects of the coronavirus pandemic continued to hamper the normal operations of the University for the greater part of the 2020-21 fiscal year. As the University moved forward with campus repopulation plans to resume on-site operations as well as stimulate campus activities, there were added challenges encountered in normalizing operations. Nonetheless, assistance provided by Federal grant funding primarily from the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and the Higher Education Emergency Relief (HEERF) Act, served to contribute financial relief to students and on-campus business operations. These Federal grant funding sources made a considerable impact on the efforts to stabilize revenue streams heavily affected by the slow-down of business activities during the peak times of the pandemic and as noted in various sections of the MD&A, were major drivers affecting the results of financial operations.

Total assets as of June 30, 2021, increased by $210.5 million, or 13.5 percent. This increase is primarily due to an increase in combined cash and cash equivalents and investments of $96.1 million mainly resulting from $45 million in unspent proceeds from capital improvement debt funding the construction of the new Parkview II Housing project, $19.6 million in incremental State Appropriations, and $14.9 million decrease in operating expenses, excluding depreciation, due to curtailed activities from on-going pandemic circumstances. Additionally, there were increases in accounts receivable, net of $56 million mainly from lost revenues billed under HEERF Act Federal grant provisions, and construction work in progress of $72.2 million mainly attributed to the construction activity for the new Parkview II Housing project.

Total liabilities as of June 30, 2021, increased by $101.8 million, or 10.3 percent. This increase resulted from increases of $72.4 million in capital improvement debt payable, $56.7 million for the University's proportionate share of net pension liabilities, $17.7 million in accounts payable and other accrued liabilities, $3.4 million in compensated absences payable, and $2.2 million in noncurrent unearned revenues. These increases were partially offset by a $50.4 million net decrease in the University's proportionate share of other postemployment benefits payable (OPEB).

Deferred outflows of resources and deferred inflows of resources increased $20.4 million and $75.9 million, respectively, related to pensions and other postemployment benefits.

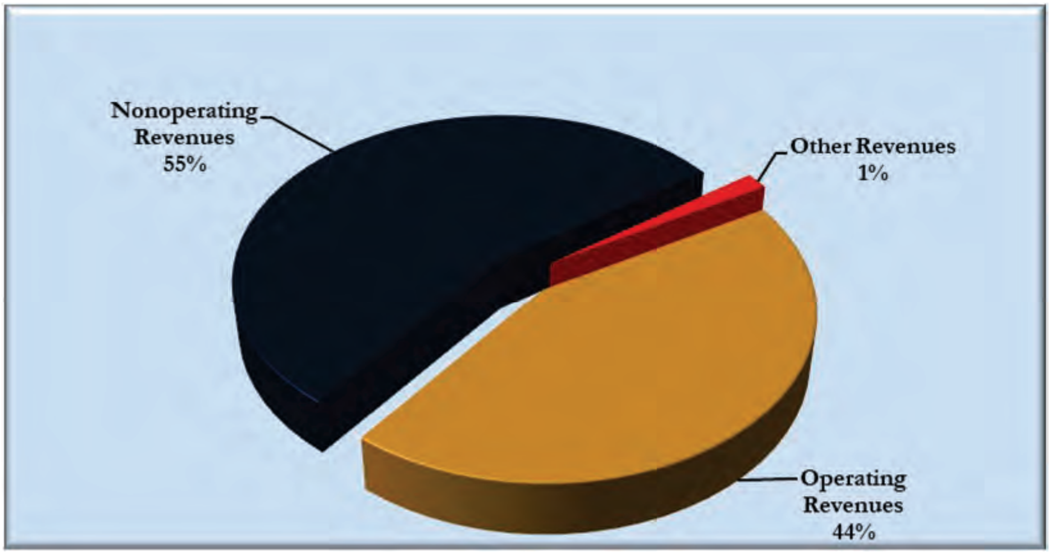
As a result, the University's net position increased by $53.2 million, or 7.4 percent, resulting in a fiscal year-end balance of $771.8 million, which includes a deficit in unrestricted net position. This deficit is discussed further in the notes to the financial statements.

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 2020-21 fiscal year:

Total Revenues



The following summarizes the University's activity for the 2020-21 and 2019-20 fiscal years:

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

	2020-21	2019-20
Operating Revenues	$ 527.4	$ 532.5
Less, Operating Expenses	1,141.3	1,156.4
Operating Loss	(613.9)	(623.9)
Net Nonoperating Revenues	649.0	567.3
Income (Loss) Before Other Revenues	35.1	(56.6)
Other Revenues	18.1	5.1
Net Increase (Decrease) in Net Position	53.2	(51.5)
Net Position, Beginning of Year	718.6	759.0
Adjustment to Beginning Net Position (1)	-	11.1
Net Position, Beginning of Year, as Restated	718.6	770.1
Net Position, End of Year	$ 771.8	$ 718.6

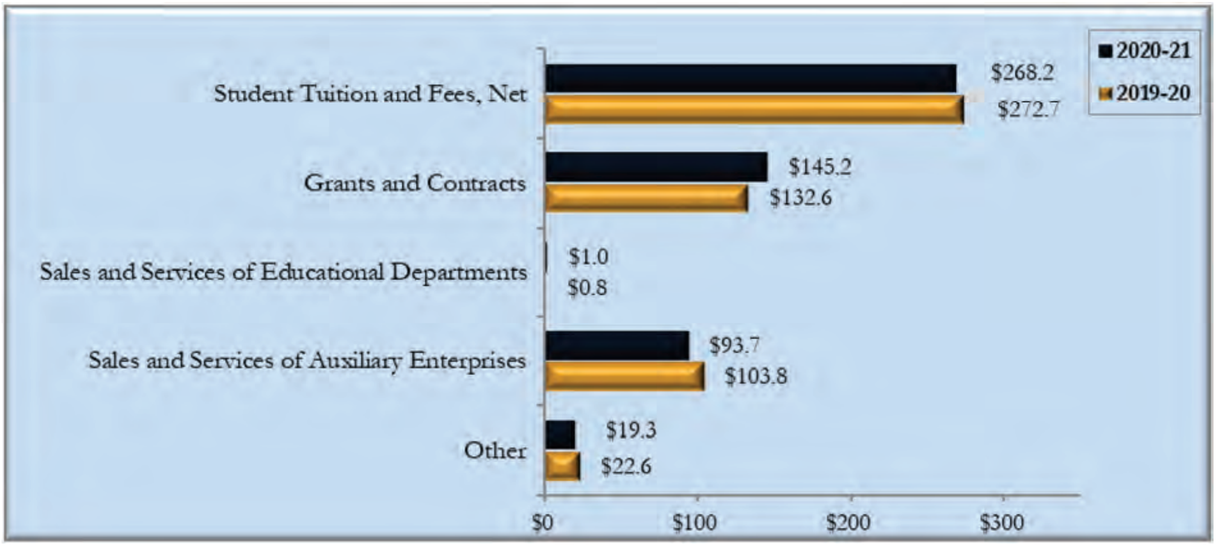
Note: (1) For the 2019-20 fiscal year, the University's beginning net position was increased for the carrying value of the building acquired in conjunction with the governmental merger with the Torrey Pines Institute for Molecular Studies, Inc.

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 2020-21 and 2019-20 fiscal years:

Operating Revenues
(In Millions)



The following summarizes the operating revenues by source that were used to fund operating activities for the 2020-21 and 2019-20 fiscal years:

Operating Revenues
For the Fiscal Years
(In Millions)

	2020-21	2019-20
Student Tuition and Fees, Net	$ 268.2	$ 272.7
Grants and Contracts	145.2	132.6
Sales and Services of Educational Departments	1.0	0.8
Sales and Services of Auxiliary Enterprises	93.7	103.8
Other	19.3	22.6
Total Operating Revenues	$ 527.4	$ 532.5

The University total operating revenues decreased by $5.1 million, or 1 percent, over the 2019-20 fiscal year. Operating revenue changes were the result of the following factors:

- Net student tuition and fees revenue decreased $4.5 million. Gross tuition and fees revenue declined by $9.2 million, mainly resulting from decreases in both resident and non-resident undergraduate tuition revenue offset by increases in graduate and market rate tuition. The University's scholarship allowance also decreased by $4.7 million primarily due to a reduction in non-monetary institutional waivers, excluding capital improvement and building fees, this drop in the allowance contributed to the overall decrease in student tuition and fees, net.

- Grants and contracts overall revenue increased $12.6 million. This resulted from higher revenue earned from Federal grants mostly associated with the CARES and HEERF Institutional funding.

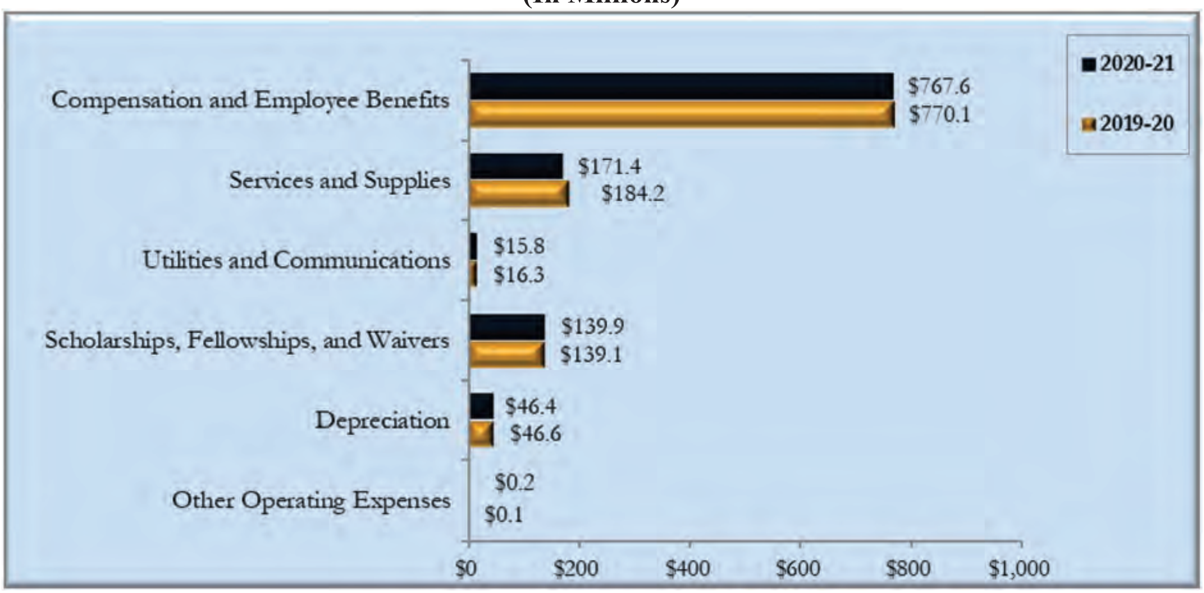
- Sales and Services of Auxiliary Enterprises revenue decreased $10.1 million, mainly driven by the continued decline in auxiliary activities including housing, parking, food services, event ticket sales, and rental of facilities due to the enduring COVID-19 related conditions.
- Other operating revenues decreased by $3.3 million primarily from reductions in private revenue from our National Forensic Science Technology Center, the Shorelight program, Embrace, and Pepsi pouring rights contracts.

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 2020-21 and 2019-20 fiscal years:

Operating Expenses
(In Millions)



The following summarizes the operating expenses by natural classification for the 2020-21 and 2019-20 fiscal years:

Operating Expenses
For the Fiscal Years
(In Millions)

	2020-21	2019-20
Compensation and Employee Benefits	$ 767.6	$ 770.1
Services and Supplies	171.4	184.2
Utilities and Communications	15.8	16.3
Scholarships, Fellowships, and Waivers	139.9	139.1
Depreciation	46.4	46.6
Other Operating Expenses	0.2	0.1
Total Operating Expenses	$ 1,141.3	$ 1,156.4

The change in operating expenses was primarily the result of the following factor:

- Services and supplies expenses decreased $12.8 million, or 6.9 percent. The decrease primarily resulted from reduced travel expenses of $9.3 million since the University maintained its policy of restricting travel due to the continued COVID-19 related preventive measures.

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 2020-21 and 2019-20 fiscal years:

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

	2020-21	2019-20
State Noncapital Appropriations	$ 343.0	$ 323.4
Federal and State Student Financial Aid	202.4	201.2
Noncapital Grants, Contracts, and Gifts	24.1	24.2
Investment Income	34.1	15.7
Other Nonoperating Revenues	54.3	16.3
Loss on Disposal of Capital Assets	(0.7)	(6.3)
Interest on Capital Asset-Related Debt	(5.5)	(5.2)
Other Nonoperating Expenses	(2.7)	(2.0)
Net Nonoperating Revenues	$ 649.0	$ 567.3

Net nonoperating revenues increased by $81.7 million, or 14.4 percent, from the 2019-20 fiscal year. Increases in State noncapital appropriations and other nonoperating revenues were the major contributors to this increase. Net nonoperating revenues changes were due mainly to the following factors:

- State noncapital appropriations increased $19.6 million mainly due to additional funding supporting the Next Horizon 2025 Strategic Plan, adjustments related to health insurance premium increases, an appropriation for the Institute of Economic Freedom, and greater performance funds allocations. These increases were offset by the reduction of prior year, non-recurring special appropriations and adjustments related to risk management premium decreases.

- Investment income increased by $18.4 million in large part due to unrealized gains resulting from improved investment performance in our equity, commodities, and alternatives positions as well as realized gains on the sale of investment in our private market and small cap equity positions.

- Other nonoperating revenue increased by $38 million primarily from Federal grant revenue earned from HEERF grants to replace revenues lost due to COVID-19 for 2019-20 and 2020-21 fiscal years.

- Loss on disposal of capital assets decreased $5.6 million due to the prior fiscal year write-off of the balance from construction in progress of the remaining structure of the 8th Street pedestrian bridge that collapsed and was deemed to have no future use since a new pedestrian bridge will be built in the future. There were no such write-offs during the 2020-21 fiscal year.

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 2020-21 and 2019-20 fiscal years:

Other Revenues
For the Fiscal Years
(In Millions)

	2020-21	2019-20
State Capital Appropriations	$ 12.0	$ 4.0
Capital Grants, Contracts, and Donations	6.1	1.1
Total	$ 18.1	$ 5.1

Total other revenues increased by $13 million, or 254.9 percent, mostly due to an increase of $8 million in revenue earned from State capital appropriations for construction projects as compared to the 2019-20 fiscal year. Additionally, the University received an incremental $5 million in capital grants, contracts, and donations during fiscal year 2020-21.

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 2020-21 and 2019-20 fiscal years:

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

	2020-21	2019-20
Cash Provided (Used) by:		
Operating Activities	$ (542.5)	$ (485.9)
Noncapital Financing Activities	621.6	552.9
Capital and Related Financing Activities	(17.1)	(43.3)
Investing Activities	3.6	(20.0)
Net Increase in Cash and Cash Equivalents	65.6	3.7
Cash and Cash Equivalents, Beginning of Year	10.2	6.5
Cash and Cash Equivalents, End of Year	$ 75.8	$ 10.2

Major sources of funds came from proceeds from sales and maturities of investments of $1.1 billion, State noncapital appropriations of $343 million, net student tuition and fees of $267.5 million, Federal Direct Student Loan program receipts of $237 million, Federal and State student financial aid of $202.4 million, sales and services of auxiliary enterprises of $92.7 million, grants and contracts of $86.8 million, and proceeds from issuance of Capital Improvement Debt of $78.3 million. Major uses of funds were for purchases of investments of $1.2 billion, payments made to and on behalf of employees of $694.6 million, disbursements to students for Federal Direct Student Loan program of $237.4 million, payments to suppliers of $179.4 million, payments to and on behalf of students for scholarships and fellowships of $139.9 million, and purchases of capital assets of $90.2 million.

CAPITAL ASSETS, CAPITAL EXPENSES AND COMMITMENTS, AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, the University had $1.8 billion in capital assets, less accumulated depreciation of $733.3 million, for net capital assets of $1,036.5 million. Depreciation for the current fiscal year totaled $46.4 million.

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

Capital Assets, Net at June 30
(In Millions)

	2021	2020
Land	$ 32.8	$ 30.7
Works of Art and Historical Treasures	9.5	7.2
Construction in Progress	174.2	102.1
Buildings	730.5	758.4
Infrastructure and Other Improvements	27.9	26.9
Furniture and Equipment	43.4	41.5
Library Resources	17.7	20.8
Leasehold Improvements	0.1	0.1
Computer Software	0.4	0.4
Capital Assets, Net	$ 1,036.5	$ 988.1

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, 2021, were incurred on the following projects: $45 million for Parkview Housing Phase II, $6.2 million for User Paid Capital Construction projects, $4.4 million for Emergency Operations Center, and $3.7 million for SIPA Building Phase II.

The University's construction commitments at June 30, 2021, are as follows:

	Amount (In Millions)
Total Committed	$ 282.2
Completed to Date	(174.2)
Balance Committed	$ 108.0

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

Debt Administration

As of June 30, 2021, the University had $205.4 million in outstanding capital improvement debt payable representing an increase of $72 million, or 54 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)

	2021	2020
Capital Improvement Debt	$ 205.4	$ 132.9
Installment Purchase Payable	-	0.5
Total	$ 205.4	$ 133.4

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

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

Calendar year 2020 was a challenging year for Florida due to the global coronavirus pandemic (COVID-19) which negatively impacted all countries and all major industries worldwide. Similar to the rest of the country, Florida experienced an economic contraction in the 2020 calendar year which resulted in a net economic loss of 2.9 percent compared to the 2019 calendar year, which was 0.6 percent below the national average. The economic declines have been mitigated by the Federal stimulus packages which provided aid to many sectors of the economy along with the quicker than anticipated reopening of the economy. The economic recovery was evidenced by seven percent growth as of the first quarter of the 2021 calendar year. The State projects growth to continue over the next few years with a typical annual growth of 2.5 percent for the 2022-23 fiscal year and beyond.

FIU received $245 million under the Higher Education Emergency Relief Fund (HEERF) grant program to provide financial assistance to students and to offset higher expenses and lost revenues due to the COVID-19 pandemic. The HEERF funds were received under three separate acts: The CARES Act, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and American Rescue Plan (ARP) Act. The funding awards were in three areas: Emergency Financial Aid Grants to Students, $101 million; Institutional funds, $129 million; and Minority Serving Institutions (MSI) funds, $15 million. FIU must expend the HEERF funds within one year from the most recent obligation of funds for each specific grant area. For the Emergency Financial Aid Grants to Students and the Institutional funds, the one-year date is May 17, 2022. For the Minority Serving Institutions funds, the one-year date is August 2, 2022. No-cost extensions of up to 12 months are available to extend the period of performance.

The 2021 Florida Legislative session concluded on April 30, 2021, and the Governor approved the 2021-22 fiscal year General Appropriations Act (Senate Bill 2500) on June 2, 2021. FIU received $345.3 million in State operating appropriations in the 2021-22 fiscal year which is an additional $3.8 million or 1.1 percent over the prior fiscal year. Pass-through funds account for most of the increase which includes $4.9 million for health and risk management insurance increases, $0.6 million for performance funds, restoration of a prior year non-recurring reduction, $0.4 million, and a $2.1 million recurring reduction associated with the elimination of faculty salaries in excess of $200,000. FIU also received capital appropriations of $13.9 million, of which $7.2 million was for the renovation of the College of Arts, Science and Education building, and $6.7 million was for various projects such as Panther Promenade, East Loop Road realignment, Graham Center expansion, and a recreation field support building. The Legislature introduced three new tuition and fees waivers under HB 1261. The most significant of the three waivers is the Select STEM waiver which covers 50 percent of tuition and fees for students seeking a baccalaureate degree in any of one of eight Florida Board of Governors approved Programs of Strategic Emphasis in science, technology, engineering, or math. The Legislature appropriated $25 million of incentive funding for the State University System which will help cover the cost of this waiver.

FIU continues in its pursuit of excellence as outlined in the FIU Next Horizon 2025 Strategic Plan. Years of effort and focus have led to an outstanding year for FIU: FIU placed first in the State University System in the Board of Governors 2020-21 fiscal year performance metrics; moved up 17 spots to number 78 among public universities in the U.S. News and World Report 2022 National Universities Rankings; and received a $40 million unrestricted donation from MacKenzie Scott and her husband Dan Jewett.

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 Interim 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, 2021

	University	Component Units
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 74,577,852	$ 31,224,833
Investments	419,779,092	507,327
Accounts Receivable, Net	95,562,389	15,317,364
Loans and Notes Receivable, Net	329,264	-
Due from State	76,527,784	-
Due from Component Units/University	11,243,193	1,800,899
Inventories	482,060	-
Other Current Assets	2,790,307	1,982,421
Total Current Assets	681,291,941	50,832,844
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	1,211,855	-
Restricted Investments	52,021,806	416,525,774
Loans and Notes Receivable, Net	850,227	11,620,933
Depreciable Capital Assets, Net	819,954,954	14,824,376
Nondepreciable Capital Assets	216,576,824	-
Due from Component Units	852,241	-
Other Noncurrent Assets	-	14,236,242
Total Noncurrent Assets	1,091,467,907	457,207,325
Total Assets	1,772,759,848	508,040,169
DEFERRED OUTFLOWS OF RESOURCES		
Other Postemployment Benefits	127,861,071	-
Pensions	121,835,713	-
Accumulated Decrease in Fair Value of Hedging Derivatives	-	2,021,532
Deferred Amount on Bond Debt Refundings	-	176,452
Total Deferred Outflows of Resources	249,696,784	2,197,984
LIABILITIES		
Current Liabilities:		
Accounts Payable	32,004,942	1,023,347
Construction Contracts Payable	4,811,874	-
Salaries and Wages Payable	25,207,624	-
Deposits Payable	2,504,193	-
Due to State	317,070	-
Due to Component Units/University	1,935,868	11,237,419
Unearned Revenue	8,578,310	589,978
Other Current Liabilities	559,976	179,472
Long-Term Liabilities - Current Portion		
Bonds Payable	-	1,580,000
Capital Improvement Debt Payable	7,932,747	-
Notes Payable	-	1,075,000
Compensated Absences Payable	4,190,286	-
Liability for Self-Insured Claims	106,364	-
Other Postemployment Benefits Payable	5,870,438	-
Net Pension Liability	665,568	-
Total Current Liabilities	94,685,260	15,685,216

	University	Component Units
LIABILITIES (Continued)		
Noncurrent Liabilities:		
Bonds Payable	-	22,735,000
Capital Improvement Debt Payable	197,430,215	-
Compensated Absences Payable	53,903,236	-
Due to University	-	852,241
Other Postemployment Benefits Payable	346,693,539	-
Unearned Revenue	61,624,106	-
Liability for Self-Insured Claims	119,493	-
Other Long-Term Liabilities	1,684,749	3,707,152
Net Pension Liability	333,289,084	-
Total Noncurrent Liabilities	994,744,422	27,294,393
Total Liabilities	1,089,429,682	42,979,609
DEFERRED INFLOWS OF RESOURCES		
Other Postemployment Benefits	154,798,302	-
Pensions	6,475,764	-
Total Deferred Inflows of Resources	161,274,066	-
NET POSITION		
Net Investment in Capital Assets	861,218,514	13,206,466
Restricted for Nonexpendable:		
Endowment	-	191,376,258
Restricted for Expendable:		
Debt Service	2,522,099	-
Loans	1,208,832	-
Capital Projects	30,054,164	-
Other	25,327,549	183,178,127
Unrestricted	(148,578,274)	79,497,693
TOTAL NET POSITION	$ 771,752,884	$ 467,258,544

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, 2021

	University	Component Units
REVENUES		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarship Allowances of $189,153,663	$ 268,179,765	$ -
Federal Grants and Contracts	119,012,858	-
State and Local Grants and Contracts	10,249,531	-
Nongovernmental Grants and Contracts	15,923,046	-
Sales and Services of Educational Departments	1,005,809	-
Sales and Services of Auxiliary Enterprises	93,674,909	-
Sales and Services of Component Units	-	7,978,908
Gifts and Donations	-	79,664,934
Other Operating Revenues	19,320,231	9,215,505
Total Operating Revenues	527,366,149	96,859,347
EXPENSES		
Operating Expenses:		
Compensation and Employee Benefits	767,609,297	-
Services and Supplies	171,382,468	50,413,994
Utilities and Communications	15,843,982	362,304
Scholarships, Fellowships, and Waivers	139,851,660	-
Depreciation	46,357,832	825,702
Self-Insurance Claims	230,881	-
Total Operating Expenses	1,141,276,120	51,602,000
Operating (Loss) Income	(613,909,971)	45,257,347
NONOPERATING REVENUES (EXPENSES)		
State Noncapital Appropriations	343,010,742	-
Federal and State Student Financial Aid	202,372,570	-
Noncapital Grants, Contracts, and Gifts	24,085,876	-
Investment Income	34,105,001	87,302,410
Other Nonoperating Revenues	54,337,799	15,955,133
Loss on Disposal of Capital Assets	(690,147)	-
Interest on Capital Asset-Related Debt	(5,542,356)	(1,194,394)
Other Nonoperating Expenses	(2,696,606)	(4,211,041)
Net Nonoperating Revenues	648,982,879	97,852,108
Income Before Other Revenues	35,072,908	143,109,455
State Capital Appropriations	12,000,000	-
Capital Grants, Contracts, and Donations	6,054,764	-
Increase in Net Position	53,127,672	143,109,455
Net Position, Beginning of Year	718,625,212	324,634,001
Adjustment to Beginning Net Position	-	(484,912)
Net Position, Beginning of Year, as Restated	718,625,212	324,149,089
Net Position, End of Year	$ 771,752,884	$ 467,258,544

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, 2021

	University
CASH FLOWS FROM OPERATING ACTIVITIES	
Student Tuition and Fees, Net	$ 267,490,448
Grants and Contracts	86,792,602
Sales and Services of Educational Departments	1,005,809
Sales and Services of Auxiliary Enterprises	92,735,013
Interest on Loans and Notes Receivable	(103,282)
Payments to Employees	(694,582,818)
Payments to Suppliers for Goods and Services	(179,387,065)
Payments to Students for Scholarships and Fellowships	(139,851,660)
Payments on Self-Insured Claims	(34,295)
Loans Issued to Students	(3,075,722)
Collection on Loans to Students	3,654,882
Other Operating Receipts	22,904,257
Net Cash Used by Operating Activities	(542,451,831)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Noncapital Appropriations	343,010,742
Federal and State Student Financial Aid	202,372,570
Noncapital Grants, Contracts, and Gifts	16,014,578
Federal Direct Loan Program Receipts	237,004,559
Federal Direct Loan Program Disbursements	(237,359,182)
Operating Subsidies and Transfers	6,697,216
Net Change in Funds Held for Others	233,359
Other Nonoperating Receipts	53,563,868
Net Cash Provided by Noncapital Financing Activities	621,537,710
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Capital Debt	78,251,558
State Capital Appropriations	5,237,722
Capital Grants, Contracts, and Donations	1,400,659
Other Receipts for Capital Projects	1,561,521
Capital Subsidies and Transfers	975,945
Purchase or Construction of Capital Assets	(90,150,436)
Principal Paid on Capital Debt	(7,885,802)
Interest Paid on Capital Debt	(6,538,771)
Net Cash Used by Capital and Related Financing Activities	(17,147,604)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	1,143,110,749
Purchase of Investments	(1,151,368,778)
Investment Income	11,868,010
Net Cash Provided by Investing Activities	3,609,981
Net Increase in Cash and Cash Equivalents	65,548,256
Cash and Cash Equivalents, Beginning of Year	10,241,451
Cash and Cash Equivalents, End of Year	$ 75,789,707

	University
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	$ (613,909,971)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	46,357,832
Changes in Assets, Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources:	
Receivables, Net	(55,271,806)
Inventories	(26,664)
Other Assets	(792,337)
Accounts Payable	9,042,564
Salaries and Wages Payable	7,761,111
Deposits Payable	(232,325)
Compensated Absences Payable	3,441,328
Other Postemployment Benefits Payable	(50,430,833)
Unearned Revenue	(842,189)
Liability for Self-Insured Claims	196,586
Pension Liability	56,726,961
Deferred Outflows of Resources Related to Other Postemployment Benefits	(14,211,455)
Deferred Outflows of Resources Related to Pensions	(6,158,833)
Deferred Inflows of Resources Related to Other Postemployment Benefits	86,503,705
Deferred Inflows of Resources Related to Pensions	(10,605,505)
NET CASH USED BY OPERATING ACTIVITIES	$ (542,451,831)

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND CAPITAL FINANCING ACTIVITIES

Unrealized gains on investments were recognized as an increase to investment income on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.	$ 22,254,262
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.	$ (690,147)
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.	$ 4,654,106
The Division of Bond Finance issued $46,365,000 of Capital Improvement Housing Revenue Refunding Bonds, Series 2021A, to refund $51,730,000 of outstanding Capital Improvement Revenue and Refunding Bonds, Series 2011A, and 2012A. The new debt and defeasance of the old debt were recorded as an increase and a decrease, respectively, to capital improvement debt payable on the statement of net position; however, because the proceeds of the new debt were immediately placed into an irrevocable trust for the defeasance of the Series 2011A and 2012A debt, the transaction did not affect cash and cash equivalents.	$ 5,365,000

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

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 $109,820 and $1,039, 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.

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 "The Alternate Method" as prescribed in NACUBO Advisory Report 2000-05 to determine the reported net tuition scholarship allowances. Under this method, the University computes these amounts by allocating the cash payments to students, excluding payments for services, on a ratio of total aid to the aid not considered third-party aid.

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

Cash and Cash Equivalents

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

Concentration of Credit Risk – Component Units

Financial instruments that potentially subject the Foundation to concentration of credit risk consist principally of cash and cash equivalents in banks, investments, and promises to give.

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

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

Capital Assets

University capital assets consist of land, works of art and historical treasures, construction in progress, buildings, infrastructure and other improvements, furniture and equipment, library resources, leasehold improvements, and computer software. These assets are capitalized and recorded at cost at the date of acquisition or at estimated fair value at the date received in the case of gifts and purchases of State surplus property. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The University has a capitalization threshold of $250 for library resources, $5,000 for tangible personal property, and $100,000 for new buildings, leasehold improvements, and other improvements. Depreciation is computed on the straight-line basis over the following estimated useful lives:

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

Depreciable assets of the Foundation are stated at cost and are net of accumulated depreciation of $9,058,178. 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 $105,850. Depreciation is provided using the straight-line method over the estimated useful lives of five years for the assets.

Depreciable assets of the Health Care Network are stated at cost and are net of accumulated depreciation of $520,437. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, ranging from five to 15 years.

Noncurrent Liabilities

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

Pensions

For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net 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.

2. REPORTING CHANGE AND ADJUSTMENT TO BEGINNING NET POSITION

The University and its discretely presented component units implemented GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities of state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The University's custodial funds are comprised of business-type activities that are expected to be held in a custodial fund for three months or less, which meets the requirements for an exception from reporting.

The Foundation considers its custodial funds to meet the criteria for reporting for fiduciary funds. As such, the Foundation's beginning net position related to custodial funds decreased by $484,912.

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.

Fund	Net Position
Current Funds - Unrestricted	$ (524,820,694)
Auxiliary Funds	376,242,420
Total	$ (148,578,274)

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:

		Amount
Total Unrestricted Net Position Before Recognition of Long-Term Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources		$ 500,107,548
Amount Expected to be Financed in Future Years:		
Compensated Absences Payable	$ 50,589,911	-
Other Postemployment Benefits Payable and Related Deferred Outflows of Resources and Deferred Inflows of Resources	379,501,208	-
Net Pension Liability and Related Deferred Outflows of Resources and Deferred Inflows of Resources	218,594,703	-
Total Amount Expected to be Financed in Future Years		(648,685,822)
Total Unrestricted Net Position		$ (148,578,274)

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.

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, 2021 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 $73,627,850 according to GASB Statement No. 72.

The University's investments at June 30, 2021, are reported at fair value, as follows:

Investments by Fair Value Level	Amount	Fair Value Measurement Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
External Investment Pool				
State Treasury Special Purpose Investment Account	$ 74,601,124	$ -	$ -	$ 74,601,124
SBA Debt Service Accounts	2,519,793	2,519,793	-	-
Mutual Funds				
Equities	31,275,790	11,370,271	19,905,519	-
Fixed Income and Bond Mutual Funds	209,385,477	81,164,235	114,502,572	13,718,670
Commodities	13,844,242	-	13,844,242	-
Other Investments	12,759,008	-	-	12,759,008
Total Investments by Fair Value Level	344,385,434	$ 95,054,299	$ 148,252,333	$ 101,078,802
Investments Measured at the Net Asset Value (NAV)				
Mutual Funds				
Limited Partnerships	39,086,408			
Equities	14,701,206			
Total Investments Measured at the NAV	53,787,614			
Total Investments Measured at Fair Value	$ 398,173,048			

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

Investments Measured at the NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Mutual Funds				
Limited Partnerships	$ 39,086,408	$ -	Quarterly/Annually	90 Days
Equities	14,701,206	4,311,142	Illiquid	N/A
Total Investments Measured at the NAV	$ 53,787,614			

Limited Partnerships: This category includes investments in a fund that invests in a portfolio of limited partnerships. The managers pursue multiple strategies to diversify risk and reduce volatility. The fair values of the investments have been determined by using the NAV per share of the investments. Redemption requests are received quarterly and require a 90-day written notice. Proceeds of the redemption, up to 90 percent, are available 17 business days after the redemption. The remaining 10 percent of the funds, in a complete liquidation, are available on the first week of April, after the redemption.

Equities: This category includes investments in two private equity funds. Each fund invests in equity securities and debt of the private companies or conduct buyouts of public companies that result in a delisting of public equity. The nature of the investment in this category prohibits redemptions through the duration of the partnerships. Distributions are received through the liquidation of underlying assets of the funds.

External Investment Pools

The University reported investments at fair value totaling $74,601,124 at June 30, 2021, 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 2.60 years and fair value factor of 0.9840 at June 30, 2021. 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 $2,519,793 at June 30, 2021, 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.

The future maturities of the securities held in the fixed income and bond mutual funds at June 30, 2021, are as follows:

University Debt Investment Maturities

		Investment Maturities (In Years)			
Type of Investment	**Fair Market Value**	**Less Than 1**	**1-5**	**6-10**	**More Than 10**
Short Term Bond Fund	$ 46,405,783	$ 15,731,815	$ 26,822,320	$ 3,851,648	$ -
Bond Index Fund	34,758,452	299,405	16,743,206	10,316,872	7,398,969
TIPS Index Fund	48,056,712	62,474	22,490,541	17,362,890	8,140,807
Core Fixed Income	34,750,408	1,430,550	17,402,576	9,312,175	6,605,107
Credit Fixed Income	31,342,607	896,403	8,716,154	11,674,139	10,055,911
Student Managed Investment Fund	352,845	20,201	238,317	82,723	11,604
Secured Bank Loans	13,718,670	97,403	7,431,404	6,185,748	4,115
Total	$ 209,385,477	$ 18,538,251	$ 99,844,518	$ 58,786,195	$ 32,216,513

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2021, 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	$ 46,405,783	$ 10,023,566	$ 18,469,348	$ 10,348,403	$ 7,564,466
Bond Index Fund	34,758,452	23,829,543	1,146,319	4,133,696	5,648,894
TIPS Index Fund	48,056,712	48,056,712	-	-	-
Core Fixed Income	34,750,408	20,174,667	667,356	2,005,489	11,902,896
Credit Fixed Income	31,342,607	1,076,756	2,970,361	11,095,537	16,199,953
Student Managed Investment Fund	352,845	208,414	-	85,693	58,738
Secured Bank Loans	13,718,670	-	-	-	13,718,670
Total	$ 209,385,477	$ 103,369,658	$ 23,253,384	$ 27,668,818	$ 55,093,617

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the University's investment in a single issuer. The University has no formal policy on concentration of credit risk.

Discretely Presented Component Unit Investments

The Foundation's investments at June 30, 2021, are reported at fair value as follows:

		Fair Value Measurement Using		
Investments by Fair Value Level	**Amount**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Domestic Equities	$ 155,471,109	$ 155,471,109	$ -	$ -
Global Equities	82,130,848	82,130,848	-	-
Fixed Income	71,737,005	71,737,005	-	-
Land Held for Investments	1,411,550	-	-	1,411,550
Total Investments by Fair Value Level	$ 310,750,512	$ 309,338,962	$ -	$ 1,411,550
Investments Measured at the Net Asset Value (NAV)				
Domestic Equities	498,962			
Global Equities	15,665,557			
Fixed Income	1,200			
Hedge Funds	29,176,871			
Private Investments	69,406,855			
Total Investments Measured at the NAV	114,749,445			
Total Investments Measured at Fair Value (1)	$ 425,499,957			

(1) Included within the disclosures of fair value above are amounts totaling $12,759,008 which are held by the Foundation as a term endowment on behalf of the University.

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

Investments Measured at the NAV	**Fair Value**	**Unfunded Commitments**	**Redemption Frequency (if Currently Eligible)**	**Redemption Notice Period**
Equities:				
Domestic Equities	$ 498,962	$ -	Monthly/Quarterly	5 - 45 Days
Global Equities	15,665,557	-	Monthly/Quarterly	6 - 60 Days
Fixed Income:				
Global Bonds	1,200	-	Monthly	10 Days
Hedge Funds:				
Long/Short Equity	24,395,804	-	Monthly - Every 3 Years	30 - 180 Days
Event Driven/Open Mandate	4,781,067	-	Quarterly - Annually	45 - 90 Days
Private Investments:				
Private Equity	38,591,286	30,588,501	Illiquid	N/A
Venture Capital	30,815,569	1,285,000	Illiquid	N/A
Total Investments Measured at the NAV	$ 114,749,445	$ 31,873,501		

Net Asset Value

The investments held at net asset value reflect:

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

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

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 IPO.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2021, the Foundation securities held in domestic fixed income of $28,285,519 and $43,451,486 were rated A+ and BBB, respectively by Standard and Poor's.

At June 30, 2021, 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, 2021, approximately $412,740,949 was held in these accounts. The Foundation believes that the number, diversity, and financial strength of the issuers mitigates the credit risks associated with all investments.

The Finance Corporation also maintains investment accounts with financial institutions that are not insured by the FDIC. These investments are made in accordance with the trust indenture. Money market fund shares are not guaranteed by the Federal government. Investments are reported at amortized cost of $3,289,465 at June 30, 2021, 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, 2021, 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, 2021, is 28 days while the WAL is 66 days.

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, 2021, the University reported the following amounts as accounts receivable:

Description	Amount
Student Tuition and Fees	$ 27,145,604
Contracts and Grants	67,885,777
Other	531,008
Total Accounts Receivable, Net	$ 95,562,389

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 $9,878,688 and $1,013,025, respectively, at June 30, 2021.

6. DUE FROM STATE

The amount due from State consists of $21,406,357 of Public Education Capital Outlay, $24,566,875 of Capital Improvement Fee Trust Fund, and $30,554,552 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, 2021. One component unit is not presented (see Note 1). Additionally, component units' due from and due to amounts include receivables and payables between the various component units. Accordingly, amounts reported by the University as due from and to component units on the statement of net position do not agree with amounts reported by the component units as due from and to the University.

8. CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2021, is shown in the following table:

Description	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable Capital Assets:				
Land	$ 30,689,426	$ 2,129,428	$ -	$ 32,818,854
Works of Art and Historical Treasures	7,237,024	2,291,334	10,000	9,518,358
Construction in Progress	102,074,203	76,830,907	4,665,498	174,239,612
Total Nondepreciable Capital Assets	$ 140,000,653	$ 81,251,669	$ 4,675,498	$ 216,576,824
Depreciable Capital Assets:				
Buildings	$ 1,200,030,110	$ 456,205	$ -	$ 1,200,486,315
Infrastructure and Other Improvements	49,347,219	3,648,314	-	52,995,533
Furniture and Equipment	156,531,943	13,350,825	6,456,056	163,426,712
Library Resources	130,711,395	1,300,489	-	132,011,884
Leasehold Improvements	752,567	-	-	752,567
Computer Software	3,499,613	169,297	67,853	3,601,057
Total Depreciable Capital Assets	1,540,872,847	18,925,130	6,523,909	1,553,274,068
Less, Accumulated Depreciation:				
Buildings	441,652,746	28,288,787	-	469,941,533
Infrastructure and Other Improvements	22,421,164	2,711,754	-	25,132,918
Furniture and Equipment	115,017,278	10,756,188	5,779,846	119,993,620
Library Resources	109,922,893	4,409,423	-	114,332,316
Leasehold Improvements	648,192	65,921	-	714,113
Computer Software	3,142,771	125,759	63,916	3,204,614
Total Accumulated Depreciation	692,805,044	46,357,832	5,843,762	733,319,114
Total Depreciable Capital Assets, Net	$ 848,067,803	$ (27,432,702)	$ 680,147	$ 819,954,954

9. CURRENT UNEARNED REVENUE

Unearned revenue at June 30, 2021 includes contracts and grant payments received in advance, nonrefundable admission fees, prepaid stadium rental income received from the Finance Corporation, athletic revenues, deferred rent, land use fees, and reservation system fees received prior to fiscal year-end related to subsequent accounting periods.

As of June 30, 2021, the University reported the following amounts as unearned revenue:

Description	Amount
Contracts and Grants	$ 5,245,861
Admission Fees	1,580,665
Stadium Rental Income	1,304,083
Athletic Revenues	215,363
Deferred Rent	164,759
Land Use Fees	52,381
Reservation System Fees	15,198
Total Current Unearned Revenue	$ 8,578,310

10. LONG-TERM LIABILITIES

Long-term liabilities of the University at June 30, 2021, include capital improvement debt payable, compensated absences payable, other postemployment benefits payable, the long-term portion of unearned revenue, liability for self-insured claims, net pension liability, and other long-term liabilities.

Long-term liabilities activity for the fiscal year ended June 30, 2021, is shown below:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Capital Improvement Debt Payable	$ 132,917,665	$ 133,229,158	$ 60,783,861	$ 205,362,962	$ 7,932,737
Installment Purchase Payable	495,802	-	495,802	-	-
Compensated Absences Payable	54,652,195	7,433,294	3,991,967	58,093,522	4,190,286
Other Postemployment Benefits Payable	402,994,810	218,017,084	268,447,917	352,563,977	5,870,438
Unearned Revenue	59,376,418	15,268,911	13,021,223	61,624,106	-
Liability for Self-Insured Claims	29,271	255,857	59,271	225,857	106,364
Net Pension Liability	277,227,691	178,885,588	122,158,627	333,954,652	665,568
Other Long-Term Liabilities	2,159,040	-	474,291	1,684,749	-
Total Long-Term Liabilities	$ 929,852,892	$ 553,089,892	$ 469,432,959	$1,013,509,825	$ 18,765,403

Capital Improvement Debt Payable

The University had the following capital improvement debt payable outstanding at June 30, 2021:

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	$ 21,329,641	3.00 - 5.00	2034
2020A Student Apartments	71,800,000	80,049,919	3.00 - 5.00	2050
2021A Student Apartments Refunding	46,365,000	52,583,818	2.00 - 5.00	2041
Total Student Housing Debt	147,270,000	153,963,378		
Parking Garage Debt:				
2013A Parking Garage	45,415,000	30,216,142	3.50 - 5.25	2043
2019A Parking Garage Refunding	19,805,000	21,183,442	4.00 - 5.00	2039
Total Parking Garage Debt	65,220,000	51,399,584		
Total Capital Improvement Debt	$ 212,490,000	$ 205,362,962		

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 $212,490,000 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 $274,846,512, and principal and interest paid for the current year totaled $13,924,887. During the 2020-21 fiscal year, housing rental income totaled $16,542,647, and parking fees totaled $13,214,768, comprised of traffic and parking fees totaling $2,287,545, and assessed transportation fees totaling $10,927,223.

On November 18, 2020, the Florida Board of Governors issued $71,800,000 of Capital Improvement Dormitory Revenue Bonds, 2020A. The capital improvement debt proceeds are being used to finance a portion of the construction of the Parkview II dormitory.

The University extinguished long-term capital improvement debt obligations by the issuance of new long-term capital improvement debt instruments as follows:

- On April 15, 2021, the Florida Board of Governors issued $46,365,000 of Capital Improvement Housing Revenue Refunding Bonds, Series 2021A. The capital improvement debt proceeds were used to defease $7,240,000 and $44,490,000 of outstanding Capital Improvement Housing Revenue Bonds, Series 2011A Refunding and Housing Revenue Bonds, Series 2012A, respectively. Securities were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the defeased bonds. The trust assets and the liability for the defeased bonds are not included in the University's statement of net position. As a result of the refunding, the University reduced its capital improvement debt service requirement by $11,973,920 over the next 21 years and obtained an economic gain of $10,291,539. At June 30, 2021, there was no outstanding balance of the defeased debt.

Annual requirements to amortize all capital improvement debt outstanding as of June 30, 2021, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2022	$ 7,040,000	$ 7,296,131	$ 14,336,131
2023	7,145,000	6,944,131	14,089,131
2024	7,465,000	6,625,581	14,090,581
2025	7,885,000	6,260,831	14,145,831
2026	7,460,000	5,875,381	13,335,381
2027-2031	38,380,000	24,202,819	62,582,819
2032-2036	39,975,000	15,851,188	55,826,188
2037-2041	37,620,000	9,175,350	46,795,350
2042-2046	19,975,000	3,958,900	23,933,900
2047-2050	14,600,000	1,111,200	15,711,200
Subtotal	187,545,000	87,301,512	274,846,512
Net Premiums and Losses on Bond Refundings	17,817,962	-	17,817,962
Total	$ 205,362,962	$ 87,301,512	$ 292,664,474

Installment Purchase Payable

The University entered into an installment purchase agreement for the purchase of equipment totaling $2,425,770. The stated interest rate is 1.2515 percent. The installment purchase agreement was paid in full as of June 30, 2021.

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, 2021, the estimated liability for compensated absences, which includes the University's share of the Florida Retirement System and FICA contributions, totaled $58,093,522. The current portion of the compensated absences liability, $4,190,286, 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 4 of GASB Statement No. 75. The OPEB Plan contribution requirements and benefit terms necessary for the funding of the OPEB Plan each year is on a pay-as-you-go basis as established by the Governor's recommended budget and the General Appropriations Act. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible.

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

Proportionate Share of the Total OPEB Liability

The University's proportionate share of the total OPEB liability of $352,563,977 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2020. At June 30, 2020, the University's proportionate share, determined by its proportion of total benefit payments made, was 3.43 percent, which was an increase of 0.25 percent from its proportionate share measured as of June 30, 2019.

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

Inflation	2.60 percent
Salary Increases	Varies by FRS class
Discount Rate	2.66 percent
Healthcare Cost Trend Rates	
PPO Plan	7.78 percent for 2021, decreasing to an ultimate rate of 4.04 percent for 2075 and years later for all employees in the Preferred Provider Option (PPO) Plan.
HMO Plan	5.66 percent for 2021, 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. This is a change from prior years, which used Generational RP-2000 with Projection Scale BB.

The demographic actuarial assumptions for retirement, withdrawal, disability and salary merit scales used in the July 1, 2020 valuation are consistent with the assumptions used in the July 1, 2018 valuation of the FRS Plan, with the exception of mortality.

The following changes have been made since the prior valuation:

- The census data reflects changes in status for the twelve (12) month period since July 1, 2020.
- 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 Statement No. 75. The discount rate decreased from 2.79 percent to 2.66 percent.
- The previous valuation conducted as of July 1, 2019 reflected the full impact of the Excise Tax that was to go into effect in 2022. The impact of this change was an increase in liabilities of about 12 percent. Since the previous valuation, this tax was repealed. The current valuation reflects this. The impact of this change is a decrease in the Total OPEB Liability of about 13 percent.
- The assumed claims and premiums reflect the actual claims information as well as the premiums that are actually being charged to participants. These updates resulted in lower liabilities as of June 30, 2020.
- The medical trend assumption each year is updated each year based on the Getzen Model. The medical trend rates used are consistent with the August 2020 Report on the Financial Outlook of the Plan along with information from the Getzen Model and actuarial judgment. The impact of the trend rate changes is a small decrease in the liability, due primarily to lower trend rates in the first several years.
- The mortality rates were updated to align with those used in the actuarial valuation of the FRS conducted by Milliman as of July 1, 2019. Rates were previously based on RP-2000 mortality tables with fully generational improvement using Scale BB. Underlying tables were updated to use Pub-2010 mortality rates with fully generational improvement using Scale MP-2018. This change decreased the Total OPEB Liability by about five percent.

Sensitivity of the University's Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate. The following presents the University's proportionate share of the total OPEB liability, as well as what the University's proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.66 percent) or 1 percentage point higher (3.66 percent) than the current rate:

	1% Decrease (1.66%)	Current Discount Rate (2.66%)	1% Increase (3.66%)
University's proportionate share of the total OPEB liability	$ 449,477,219	$ 352,563,977	$ 280,173,811

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	$ 270,393,716	$ 352,563,977	$ 468,633,959

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

For the fiscal year ended June 30, 2021, the University recognized OPEB expense of $27,731,855. At June 30, 2021, 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	$ -	$ 20,599,335
Changes of assumptions or other inputs	46,610,130	133,423,022
Changes in proportion and differences between University benefit payments and proportionate share of benefit payments	75,380,503	775,945
Transactions subsequent to the measurement date	5,870,438	-
Total	$ 127,861,071	$ 154,798,302

Of the total amount reported as deferred outflows of resources related to OPEB, $5,870,438 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, 2022. 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
2022	$ (8,507,616)
2023	(8,507,616)
2024	(8,507,616)
2025	(8,507,619)
2026	(1,460,698)
Thereafter	2,683,496
Total	$ (32,807,669)

Unearned Revenue

Long-term unearned revenue at June 30, 2021, 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, 2021, the University reported the following amounts as long-term unearned revenue:

Description	Amount
State Capital Appropriations	$ 36,136,201
Stadium Rental Income	14,236,241
National Institute of Health Grant	9,500,000
Land Use Fees	1,751,664
Total Unearned Revenue	$ 61,624,106

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, 2021, the University's proportionate share of the net pension liabilities totaled $333,954,652.

Other Long-Term Liabilities

Primarily represent the University's liability for the Federal Capital Contribution (advance) provided to fund the University's Federal Perkins Loan program. This amount will ultimately be returned to the Federal Government should the University cease making Federal Perkins Loans or have excess cash in the loan program.

11. DISCRETELY PRESENTED COMPONENT UNITS DEBT ISSUES

Notes Payable – Florida International University Foundation, Inc.

On January 20, 2000, the Miami-Dade County Educational Facilities Authority (the Authority) issued $13 million tax-exempt revenue bonds (Florida International University Foundation Project – Series 1999). These bonds are payable from and secured by a pledge of payments to be made to the Authority under a loan agreement dated December 1, 1999, between the Foundation and the Authority.

The bonds are secured by an irrevocable letter of credit issued by a commercial bank as described below. The Foundation will finance the payments to the Authority under the loan agreement with lease payments received from the University under an operating lease. The $13 million original principal amount was issued under a variable rate structure with a final maturity date of May 1, 2022. The variable rate on fifty percent of the original issue, $6.5 million, was synthetically fixed at 4.63 percent through February 1, 2015, by way of an interest rate swap agreement with a commercial bank. The bond proceeds were used to acquire, construct, and equip a multi-function support complex located on the Modesto A. Maidique campus and to pay issuance costs. As of June 30, 2021, the outstanding principal balance due under this note payable was $1.1 million. For the year ended June 30, 2021, total interest incurred and paid was $33,109.

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

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

The aggregate maturity of the notes payable, as of June 30, 2021, is $1,075,000 and is due within one year.

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

On August 27, 2010, the Health Care Network entered into a loan agreement totaling $5,321,198 with the University in order to provide working capital and build out capital to fund the expansion of the faculty practice plan and the establishment of the ambulatory care center and other University clinical activities. In June of 2015 the Health Care Network renegotiated the loan agreement with the University and borrowed an additional $3,015,652. In May 2021, the Health Care Network's Board of Directors voted to retire the loan effective July 1, 2021. As a result, the principal balance loaned by the University to Health Care Network of $6,697,216 is classified as a short-term liability. Interest on the loan accrues at two percent simple interest.

Bonds Payable – FIU Athletics Finance Corporation

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

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

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

The bonds are secured by operating and nonoperating revenues as well as University athletic fees, not to exceed 5 percent of the total athletic fees collected. Total principal due at June 30, 2021, was $24,315,000.

The Finance Corporation has funded a debt service reserve fund in accordance with the bond indenture requirement of maintaining an amount equal to the maximum allowable debt service on the bond in the current and any future fiscal year. This debt service reserve fund currently totals $2,782,138 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.

The aggregate maturities of these bonds as of June 30, 2021, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2022	$ 1,580,000	$ 1,066,013	$ 2,646,013
2023	1,645,000	996,845	2,641,845
2024	1,730,000	927,363	2,657,363
2025	1,825,000	849,284	2,674,284
2026	1,900,000	769,704	2,669,704
Thereafter	15,635,000	2,743,296	18,378,296
Total	$ 24,315,000	$ 7,352,505	$ 31,667,505

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 5.50 percent, which is the fixed rate payable by the Finance Corporation under the interest rate swap agreement of 3.60 percent plus 1.90 percent.

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

Fair Value. As of June 30, 2021, the Finance Corporation interest rate swap agreement has a derivative liability of $3,159,460 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, 2021.

As of June 30, 2021, the fair value of the Series 2007A ineffective interest rate swap agreement was $1,137,929, which is included with reported other long-term liabilities. This interest rate swap agreement was not terminated when the bonds were refunded in December 2009 nor in December 2016. The interest rate on the refunded Series 2009A bonds reflects a higher rate due to not terminating this interest rate swap agreement. Accordingly, the fair value of $1,137,929 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 outflow of resources in the amount of $2,021,532.

Credit Risk. As of June 30, 2021, 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 LIBOR rate, there is limited basis risk.

Termination Risk. The derivative contract uses the International Swap Dealers Association (ISDA) Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The schedule to the Master Agreement includes an "additional termination event". That is, the interest rate swap agreement may be terminated if: (i) the loan or other indebtedness in connection with which a transaction entered into by the Finance Corporation for the purpose or with the effect of altering the net combined payment from a floating to fixed or a fixed to floating-rate basis is repaid, whether upon acceleration of principal, at maturity, or otherwise, or for any other reason ceases to be an obligation of the Finance Corporation, with or without the consent of the counterparty; or (ii) any credit support document expires, terminates, or ceases to be of full force and effect. Also, the interest rate swap agreement may be terminated or assigned by the Finance Corporation if the counterparty's long-term, senior, unsecured, unenhanced debt rating is withdrawn, suspended, or falls below at least two of the following: a) "Baa2" 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, 2021, the swap counterparty was rated in excess of the aforementioned requirements.

Swap Payments and Associated Debt. Using rates as of June 30, 2021, 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:

	Variable-Rate Bond			
Fiscal Year Ending June 30	**Principal**	**Interest**	**Interest Rate Swap, Net**	**Total**
2022	$ 1,090,000	$ 1,883,991	$ (1,030,043)	$ 1,943,948
2023	1,135,000	1,762,083	(963,392)	1,933,691
2024	1,185,000	1,635,141	(891,958)	1,928,183
2025	1,245,000	1,502,607	(821,527)	1,926,080
2026	1,300,000	1,363,363	(745,398)	1,917,965
Thereafter	10,890,000	5,089,404	(2,870,731)	13,108,673
Total	$ 16,845,000	$ 13,236,589	$ (7,323,049)	$ 22,758,540

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.

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. An annual comprehensive 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 $66,908,435 for the fiscal year ended June 30, 2021.

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.

The following table shows the percentage value for each year of service credit earned:

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

As provided in Section 121.101, Florida Statutes, if the member was initially enrolled in the Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 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 2020-21 fiscal year were:

	Percent of Gross Salary	
Class	**Employee**	**Employer (1)**
Florida Retirement System, Regular	3.00	10.00
Florida Retirement System, Senior Management Service	3.00	27.29
Florida Retirement System, Special Risk	3.00	24.45
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	16.98
Florida Retirement System, Reemployed Retiree	(2)	(2)

Notes: (1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.
(2) Contribution rates are dependent upon retirement class in which reemployed.

The University's contributions to the Plan totaled $23,822,815 for the fiscal year ended June 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2021, the University reported a liability of $270,111,316 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The University's proportionate share of the net pension liability was based on the University's 2019-20 fiscal year contributions relative to the total 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the University's proportionate share was 0.623216732 percent, which was a decrease of 0.012828371 from its proportionate share measured as of June 30, 2019.

For the year ended June 30, 2021, the University recognized pension expense of $60,278,909. 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	$ 10,337,710	$ -
Change of Assumptions	48,898,742	-
Net Difference Between Projected and Actual Earnings on FRS Plan Investments	16,082,687	-
Changes in Proportion and Differences Between University FRS Contributions and Proportionate Share of FRS Contributions	6,658,008	2,714,273
University FRS Contributions Subsequent to the Measurement Date	23,822,815	-
Total	$ 105,799,962	$ 2,714,273

The deferred outflows of resources related to pensions totaling $23,822,815, 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, 2022.

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
2022	$ 17,166,134
2023	25,375,220
2024	21,591,169
2025	12,641,603
2026	2,488,748
Total	$ 79,262,874

Actuarial Assumptions. The total pension liability in the July 1, 2020, 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	6.80 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, 2020, 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 %	2.2 %	2.2 %	1.2 %
Fixed Income	19 %	3 %	2.9 %	3.5 %
Global Equity	54.2 %	8 %	6.7 %	17.1 %
Real Estate (Property)	10.3 %	6.4 %	5.8 %	11.7 %
Private Equity	11.1 %	10.8 %	8.1 %	25.7 %
Strategic Investments	4.4 %	5.5 %	5.3 %	6.9 %
Total	100 %			
Assumed Inflation - Mean			2.4 %	1.7 %

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

Discount Rate. The discount rate used to measure the total pension liability was 6.80 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 2020 valuation was updated from 6.90 percent to 6.80 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 6.80 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 (5.80 percent) or 1 percentage point higher (7.80 percent) than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
University's Proportionate Share of the Net Pension Liability	$ 431,322,378	$ 270,111,316	$ 135,467,136

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. 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, 2021, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement with a minimum HIS payment of $30 and a maximum HIS payment of $150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2021, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The University contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The University's contributions to the HIS Plan totaled $3,122,998 for the fiscal year ended June 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2021, the University reported a liability of $63,843,336 for its proportionate share of the net pension liability. The current portion of the net pension liability is the University's proportionate share of benefit payments expected to be paid within one year, net of the University's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The University's proportionate share of the net pension liability was based on the University's 2019-20 fiscal year contributions relative to the total 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the University's proportionate share was 0.522884423 percent, which was an increase of 0.002886058 from its proportionate share measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the University recognized pension expense of $6,629,526. 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	$ 2,611,579	$ 49,251
Change of Assumptions	6,864,977	3,712,240
Net Difference Between Projected and Actual Earnings on HIS Plan Investments	50,973	-
Changes in Proportion and Differences Between University HIS Contributions and Proportionate Share of HIS Contributions	3,385,224	-
University HIS Contributions Subsequent to the Measurement Date	3,122,998	-
Total	$ 16,035,751	$ 3,761,491

The deferred outflows of resources totaling $3,122,998 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, 2022.

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
2022	$ 2,667,176
2023	1,946,080
2024	923,363
2025	1,255,255
2026	1,365,891
Thereafter	993,497
Total	$ 9,151,262

Actuarial Assumptions. The total pension liability at July 1, 2020, 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	2.21 percent

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018. This is a change from the prior year mortality assumption which was based on the Generational RP-2000 with Projection Scale BB tables.

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

Discount Rate. The discount rate used to measure the total pension liability was 2.21 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 2020 valuation was updated from 3.50 percent to 2.21 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 2.21 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21 percent) or 1 percentage point higher (3.21 percent) than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
University's Proportionate Share of the Net Pension Liability	$ 73,800,048	$ 63,843,336	$ 55,693,797

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 2020-21 fiscal year were as follows:

Class	Percent of Gross Compensation
Florida Retirement System, Regular	6.30
Florida Retirement System, Senior Management Service	7.67
Florida Retirement System, Special Risk Regular	14.00

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the FRS Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2021, 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 $6,023,997 for the fiscal year ended June 30, 2021.

State University System Optional Retirement Program

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

The Program is a defined contribution plan, which provides full and immediate vesting of all contributions submitted to the participating companies on behalf of the participant. Employees in eligible positions can make an irrevocable election to participate in the Program, rather than the FRS, and purchase retirement and death benefits through contracts provided by certain insurance carriers. The employing university contributes 5.14 percent of the participant’s salary to the participant’s account, 3.44 percent to cover the unfunded actuarial liability of the FRS pension plan, and 0.01 percent to cover administrative costs for a total of 8.59 percent, and employees contribute 3 percent of the employee’s salary. Additionally, the employee may contribute, by payroll deduction, an amount not to exceed the percentage contributed by the University to the participant’s annuity account. The contributions are invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement.

The University’s contributions to the Program totaled $22,718,548 and employee contributions totaled $13,781,107 for the 2020-21 fiscal year.

15. CONSTRUCTION COMMITMENTS

The University's major construction commitments at June 30, 2021, were as follows:

Project Description	Total Commitment	Completed to Date	Balance Committed
Parkview Housing Phase II	$ 95,286,629	$ 48,417,559	$ 46,869,070
SIPA Building Phase II	33,463,958	5,120,159	28,343,799
World for Tropical Botany	6,759,279	1,088,392	5,670,887
Subtotal	135,509,866	54,626,110	80,883,756
Projects with Balance Committed Under $3 Million	146,753,952	119,613,502	27,140,450
Total	$ 282,263,818	$ 174,239,612	$ 108,024,206

16. OPERATING LEASE COMMITMENTS - INCLUDES RELATED PARTY TRANSACTION WITH FOUNDATION

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

Future minimum lease commitments for noncancelable operating leases are as follows:

Fiscal Year Ending June 30	Amount
2022	$ 5,631,300
2023	2,842,754
2024	2,125,347
2025	1,778,714
2026	1,688,240
2027-2031	5,820,817
2032-2034	3,744,144
Total Minimum Payments Required	$ 23,631,316

17. OPERATING LEASE COMMITMENTS - RELATED PARTY TRANSACTIONS

Florida International University Foundation, Inc.

On December 1, 1999, the former Board of Regents of the State University System of the State of Florida for and on behalf of the University entered into a ground lease agreement with the Foundation. Under this agreement, the Foundation leases from the University the grounds on which a multi-function support complex facility was built on the Modesto A. Maidique campus. The consideration required to be paid by the Foundation is $10 annually. The ground lease will expire on December 31, 2024, or on the date the Foundation makes its final payment under a letter of credit agreement related to the financing of the facility. Total amounts paid to the Foundation under this agreement were $1,834,138 for the year ended June 30, 2021.

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

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

The Foundation expects to donate the facility to the University once the final payment is made under the letter of credit agreement, on May 1, 2022. The cost of the leased asset is $13,325,539 and the net book value $7,088,317.

Minimum future rentals as of June 30, 2021 are $1,418,000 and are receivable within one year.

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
2022	$ 1,304,083
2023	1,304,083
2024	1,304,083
2025	1,304,083
2026	1,304,083
Thereafter	9,019,910
Total Minimum Payments Required	$ 15,540,325

18. GIFT AGREEMENT - FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. - RELATED PARTY TRANSACTION

The Wolfsonian, Inc. (Wolfsonian), was established in 1986 to create and operate a museum and research center in Miami Beach, Florida, and to support a comprehensive program focused on the collection, exhibition, interpretation, preservation, research and publication of the decorative, or design and architectural arts. The Wolfsonian has been loaned the Mitchell Wolfson, Jr. collection of nearly 27,000 objects of art and rare books dating from the late nineteenth to the mid-twentieth century. It encompasses furniture, sculpture, paintings, books, graphics, and other works of art on paper, as well as archives relating to the period. Through a series of academic study and fellowship programs, national and international traveling exhibitions, and scholarly initiatives, the Wolfsonian promotes public education and awareness of the social, historical, technological, political, economic, and artistic material culture of Europe and America in the 1885-1945 period.

On July 1, 1997, the Foundation entered into a gift agreement (Agreement) with Mitchell Wolfson, Jr., the Wolfsonian, and the University, whereby Mitchell Wolfson, Jr. agreed to donate all rights, title, and interest in and to all objects constituting the Mitchell Wolfson, Jr. Collection of Decorative and Propaganda Arts to the Foundation, subject to a loan agreement made and entered into by the Wolfsonian and Mr. Wolfson, Jr. dated July 29, 1991. The loan agreement was extended through to July 2021, at which time it can be renewed for an additional period of ten years.

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

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

The gifts are conditional upon the provisions outlined in the Agreement including, but not limited to, the Foundation continuing the museum and educational activities and operations that were conducted by the Wolfsonian. As a result of the Agreement, the University and Foundation have assumed all administrative functions and operating costs of the Wolfsonian.

The most significant of the obligations under the Agreement is for the University to provide the Wolfsonian with the same financial support from its general budget, as provided to other departments, and to continue the museum and educational activities and operations of the Wolfsonian. The University provided support of approximately $2.6 million during the 2020-21 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 $0.3 million during the 2020-21 fiscal year for utilities, repairs, and maintenance expenses for buildings used by the Wolfsonian.

19. 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 2020-21 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 $62.75 million for named windstorm and flood through February 14, 2021, and decreased to $57.5 million starting February 15, 2021. For perils other than named windstorm and flood, losses in excess of $2 million per occurrence were commercially insured up to $162.25 million through February 14, 2021 and increased to $167.5 million starting February 15, 2021; 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 2019-20 and 2020-21 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, 2020	$ 213,201	$ 35,285	$ (219,215)	$ 29,271
June 30, 2021	29,271	230,753	(34,167)	225,857

20. 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	$ 354,817,051
Research	170,375,701
Public Services	12,477,856
Academic Support	125,168,215
Student Services	69,099,265
Institutional Support	107,419,912
Operation and Maintenance of Plant	57,512,541
Scholarships, Fellowships, and Waivers	139,851,660
Depreciation	46,357,832
Auxiliary Enterprises	58,196,087
Total Operating Expenses	$ 1,141,276,120

21. SEGMENT INFORMATION

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

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

Condensed Statement of Net Position

	Housing Facility Capital Improvement Debt	Parking Facility Capital Improvement Debt
Assets		
Current Assets	$ 34,684,526	$ 11,777,936
Capital Assets, Net	168,453,195	94,693,144
Other Noncurrent Assets	37,045,102	67,594
Total Assets	240,182,823	106,538,674
Liabilities		
Current Liabilities	7,464,558	3,794,083
Noncurrent Liabilities	149,639,882	48,295,139
Total Liabilities	157,104,440	52,089,222
Net Position		
Net Investment in Capital Assets	44,323,813	43,358,171
Restricted - Expendable	6,162,990	50,671
Unrestricted	32,591,580	11,040,610
Total Net Position	$ 83,078,383	$ 54,449,452

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

	Housing Facility Capital Improvement Debt	Parking Facility Capital Improvement Debt
Operating Revenues	$ 16,542,647	$ 13,214,768
Depreciation Expense	(3,920,001)	(3,255,274)
Other Operating Expenses	(10,438,651)	(6,763,086)
Operating Income	2,183,995	3,196,408
Nonoperating Revenues (Expenses):		
Nonoperating Revenue	11,487,426	3,220,763
Interest Expense	(3,441,462)	(2,097,011)
Other Nonoperating Expenses	(2,580,155)	-
Net Nonoperating Revenues	5,465,809	1,123,752
Income Before Transfers	7,649,804	4,320,160
Net Transfers	2,963	(229,120)
Increase in Net Position	7,652,767	4,091,040
Net Position, Beginning of Year	75,425,616	50,358,412
Net Position, End of Year	$ 83,078,383	$ 54,449,452

Condensed Statement of Cash Flows

	Housing Facility Capital Improvement Debt	Parking Facility Capital Improvement Debt
Net Cash Provided (Used) by:		
Operating Activities	$ 6,127,536	$ 6,698,804
Noncapital Financing Activities	10,904,734	-
Capital and Related Financing Activities	27,950,470	(3,708,474)
Investing Activities	(46,701,873)	(1,578,654)
Net (Decrease) Increase in Cash and Cash Equivalents	(1,719,133)	1,411,676
Cash and Cash Equivalents, Beginning of Year	1,879,129	1,659,593
Cash and Cash Equivalents, End of Year	$ 159,996	$ 3,071,269

22. 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	$ 36,596,690	$ 3,638,632	$ 10,597,522	$ 50,832,844
Capital Assets, Net	14,789,494	3,650	31,232	14,824,376
Other Noncurrent Assets	424,361,882	17,018,380	1,002,687	442,382,949
Total Assets	475,748,066	20,660,662	11,631,441	508,040,169
Deferred Outflows of Resources	-	2,197,984	-	2,197,984
Liabilities				
Current Liabilities	4,892,404	1,824,196	8,968,616	15,685,216
Noncurrent Liabilities	547,692	26,746,701	-	27,294,393
Total Liabilities	5,440,096	28,570,897	8,968,616	42,979,609
Net Position				
Net Investment in Capital Assets	13,171,584	3,650	31,232	13,206,466
Restricted Nonexpendable	191,376,258	-	-	191,376,258
Restricted Expendable	183,178,127	-	-	183,178,127
Unrestricted	82,582,001	(5,715,901)	2,631,593	79,497,693
Total Net Position	$ 470,307,970	$ (5,712,251)	$ 2,662,825	$ 467,258,544

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	$ 81,549,772	$ 4,139,793	$ 11,169,782	$ 96,859,347
Depreciation Expense	(744,623)	(21,900)	(59,179)	(825,702)
Operating Expenses	(43,227,979)	(1,871,957)	(5,676,362)	(50,776,298)
Operating Income	37,577,170	2,245,936	5,434,241	45,257,347
Net Nonoperating Revenues (Expenses)				
Investment Income	87,296,896	458	5,056	87,302,410
Interest Expense	(33,109)	(1,020,320)	(140,965)	(1,194,394)
Other Nonoperating Revenues (Expenses)	15,955,133	(1,000,000)	(3,211,041)	11,744,092
Net Nonoperating Revenues (Expenses)	103,218,920	(2,019,862)	(3,346,950)	97,852,108
Increase in Net Position	140,796,090	226,074	2,087,291	143,109,455
Net Position, Beginning of Year	329,996,792	(5,938,325)	575,534	324,634,001
Adjustment to Beginning Net Position (1)	(484,912)	-	-	(484,912)
Net Position, End of Year	$ 470,307,970	$ (5,712,251)	$ 2,662,825	$ 467,258,544

Note: (1) Foundation implemented GASB Statement No. 84, Fiduciary Activities, which resulted in an adjustment to beginning net position. See Note 2, for additional details.

23. COVID-19 UNCERTAINTIES

As governments and businesses continue their efforts towards normalizing operations from the lasting effects of the COVID-19 pandemic, recovery is disproportionate globally and this presents a mixture of risks and challenges including economic uncertainty, disrupted supply chains promoted by staffing shortages, new hybrid working patterns influencing workforce recruitment and retention, and winding up of government financial support programs. These considerations, along with the continuing threat of new variants of the coronavirus emerging, present uncertainties that can have a potential impact on normalization efforts, business operations and economic recovery. Consequently, the University and its component units continue their vigilance of potential development in both the domestic and international landscape relative to the COVID-19 pandemic as the duration, resulting future economic impacts and lingering effects on University operations remain uncertain. The extent to which the pandemic impacts University operations going forward will depend on numerous evolving factors which cannot be reliably predicted at this time.

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

	2020 (1)	2019 (1)	2018 (1)	2017 (1)
University's Proportion of the Total Other Postemployment Benefits Liability	3.43 %	3.18 %	2.57 %	2.57 %
University's Proportionate Share of the Total Other Postemployment Benefits Liability	352,563,977	402,994,810	271,175,000	277,334,000
University's Covered Payroll	441,956,666	426,565,567	402,854,082	388,298,438
University's Proportionate Share of the Total Other Postemployment Benefits Liability as a Percentage of its Covered Payroll	79.77 %	94.47 %	67.31 %	71.42 %

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

Notes to Required Supplementary Information:

No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75 to pay related benefits. The University's June 30, 2021, proportionate share of the total OPEB liability increased significantly from the prior fiscal year as a result of changes to assumptions as discussed below.

Changes in Assumptions. In 2021, amounts reported as changes of assumptions resulted from changes to the census data, a change to the discount rate, the removal of the excise tax that was scheduled to take effect in 2022, the use of actual claims information, an update in the trend rate, and an update to the mortality rate. 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 NET PENSION LIABILITY - FLORIDA RETIREMENT SYSTEM PENSION PLAN

	2020 (1)	2019 (1)	2018 (1)	2017 (1)
University's Proportion of the FRS Net Pension Liability	0.62%	0.64%	0.62%	0.58%
University's Proportionate Share of the FRS Net Pension Liability	$270,111,316	$219,045,078	$186,930,731	$172,260,097
University's Covered Payroll (2)	$441,956,666	$426,565,567	$402,854,082	$388,298,438
University's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	61.12 %	51.35 %	46.40 %	44.36 %
FRS Plan Fiduciary Net Pension as a Percentage of the FRS Total Pension Liability	78.85 %	82.61 %	84.26 %	83.89 %

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

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

Notes to Required Supplementary Information:

Change of Assumptions. The long-term expected rate of return was decreased from 6.90 percent to 6.80 percent.

FLORIDA INTERNATIONAL UNIVERSITY

OTHER REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - FLORIDA RETIREMENT SYSTEM PENSION PLAN

	2016 (1)	2015 (1)	2014 (1)	2013 (1)
University's Proportion of the FRS Net Pension Liability	0.58%	0.57%	0.53%	0.38%
University's Proportionate Share of the FRS Net Pension Liability	$145,845,435	$ 73,303,925	$ 32,080,257	$ 65,503,841
University's Covered Payroll (2)	$370,763,486	$355,458,891	$332,597,433	$305,657,917
University's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	39.34 %	20.62 %	9.65 %	21.43 %
FRS Plan Fiduciary Net Pension as a Percentage of the FRS Total Pension Liability	84.88 %	92.00 %	96.09 %	88.54 %

FLORIDA INTERNATIONAL UNIVERSITY

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

	2021 (1)	2020 (1)	2019 (1)	2018 (1)
Contractually Required FRS Contribution	$ 23,822,815	$ 20,706,730	$ 19,721,988	$ 17,686,866
FRS Contributions in Relation to the Contractually Required Contribution	(23,822,815)	(20,706,730)	(19,721,988)	(17,686,866)
FRS Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
University's Covered Payroll (2)	$449,423,678	$441,956,666	$426,565,567	$402,854,082
FRS Contributions as a Percentage of Covered Payroll	5.30 %	4.69 %	4.62 %	4.39 %

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

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

Notes to Required Supplementary Information:

Change of Assumptions. The long-term expected rate of return was decreased from 6.90 percent to 6.80 percent.

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

	2017 (1)	2016 (1)	2015 (1)	2014 (1)
Contractually Required FRS Contribution	$ 15,160,433	$ 14,085,792	$ 13,836,828	$ 11,516,793
FRS Contributions in Relation to the Contractually Required Contribution	(15,160,433)	(14,085,792)	(13,836,828)	(11,516,793)
FRS Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
University's Covered Payroll (2)	$388,298,438	$370,763,486	$355,458,891	$332,597,433
FRS Contributions as a Percentage of Covered Payroll	3.90 %	3.80 %	3.89 %	3.46 %

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

	2020 (1)	2019 (1)	2018 (1)	2017 (1)
University's Proportion of the HIS Net Pension Liability	0.52%	0.52%	0.50%	0.49%
University's Proportionate Share of the HIS Net Pension Liability	$ 63,843,336	$ 58,182,613	$ 53,094,937	$ 52,274,414
University's Covered Payroll (2)	$178,126,318	$168,199,711	$156,730,885	$168,353,927
University's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	35.84 %	34.59 %	33.88 %	31.05 %
HIS Plan Fiduciary Net Pension as a Percentage of the HIS Total Pension Liability	3.00 %	2.63 %	2.15 %	1.64 %

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

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

Notes to Required Supplementary Information:

Change of Assumptions. The municipal rate used to determine total pension liability decreased from 3.50 percent to 2.21 percent, and the active member mortality assumption was updated.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - HEALTH INSURANCE SUBSIDY PENSION PLAN

	2016 (1)	2015 (1)	2014 (1)	2013 (1)
University's Proportion of the HIS Net Pension Liability	0.48%	0.47%	0.45%	0.42%
University's Proportionate Share of the HIS Net Pension Liability	$ 56,235,698	$ 48,191,110	$ 42,007,145	$ 36,379,258
University's Covered Payroll (2)	$147,667,524	$140,089,301	$130,882,051	$118,388,264
University's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	38.08 %	34.40 %	32.10 %	30.73 %
HIS Plan Fiduciary Net Pension as a Percentage of the HIS Total Pension Liability	0.97 %	0.50 %	0.99 %	1.78 %

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

	2021 (1)	2020 (1)	2019 (1)	2018 (1)
Contractually Required HIS Contribution	$ 3,122,998	$ 3,013,138	$ 2,887,500	$ 2,720,447
HIS Contributions in Relation to the Required HIS Contribution	(3,122,998)	(3,013,138)	(2,887,500)	(2,720,447)
HIS Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
University's Covered Payroll (2)	$ 182,271,803	$ 178,126,318	$ 168,199,711	$ 156,730,885
HIS Contributions as a Percentage of Covered Payroll	1.71 %	1.69 %	1.72 %	1.74 %

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

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

Notes to Required Supplementary Information:

Change of Assumptions. The municipal rate used to determine total pension liability decreased from 3.50 percent to 2.21 percent, and the active member mortality assumption was updated.

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

	2017 (1)	2016 (1)	2015 (1)	2014 (1)
Contractually Required HIS Contribution	$ 2,587,349	$ 2,473,222	$ 1,806,322	$ 1,539,022
HIS Contributions in Relation to the Required HIS Contribution	(2,587,349)	(2,473,222)	(1,806,322)	(1,539,022)
HIS Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
University's Covered Payroll (2)	$ 168,353,927	$ 147,667,524	$ 140,089,301	$ 130,882,051
HIS Contributions as a Percentage of Covered Payroll	1.54 %	1.67 %	1.29 %	1.18 %

Sherrill F. Norman, CPA
Auditor General

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of 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, 2021, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated March 8, 2022, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) 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 may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

Sherrill F. Norman

Sherrill F. Norman, CPA
Tallahassee, Florida
March 8, 2022
Audit Report No. 2022-144


We were all born to lead

FIU | FLORIDA INTERNATIONAL UNIVERSITY

ANNUAL REPORT 2020-2021

FLORIDA INTERNATIONAL UNIVERSITY

APPENDIX G-2

ANNUAL REPORT 2021 - 2022

BOARD OF TRUSTEES AND PRESIDENT

During the 2021-22 fiscal year, Dr. Kenneth A. Jessell served as Interim President of Florida International University and the following individuals served as Members of the Board of Trustees:

Dean C. Colson, JD, Chair

Rogelio Tovar, Vice Chair

Cesar L. Alvarez, JD

Dr. Jose J. Armas, MD

Carlos A. Duart, from October 22, 2021 (1)

Donna J. Hrinak

Natasha Lowell

Cristhofer Lugo, from May 9, 2022 (2)

T. Gene Prescott

Dr. Joerg Reinhold, (3)

Chanel T. Rowe, JD

Alexander Rubido, to May 8, 2022 (2)

Marc D. Sarnoff, JD

Carlos Trujillo, JD

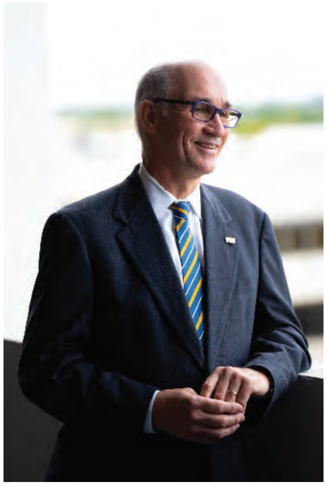
Notes: (1) Position remained vacant from July 1, 2021, through October 21, 2021.

(2) Student Body President.

(3) Faculty Senate Chair.


Tamiami Hall

Message from the President



As we begin to wrap up 2022, I want to share with you some of the great things happening at Florida International University (FIU).

It has been a year of excellence and achievement for our university. As a Carnegie R1 (very high research activity) institution, FIU is focused on making an impact where it matters most – student success, research excellence, and upward mobility.

FIU is on the rise – and fast. In September, on the week that we celebrated the 50th anniversary of FIU's opening, U.S. News & World Report announced that FIU is the fastest-rising institution in the nation among U.S. News & World Report public university rankings in the past 10 years.

FIU is now #72 among public universities in the nation. This represents a six-spot climb in one year. We also are ranked among the Top 5 universities for social mobility**,** a testament to FIU's commitment to providing significant upward mobility to our students on a path of success and prosperity. In addition, FIU is among the Top 50 best value public universities and among the Top 15 most innovative public universities**.**

This year, we also made our debut on the list for best undergraduate teaching. We are ranked #16 among public universities for our strong commitment to teaching undergraduates**.** Several of our programs also ranked among the best in the nation: International business held onto the #2 spot and computer science and undergraduate engineering moved up four and nine spots, respectively, among public universities**.**

In addition to our success in U.S. News rankings, FIU recently received two other rankings that speak directly to our mission. Degree Choices has ranked FIU among the Top 25 universities nationally for the economic return on graduates' investment, along with Princeton, Stanford, and MIT. Washington Monthly College Rankings placed FIU at #32 nationally, recognizing our university's contribution to the public good in three broad categories – social mobility, research, and providing opportunities for public service.

Our climb in the U.S. News rankings, together with these additional rankings, point to incredible momentum and put FIU among the nation's most prestigious institutions. This is the very definition of real impact. By focusing on academics, research, and student success, we are elevating our community and the state and creating an extraordinary return on investment for our students.

FIU is a major force in the State of Florida and a leader in research at the national level. None of it would be possible without the passion and hard work of our dedicated faculty and staff, our alumni, and our students. Together, we embody what it means to be a successful 21st century university.

There is still so much to accomplish, so many lives to change. We are excited about FIU's next 50.

Sincerely,

Kenneth A. Jessell


FIU

Introduction from the Interim Senior Vice President and Chief Financial Officer

I am pleased to present the 2021-22 Annual Financial Report for Florida International University. This report provides detailed financial information about FIU and its direct support organizations and faculty group practice plan financial activities, results of operations and financial position as of the fiscal year ended June 30, 2022. The Division of Finance and Administration prides itself on providing financial planning and leadership by strategically allocating financial resources, providing timely reporting of financial information to our decision makers, and assisting in identifying new revenues, opportunities, and partnerships to support our educational mission and strategic goals.

FIU is unwavering in its commitment of maintaining the highest standards in supporting student success, research excellence, and efficient operations. As President Jessell said, “FIU is on the rise and the world is taking note!” There were many highlights to be proud of this year, including:

- FIU is top three in the State University System Performance-Based Funding Model by continuing to strategically invest in student success initiatives that focus on retention and graduation rates, the awarding of strategic degrees, and jobs after graduation.
- Combined with prior year funding, FIU was awarded a total of $245 million in federal funds from the Higher Education Emergency Relief Fund grant program, of which $114 million were used to provide much needed financial aid to students along with a large part of institutional funds used towards reimbursement of revenue losses to help stabilize our auxiliaries and other on-campus business operations.
- FIU also completed and exceeded the $750 million fundraising capital campaign.
- The FIU Foundation also paid off its loan for the Management and Research Center (MARC) building and donated it to the University.
- The success of FIU’s South Beach Wine and Food Festival this year exceeded expectations as far as attendees and surpassed revenue projections and donations to our Chaplin School of Hospitality Management.

The 2021-22 fiscal year did not come without its challenges. The year began under the continued threat of COVID-19, yet the university continued championing efforts for vaccines and boosters to protect our FIU family as well as our South Florida community. Coordinated efforts were focused on navigating the challenges of returning to full on-site campus operations, including implementing flexible remote work policies for staff. Although the effects of the “Great Resignation” were felt university-wide, our faculty and staff showed great resiliency and commitment and selflessly took on additional responsibilities to ensure our ability to deliver excellent services for our students. Some of the financial challenges experienced included a slight decline in student enrollment, which affected tuition revenues, along with the downturn in investments due to major investment market volatility, triggering losses in both the University and FIU Foundation portfolios. In addition, we faced high inflation and the Federal Reserve interest rate increase.

Although the University was juggling many operational shifts, expansion did not stop on campus. FIU kept its construction projects going. An amazing residence hall, Tamiami Hall, as well as an outdoor promenade, was in its final stages and on schedule to open in Fall 2022 with over 670 new beds for our students. Many upgrades to dining and retail locations were completed, and a catering kitchen at FIU Stadium is underway. The university allocated over $152 million towards capital projects, remodeling and infrastructure improvements that are in various stages of construction, including planning and design to continue investing in our beautiful campuses. There is great excitement around the anticipated completion of several projects, including the second building for the School of International and Public Affairs, the new Engineering building and the Trish and Dan Bell Chapel at MMC, among others.

This financial report will assist in understanding FIU’s financial operations that support the university’s primary mission of educating our students for successful careers and supporting our faculty to produce outstanding research that strives to improve and find solutions to critical issues of our day. FIU will continue its quest to consistently achieve remarkable success academically, strategically, and operationally.

Sincerely,

Aime Martinez, CPA
Interim Senior Vice President and Chief Financial Officer

FLORIDA INTERNATIONAL UNIVERSITY

ANNUAL REPORT 2021-22

TABLE OF CONTENTS

Sherrill F. Norman, CPA
Auditor General

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

INDEPENDENT AUDITOR'S REPORT

Report on the 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, 2022, 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 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, 2022, 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. 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. 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.

Emphasis of Matter

As discussed in Note 2. to the financial statements, the University adopted new accounting guidance Governmental Accounting Standards Board Statement No. 87, *Leases*, which is a change in accounting principle that addresses accounting and financial reporting for leases. This affects the comparability of amounts reported for the 2021-22 fiscal year with amounts reported for the 2020-21 fiscal year. Our opinion is not modified with respect to this matter.

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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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 Interim 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 March 24, 2023, on our consideration of the Florida International University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Florida International University's internal control over financial reporting and compliance.

Respectfully submitted,

Sherrill F. Norman

Sherrill F. Norman, CPA
Tallahassee, Florida
March 24, 2023
Audit Report No. 2023-168

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, 2022, 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, 2022, and June 30, 2021.

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)

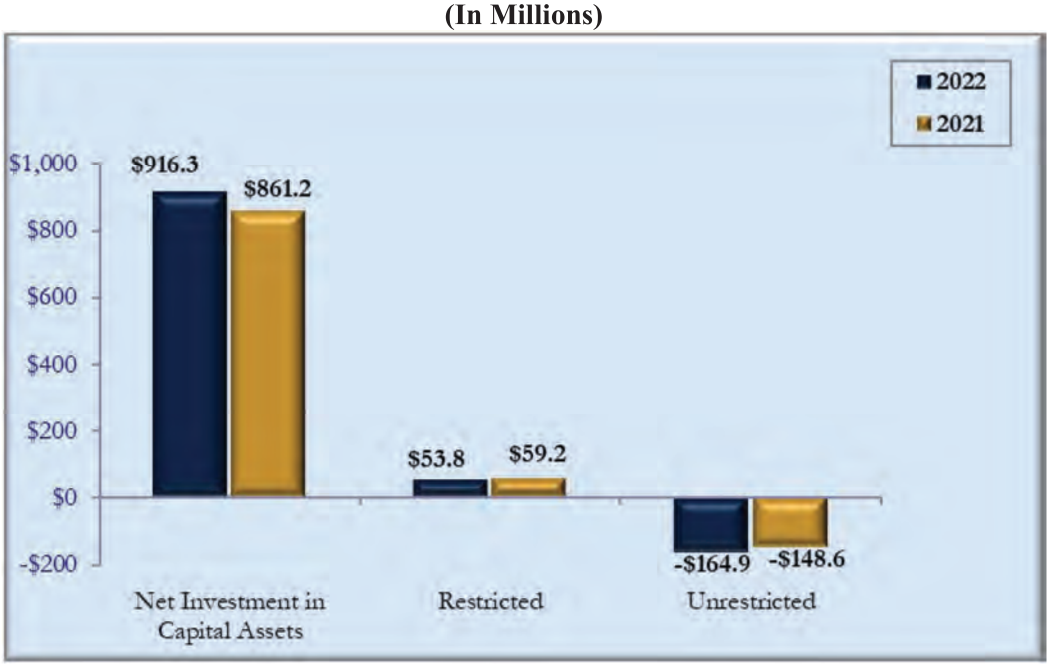
Information regarding these component units, including summaries of the discretely presented component units' separately issued financial statements, is presented in the notes to financial statements. This MD&A focuses on the University, excluding the discretely presented component units. For the component 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, 2022, and June 30, 2021, is shown in the following graph:

Net Position
(In Millions)



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)

	2022	2021
Assets		
Current Assets	$ 655.0	$ 681.3
Capital Assets, Net	1,148.3	1,036.5
Other Noncurrent Assets	37.4	55.0
Total Assets	1,840.7	1,772.8
Deferred Outflows of Resources	194.6	249.7
Liabilities		
Current Liabilities	120.2	94.7
Noncurrent Liabilities	799.4	994.7
Total Liabilities	919.6	1,089.4
Deferred Inflows of Resources	310.5	161.3
Net Position		
Net Investment in Capital Assets	916.3	861.2
Restricted	53.8	59.2
Unrestricted	(164.9)	(148.6)
Total Net Position	$ 805.2	$ 771.8

As the University navigated through the post-pandemic challenges to return to normal on-site operations during the fiscal year 2022, efforts were focused on stimulating campus activities, promoting student engagement, and advancing overall university operations. Federal grant funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and the Higher Education Emergency Relief (HEERF) Act, American Rescue Plan (ARP), and the Coronavirus Response and Relief Supplemental Appropriations (CRRSAA) Act, carried over and remained an important revenue source contributing to financial aid resources provided to students, additional funding for lost revenues, and support for other university initiatives consistent with grant use guidelines. Other factors resulting from post pandemic effects, such as supply chain issues, rising costs in operational goods and services, and rescinding of COVID-19 restrictions also impacted the results of financial operations as mentioned in various sections of the MD&A.

Total assets as of June 30, 2022, increased by $67.9 million, or 3.8 percent. This increase is primarily due to an increase in construction work in progress of $74.6 million mainly attributed to the construction activity for the Tamiami and SIPA Phase II projects.

Total liabilities as of June 30, 2022, decreased by $169.8 million, or 15.6 percent. The decrease was driven by a reduction of $221.2 million in the University's proportionate share of noncurrent pension liabilities which was partially offset by a combined $35.2 million increase from the current and noncurrent portions of right-to-use lease liability for the implementation of GASB 87, *Leases*, a $12.3 million increase in current unearned revenues mainly from capital appropriations, and a $7.2 million increase in accounts payable and accrued liabilities mostly from construction contracts payable.

Deferred outflows of resources decreased by $55.1 million from activity related to pensions and other postemployment benefits. Deferred inflows of resources increased by $149.2 million from activity related to pensions, other postemployment benefits and right-to-use leases.

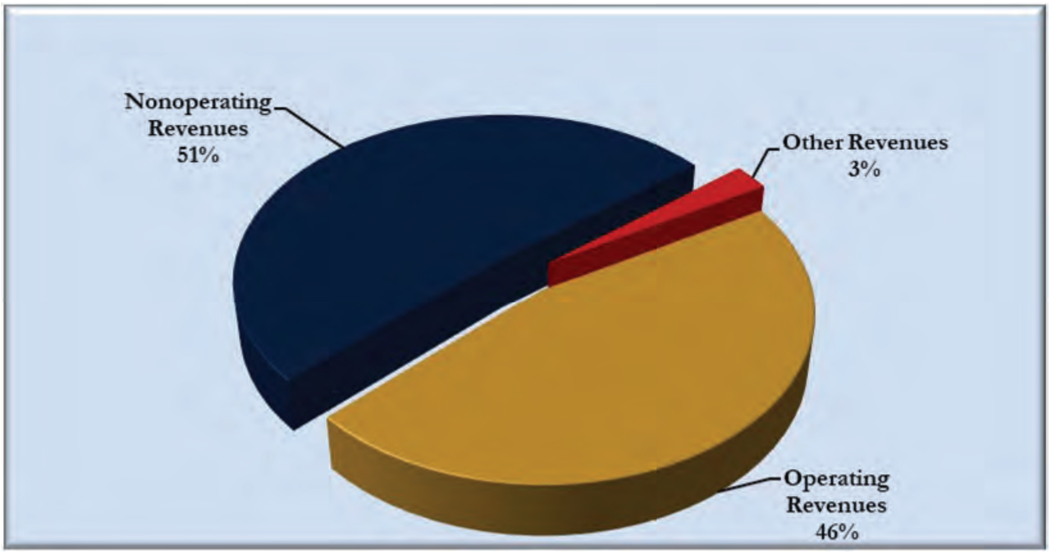
As a result, the University's net position increased by $33.4 million, or 4.3 percent, resulting in a fiscal year-end balance of $805.2 million, which includes a deficit in unrestricted net position. This deficit is discussed further in the notes to the financial statements.

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 2021-22 fiscal year:

Total Revenues



The following summarizes the University's activity for the 2021-22 and 2020-21 fiscal years:

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

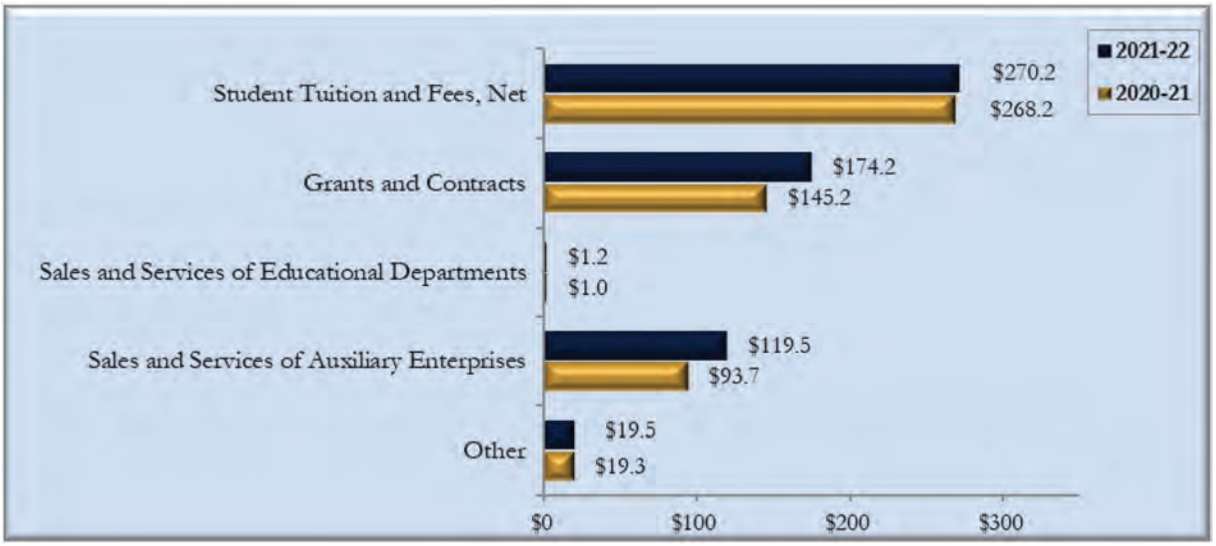
	2021-22	2020-21
Operating Revenues	$ 584.6	$ 527.4
Less, Operating Expenses	1,186.6	1,141.3
Operating Loss	(602.0)	(613.9)
Net Nonoperating Revenues	604.8	649.0
Income Before Other Revenues	2.8	35.1
Other Revenues	30.6	18.1
Net Increase in Net Position	33.4	53.2
Net Position, Beginning of Year	771.8	718.6
Net Position, End of Year	$ 805.2	$ 771.8

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 2021-22 and 2020-21 fiscal years:

Operating Revenues
(In Millions)



The following summarizes the operating revenues by source that were used to fund operating activities for the 2021-22 and 2020-21 fiscal years:

Operating Revenues
For the Fiscal Years
(In Millions)

	2021-22	2020-21
Student Tuition and Fees, Net	$ 270.2	$ 268.2
Grants and Contracts	174.2	145.2
Sales and Services of Educational Departments	1.2	1.0
Sales and Services of Auxiliary Enterprises	119.5	93.7
Other	19.5	19.3
Total Operating Revenues	$ 584.6	$ 527.4

The University total operating revenues increased by $57.2 million, or 10.8 percent, over the 2020-21 fiscal year. Operating revenue changes were the result of the following factors:

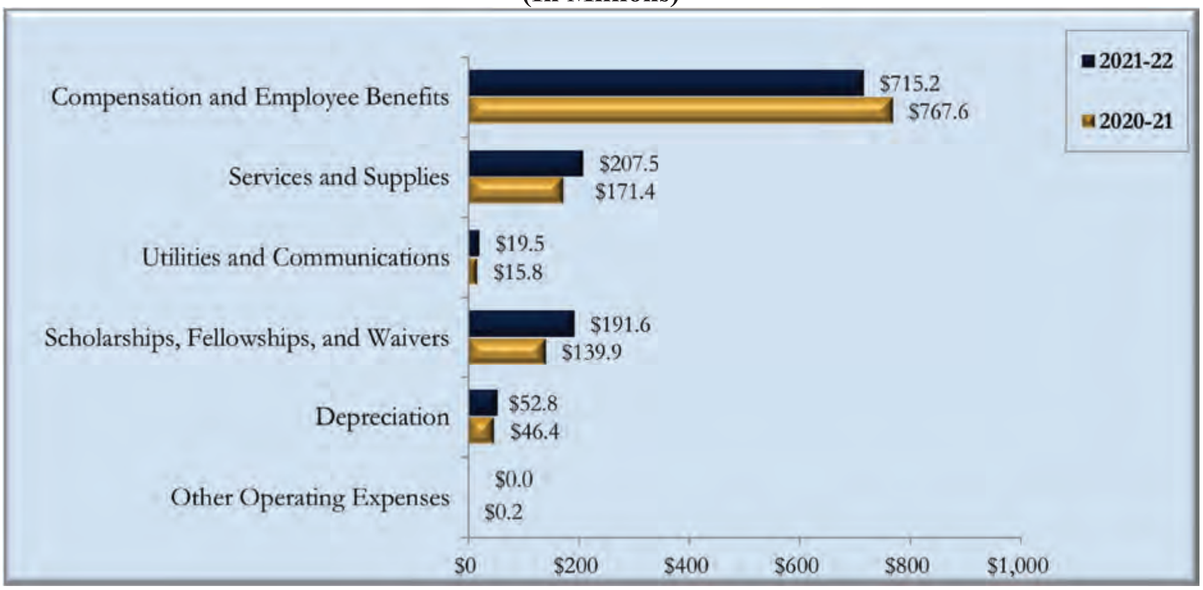
- Grants and contracts overall revenue increased $29.0 million. Higher revenue from grants and contracts was generated mostly by Federal grants related to CARES and HEERF Institutional funding sources as well as our Global Forensic and Justice Center and the research conducted with the National Forensic Science Technology Center (NFSTC).
- Sales and Services of Auxiliary Enterprises increased by $25.8 million mainly driven by the resumption of Auxiliary activities including, student housing, food services, event ticket sales and athletics conference participation revenues after COVID-19 pandemic restrictions were rescinded.

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 2021-22 and 2020-21 fiscal years:

Operating Expenses
(In Millions)



The following summarizes the operating expenses by natural classification for the 2021-22 and 2020-21 fiscal years:

Operating Expenses
For the Fiscal Years
(In Millions)

	2021-22	2020-21
Compensation and Employee Benefits	$ 715.2	$ 767.6
Services and Supplies	207.5	171.4
Utilities and Communications	19.5	15.8
Scholarships, Fellowships, and Waivers	191.6	139.9
Depreciation	52.8	46.4
Other Operating Expenses	-	0.2
Total Operating Expenses	$ 1,186.6	$ 1,141.3

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

- Compensation and employee benefits decreased $52.4 million, or 6.8 percent. This decrease primarily resulted from a $63.5 million reduction in pension expense related to the University's proportionate share from the Florida Retirement System. This decrease was partially offset by a net increase across all other compensation and benefits expenses. Additionally, as the University experienced more than normal staff turnover, employee separation payouts contributed to the offsetting increase.

- Service and supply expenses increased $36.1 million, or 21.1 percent. The increase is essentially due to the stimulation of campus activities which resulted in higher contractual services expenses of $15.1 million, increased repairs and maintenance expenses of $6.2 million from landscaping, arena floor resurfacing and other maintenance projects as more students and staff are back using campus facilities, as well as an upsurge in travel expenses of $6.9 million as restrictions on travel previously imposed due to COVID-19 were lifted.
- Scholarship, fellowship, and waiver expenses increased by $51.7 million, or 37.0 percent, mostly from American Rescue Plan scholarships, Florida Assistance Grants, as well as waivers from the American University of Antigua study abroad program.
- Depreciation and amortization expense increased by $6.4 million, or 13.8 percent. This increase was driven by the implementation of GASB 87, *Leases* which required capitalization of right-to-use assets as well as the amortization of those 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 2021-22 and 2020-21 fiscal years:

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

	2021-22	2020-21
State Noncapital Appropriations	$ 346.5	$ 343.0
Federal and State Student Financial Aid	241.9	202.4
Noncapital Grants, Contracts, and Gifts	27.2	24.1
Investment (Loss)/Income	(23.8)	34.1
Other Nonoperating Revenues	31.4	54.3
Loss on Disposal of Capital Assets	(0.5)	(0.7)
Interest on Capital Asset-Related Debt	(7.2)	(5.5)
Other Nonoperating Expenses	(10.7)	(2.7)
Net Nonoperating Revenues	$ 604.8	$ 649.0

Net nonoperating revenues decreased by $44.2 million, or 6.8 percent, from the 2020-21 fiscal year. Net nonoperating revenues changes were due mainly to the following factors:

- Federal and State student financial aid increased by $39.5 million, driven by increased funding from the American Rescue Plan which was offset by decreases in CRRSAA and Bright Futures.
- Investment income decreased by $57.9 million in large part due to unrealized losses resulting from declining investment performance across all asset classes.
- Other nonoperating revenue decreased by $22.9 million essentially driven by a reduction in HEERF funds used for lost revenues for auxiliaries of $31.7 million which was offset by an increase of $8.1 million in lost revenue funding used for the discharge of student debts.

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 2021-22 and 2020-21 fiscal years:

Other Revenues
For the Fiscal Years
(In Millions)

	2021-22	2020-21
State Capital Appropriations	$ -	$ 12.0
Capital Grants, Contracts, and Donations	30.6	6.1
Total	$ 30.6	$ 18.1

Total other revenues increased by $12.5 million, or 69.1 percent, mostly due to an increase of $24.5 million in capital grants, contracts, and donations, which includes the donation of the MARC building with a carrying value of $9.6 million by the Foundation to the University. The increase was partially offset by a decrease of $12 million in revenue earned from State capital appropriations for construction projects as compared to the 2020-21 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 2021-22 and 2020-21 fiscal years:

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

	2021-22	2020-21
Cash Provided (Used) by:		
Operating Activities	$ (532.4)	$ (542.5)
Noncapital Financing Activities	636.7	621.6
Capital and Related Financing Activities	(100.4)	(17.1)
Investing Activities	4.9	3.6
Net Increase in Cash and Cash Equivalents	8.8	65.6
Cash and Cash Equivalents, Beginning of Year	75.8	10.2
Cash and Cash Equivalents, End of Year	$ 84.6	$ 75.8

Major sources of funds came from proceeds from sales and maturities of investments $1.1 billion, State noncapital appropriations $346.5 million, net student tuition and fees $270.4 million, Federal and State student financial aid $241.9 million, Federal Direct Student Loan program receipts $222.7 million, grants and contracts $205.6 million, and sales and services of auxiliary enterprises $122 million. Major uses of funds were for purchases of investments $1.1 billion, payments made to and on behalf of employees $732 million, payments to suppliers $233.2 million, disbursements to students for Federal Direct Student Loan program $222.7 million, payments to and on behalf of students for scholarships and fellowships $191.6 million, and purchases of capital assets $105.1 million.

CAPITAL ASSETS, CAPITAL EXPENSES AND COMMITMENTS, AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022, the University had $1.9 billion in capital assets, less accumulated depreciation/amortization of $780.2 million, for net capital assets of $1.1 billion. Depreciation for the current fiscal year totaled $52.8 million. As a result of the implementation of GASB 87, *Leases* during the fiscal year 2021-22 right-to-use space and equipment leases and related amortization were included in capital assets. Additional information about the University's leases are presented in the notes to financial statements.

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

Capital Assets, Net at June 30
(In Millions)

	2022	2021
Land	$ 32.8	$ 32.8
Works of Art and Historical Treasures	10.7	9.5
Construction in Progress	248.8	174.2
Buildings	723.1	730.5
Infrastructure and Other Improvements	30.9	27.9
Furniture and Equipment	52.5	43.4
Library Resources	14.5	17.7
Leasehold Improvements	-	0.1
Computer Software	0.5	0.4
Right-to-Use Space Lease	33.2	-
Right-to-Use Equipment Lease	1.3	-
Capital Assets, Net	$ 1,148.3	$ 1,036.5

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, 2022, were incurred on the following projects: $40.8 million for Tamiami Hall, $19.6 million for SIPA Phase II, $9.3 million for User Paid Capital Construction projects, $4.3 million for the World for Tropical Botany.

The University's construction commitments at June 30, 2022, are as follows:

	Amount (In Millions)
Total Committed	$ 395.1
Completed to Date	(248.8)
Balance Committed	$ 146.3

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

Debt Administration

As of June 30, 2022, the University had $232.6 million in outstanding capital improvement debt payable and leases payable, representing an increase of $27.2 million, or 13.2 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)

	2022	2021
Capital Improvement Debt	$ 197.4	$ 205.4
Leases Payable	35.2	-
Total	$ 232.6	$ 205.4

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

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

Florida's long range economic outlook continues to be positive. Gross domestic product (GDP) increased by 5.2 percent in the fiscal year 2021-22, more than double compared to the fiscal 2020-21, and state economists project growth of about one percent in the fiscal year 2022-23, recovering to two percent in the fiscal year 2023-24. State reserves in the fiscal year 2022-23 are anticipated to be $17.3 billion, a record high of 41.3 percent of general revenue estimates. Prior year reserves ranged from 10.8 percent to 27.2 percent. Additionally, State economists project the unallocated general reserve (the largest component of the State reserves) will decline slightly by $185 million to $13.5 billion in the fiscal year 2023-24 and grow steadily thereafter to $15.5 billion in the fiscal year 2025-26

FIU received $245 million under the Higher Education Emergency Relief Fund (HEERF) grant program to offset higher expenses and lost revenues due to the COVID-19 pandemic. The HEERF funds were received under three separate acts: The (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and American Rescue Plan (ARP) Act. The funding awards were in three areas: Emergency Financial Aid Grants to Students, $101 million; Institutional funds, $129 million; and Minority Serving Institutions (MSI) funds, $15 million. At the end of the fiscal year 2021-22, FIU fully expended the Emergency Financial Aid Grants to Students and Minority Serving Institutions awards and had an unexpended balance of $36.8 million on the Institutional funds. The Federal government granted FIU a no-cost extension which extended the period of performance of the Institutional funds to June 30, 2023.

The 2022 Florida Legislative session concluded on March 11, 2022, and the Governor approved the fiscal year 2022-23 General Appropriations Act (House Bill 5001) on June 2, 2022. FIU received $357.9 million in State appropriations in the fiscal year 2022-23 which is an additional $12.6 million or 3.7 percent over the prior year. The main components of the increase are $5 million of operational support; $4.8 million for the newly approved Nursing Education (PIPELINE); $0.9 million of additional performance funds; $2 million for Clinical Laboratory Improvement Amendments (CLIA) Laboratory for functional drug testing to individualize cancer treatments; $0.4 million for behavioral health; $0.1 million for the Florida Public Hurricane Loss Model; offset by a reduction of $0.7 million in pass-through funds for risk management insurance premium decreases. FIU also received capital appropriations of $33.5 million for the Engineering Building Phase II, $0.5 million for the Nursing Sexual Assault Exam Center; as well as $6.2 million for various other projects such as the Modesto A. Maidique Campus Aquatic Center, Graham Center expansion, and a recreation field support building. Consistent with prior years, tuition rates are unchanged at all levels. The Legislature expanded the Programs of Strategic Emphasis Tuition and Fee Waiver which now includes Accounting and Finance in the ten Florida Board of Governors approved Programs of Strategic Emphasis. Students seeking a baccalaureate degree in any of the ten programs receive a waiver of 50 percent of tuition and fees. The Legislature appropriated $31.3 million, an additional $6.3 million, in incentive funding for the State University System to help cover the cost of this waiver.

FIU has much to celebrate since opening its doors 50 years ago; the commitment to excellence of its students, faculty, staff, and stakeholders has resulted in FIU being the fastest-rising U.S. public university, jumping 62 spots to number 72 in the past ten years, and ranked in the top three of the State University System Board of Governors performance metrics for the past two years. Forbes magazine recently wrote about the ranking compiled by Degree Choices, which uses government data to calculate the economic return on graduates' investment in their college education. FIU took the number 23 spot among all U.S. universities for the short time graduates need - just 13 months - to recoup their financial investment. The university's steep upward trajectory in its short 50-year history reflects an unstoppable spirit that fuels its forward movement.

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 Interim 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, 2022

	University	Component Units
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 80,607,279	$ 24,174,948
Investments	412,800,463	1,043,638
Accounts Receivable, Net	62,511,763	13,391,498
Loans and Notes Receivable, Net	159,933	-
Leases Receivable	454,452	575,188
Due from State	84,999,232	-
Due from Component Units/University	8,238,490	1,699,901
Inventories	654,021	-
Other Current Assets	4,537,688	1,892,402
Total Current Assets	654,963,321	42,777,575
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	3,975,186	-
Restricted Investments	30,250,841	378,797,887
Loans and Notes Receivable, Net	698,591	8,433,932
Leases Receivable	1,611,713	4,896,885
Depreciable/Amortizable Capital Assets, Net	855,950,866	4,388,175
Nondepreciable Capital Assets	292,393,601	3,470,084
Due from Component Units	852,241	-
Other Noncurrent Assets	-	12,932,158
Total Noncurrent Assets	1,185,733,039	412,919,121
Total Assets	1,840,696,360	455,696,696
DEFERRED OUTFLOWS OF RESOURCES		
Other Postemployment Benefits	107,582,964	-
Pensions	87,062,001	-
Accumulated Decrease in Fair Value of Hedging Derivatives	-	489,040
Deferred Amount on Bond Debt Refundings	-	161,435
Total Deferred Outflows of Resources	194,644,965	650,475
LIABILITIES		
Current Liabilities:		
Accounts Payable	30,150,329	2,323,322
Construction Contracts Payable	12,674,998	-
Salaries and Wages Payable	23,635,013	-
Deposits Payable	5,262,698	-
Due to State	216,427	-
Due to Component Units/University	1,968,306	8,238,489
Unearned Revenue	20,876,344	799,773
Other Current Liabilities	901,221	176,286
Long-Term Liabilities - Current Portion		
Bonds Payable	-	1,645,000
Capital Improvement Debt Payable	7,931,789	-
Leases Payable	5,408,614	-
Compensated Absences Payable	4,434,271	-
Liability for Self-Insured Claims	105,949	-
Other Postemployment Benefits Payable	6,386,901	-
Net Pension Liability	328,042	-
Total Current Liabilities	120,280,902	13,182,870

	University	Component Units
LIABILITIES (Continued)		
Noncurrent Liabilities:		
Bonds Payable	-	21,090,000
Capital Improvement Debt Payable	189,498,427	-
Leases Payable	29,754,059	-
Compensated Absences Payable	52,103,650	-
Due to University	-	852,241
Other Postemployment Benefits Payable	351,800,212	-
Unearned Revenue	63,063,318	-
Liability for Self-Insured Claims	121,106	-
Other Long-Term Liabilities	964,649	2,025,673
Net Pension Liability	112,081,596	-
Total Noncurrent Liabilities	799,387,017	23,967,914
Total Liabilities	919,667,919	37,150,784
DEFERRED INFLOWS OF RESOURCES		
Other Postemployment Benefits	138,762,741	-
Pensions	169,672,501	-
Leases	2,036,495	5,403,256
Total Deferred Inflows of Resources	310,471,737	5,403,256
NET POSITION		
Net Investment in Capital Assets	916,268,216	7,372,204
Restricted for Nonexpendable:		
Endowment	-	198,540,065
Restricted for Expendable:		
Debt Service	20,053	-
Loans	1,665,950	-
Capital Projects	33,583,293	-
Other	18,582,085	145,013,261
Unrestricted	(164,917,928)	62,867,601
TOTAL NET POSITION	$ 805,201,669	$ 413,793,131

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	University	Component Units
REVENUES		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarship Allowances of $196,224,665	$ 270,215,035	$ -
Federal Grants and Contracts	144,381,153	-
State and Local Grants and Contracts	10,804,363	-
Nongovernmental Grants and Contracts	19,018,653	-
Sales and Services of Educational Departments	1,202,865	-
Sales and Services of Auxiliary Enterprises	119,528,876	-
Sales and Services of Component Units	-	9,066,859
Gifts and Donations	-	26,010,190
Other Operating Revenues	19,453,334	10,974,269
Total Operating Revenues	584,604,279	46,051,318
EXPENSES		
Operating Expenses:		
Compensation and Employee Benefits	715,211,580	-
Services and Supplies	207,521,510	71,408,629
Utilities and Communications	19,400,473	416,485
Scholarships, Fellowships, and Waivers	191,627,285	-
Depreciation	52,833,498	743,504
Self-Insurance Claims	43,518	-
Total Operating Expenses	1,186,637,864	72,568,618
Operating Loss	(602,033,585)	(26,517,300)
NONOPERATING REVENUES (EXPENSES)		
State Noncapital Appropriations	346,526,109	-
Federal and State Student Financial Aid	241,860,314	-
Noncapital Grants, Contracts, and Gifts	27,224,659	-
Investment Loss	(23,804,574)	(25,448,163)
Other Nonoperating Revenues	31,354,154	14,950,318
Loss on Disposal of Capital Assets	(454,410)	-
Interest on Capital Asset-Related Debt	(7,243,163)	(987,474)
Other Nonoperating Expenses	(10,676,567)	(3,292,098)
Net Nonoperating Revenues/(Loss)	604,786,522	(14,777,417)
Income/(Loss) Before Other Revenues	2,752,937	(41,294,717)
Capital Grants, Contracts, and Donations	30,695,848	-
Other Expenses	-	(12,170,696)
Increase/(Decrease) in Net Position	33,448,785	(53,465,413)
Net Position, Beginning of Year	771,752,884	467,258,544
Net Position, End of Year	$ 805,201,669	$ 413,793,131

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, 2022

	University
CASH FLOWS FROM OPERATING ACTIVITIES	
Student Tuition and Fees, Net	$ 270,367,775
Grants and Contracts	205,572,085
Sales and Services of Educational Departments	1,202,865
Sales and Services of Auxiliary Enterprises	121,985,100
Interest on Loans and Notes Receivable	(364,624)
Payments to Employees	(732,048,676)
Payments to Suppliers for Goods and Services	(233,156,111)
Payments to Students for Scholarships and Fellowships	(191,627,285)
Payments on Self-Insured Claims	(42,320)
Loans Issued to Students	(1,607,933)
Collection on Loans to Students	2,756,528
Other Operating Receipts	24,543,585
Net Cash Used by Operating Activities	(532,419,011)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Noncapital Appropriations	346,526,109
Federal and State Student Financial Aid	241,860,314
Noncapital Grants, Contracts, and Gifts	30,161,767
Federal Direct Loan Program Receipts	222,720,445
Federal Direct Loan Program Disbursements	(222,727,487)
Net Change in Funds Held for Others	87,956
Other Nonoperating Receipts	29,315,121
Other Nonoperating Disbursements	(11,175,730)
Net Cash Provided by Noncapital Financing Activities	636,768,495
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
State Capital Appropriations	2,610,428
Capital Grants, Contracts, and Donations	20,192,668
Other Receipts for Capital Projects	1,484,370
Capital Subsidies and Transfers	47,058
Purchase or Construction of Capital Assets	(105,090,344)
Principal Paid on Capital Debt and Leases	(12,051,312)
Interest Paid on Capital Debt and Leases	(8,135,910)
Principal Received on Capital Debt and Leases	451,907
Interest Received on Capital Debt and Leases	73,085
Net Cash Used by Capital and Related Financing Activities	(100,418,050)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	1,056,678,177
Purchase of Investments	(1,058,702,200)
Investment Income	6,885,347
Net Cash Provided by Investing Activities	4,861,324
Net Increase in Cash and Cash Equivalents	8,792,758
Cash and Cash Equivalents, Beginning of Year	75,789,707
Cash and Cash Equivalents, End of Year	$ 84,582,465

	University
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	$ (602,033,585)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	52,833,498
Changes in Assets, Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources:	
Receivables, Net	33,451,633
Inventories	(171,959)
Other Assets	(1,646,787)
Accounts Payable	(3,587,756)
Salaries and Wages Payable	(1,572,611)
Deposits Payable	2,916,473
Compensated Absences Payable	(1,555,601)
Other Postemployment Benefits Payable	5,623,136
Unearned Revenue	2,655,370
Liability for Self-Insured Claims	1,197
Pension Liability	(221,545,014)
Deferred Outflows of Resources Related to Other Postemployment Benefits	20,278,107
Deferred Outflows of Resources Related to Pensions	34,773,712
Deferred Inflows of Resources Related to Other Postemployment Benefits	(16,035,561)
Deferred Inflows of Resources Related to Pensions	163,196,737
NET CASH USED BY OPERATING ACTIVITIES	$ (532,419,011)

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND CAPITAL FINANCING ACTIVITIES

Unrealized losses on investments were recognized as a decrease 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.	$ (30,773,616)
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.	$ (454,410)
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.	$ 10,718,181

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

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 $365,383 and $27, 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.

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 "The Alternate Method" as prescribed in NACUBO Advisory Report 2000-05 to determine the reported net tuition scholarship allowances. Under this method, the University computes these amounts by allocating the cash payments to students, excluding payments for services, on a ratio of total aid to the aid not considered third-party aid.

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

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and cash in demand accounts. University cash deposits are held in banks qualified as public depositories under Florida law. All such deposits are insured by the Federal Deposit 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, right-to-use lease assets, and computer software. These assets are capitalized and recorded at cost at the date of acquisition or at estimated fair value at the date received in the case of gifts and purchases of State surplus property. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The University has a capitalization threshold of $250 for library resources, $5,000 for tangible personal property and right-to-use equipment lease assets, and $100,000 for new buildings, leasehold improvements, and right-to-use space lease assets. Depreciation is computed on the straight-line basis over the following estimated useful lives:

- Buildings – 20 to 50 years
- Infrastructure and Other Improvements – 15 years
- Furniture and Equipment – 3 to 20 years
- Library Resources – 10 years
- Leasehold Improvements – Various based on lease terms
- Right-to-Use Lease 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 $2,059,244. 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.

Depreciable assets of the Health Care Network are stated at cost and are net of accumulated depreciation of $525,437. 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 implemented GASB 87, *Leases* during the fiscal year 2021-22. Accordingly, 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, 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.

2. NEWLY IMPLEMENTED ACCOUNTING STANDARDS

The University and its discretely presented component units implemented GASB Statement No. 87, *Leases*, which seeks to improve the accounting and reporting for leases, by requiring the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, while the lessor is required to recognize a lease receivable and a deferred inflow of resources. This Statement substantially impacts the University's lease accounting and reporting. Previously, operating lessee leases were recorded as operating expenses and operating lessor leases as operating revenue in the statement of revenue, expenses and changes in net position. Refer to the related footnotes for discussion of the underlying lease agreements.

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.

Fund	Net Position
Current Funds - Unrestricted	$ (528,555,671)
Auxiliary Funds	363,637,743
Total	$ (164,917,928)

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:

		Amount
Total Unrestricted Net Position Before Recognition of Long-Term Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources		$ 468,681,102
Amount Expected to be Financed in Future Years:		
Compensated Absences Payable	$ 49,212,002	-
Other Postemployment Benefits Payable and Related Deferred Outflows of Resources and Deferred Inflows of Resources	389,366,890	-
Net Pension Liability and Related Deferred Outflows of Resources and Deferred Inflows of Resources	195,020,138	-
Total Amount Expected to be Financed in Future Years		(633,599,030)
Total Unrestricted Net Position		$ (164,917,928)

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.

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, 2022 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 $76,424,622 according to GASB Statement No. 72.

The University's investments at June 30, 2022, are reported at fair value, as follows:

		Fair Value Measurement Using		
Investments by Fair Value Level	**Amount**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
External Investment Pool				
State Treasury Special Purpose Investment Account	$ 30,933,684	$ -	$ -	$ 30,933,684
SBA Debt Service Accounts	20,041	20,041	-	-
Mutual Funds				
Equities	31,939,671	13,245,485	18,694,186	-
Fixed Income and Bond Mutual Funds	218,138,666	84,286,395	119,013,102	14,839,169
Commodities	18,328,677	-	18,328,677	-
Other Investments	11,215,536	-	-	11,215,536
Total Investments by Fair Value Level	310,576,275	$ 97,551,921	$ 156,035,965	$ 56,988,389
Investments Measured at the Net Asset Value (NAV)				
Mutual Funds				
Limited Partnerships	44,171,258			
Equities	11,879,149			
Total Investments Measured at the NAV	56,050,407			
Total Investments Measured at Fair Value	$ 366,626,682			

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

Investments Measured at the NAV	**Fair Value**	**Unfunded Commitments**	**Redemption Frequency (if Currently Eligible)**	**Redemption Notice Period**
Mutual Funds				
Limited Partnerships	$ 44,171,258	$ -	Quarterly/Annually	90 Days
Equities	11,879,149	2,926,642	Illiquid	N/A
Total Investments Measured at the NAV	$ 56,050,407			

Limited Partnerships: This category includes investments in a fund that invests in a portfolio of limited partnerships. The managers pursue multiple strategies to diversify risk and reduce volatility. The fair values of the investments have been determined by using the NAV per share of the investments. Redemption requests are received quarterly and require a 90-day written notice. Proceeds of the redemption, up to 90 percent, are available 17 business days after the redemption. The remaining 10 percent of the funds, in a complete liquidation, are available on the first week of April, after the redemption.

Equities: This category includes investments in two private equity funds. Each fund invests in equity securities and debt of the private companies or conduct buyouts of public companies that result in a delisting of public equity. The nature of the investment in this category prohibits redemptions through the duration of the partnerships. Distributions are received through the liquidation of underlying assets of the funds.

External Investment Pools

The University reported investments at fair value totaling $30,933,684 at June 30, 2022, 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 2.66 years and fair value factor of 0.9479 at June 30, 2022. Participants contribute to the State Treasury SPIA investment pool on a dollar basis. These funds are commingled and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed and a total pool fair value is determined. A fair value factor is calculated by dividing the pool's total fair value by the pool participant's total cash balances. The fair value factor is the ratio used to determine the fair value of an individual participant's pool balance. The University relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury investment pool are included in the notes to financial statements of the State's Comprehensive Annual Financial Report.

State Board of Administration Debt Service Accounts

The University reported investments totaling $20,041 at June 30, 2022, 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.

The future maturities of the securities held in the fixed income and bond mutual funds at June 30, 2022, are as follows:

University Debt Investment Maturities

		Investment Maturities (In Years)			
Type of Investment	**Fair Market Value**	**Less Than 1**	**1-5**	**6-10**	**More Than 10**
Short Term Bond Fund	$ 46,136,530	$ 7,482,610	$ 38,653,920	$ -	$ -
Bond Index Fund	38,149,865	172,517	14,949,007	12,496,087	10,532,254
TIPS Index Fund	50,645,744	20,258	24,841,737	18,556,601	7,227,148
Core Fixed Income	37,574,719	1,952,840	12,202,444	16,849,750	6,569,685
Credit Fixed Income	30,464,800	2,127,285	9,535,929	9,530,054	9,271,532
Student Managed Investment Fund	327,839	12,858	146,805	132,926	35,250
Secured Bank Loans	14,839,169	195,877	7,032,282	7,608,042	2,968
Total	$ 218,138,666	$ 11,964,245	$ 107,362,124	$ 65,173,460	$ 33,638,837

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2022, 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	$ 46,136,530	$ 18,883,708	$ 5,162,061	$ 7,883,057	$ 14,207,704
Bond Index Fund	38,149,865	26,802,511	1,510,832	4,416,752	5,419,770
TIPS Index Fund	50,645,744	50,645,744	-	-	-
Core Fixed Income	37,574,719	24,419,819	824,943	2,601,745	9,728,212
Credit Fixed Income	30,464,800	1,651,014	2,961,250	10,243,927	15,608,609
Student Managed Investment Fund	327,839	171,902	-	107,009	48,928
Secured Bank Loans	14,839,169	-	-	-	14,839,169
Total	$ 218,138,666	$ 122,574,698	$ 10,459,086	$ 25,252,490	$ 59,852,392

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the University's investment in a single issuer. The University has no formal policy on concentration of credit risk.

Discretely Presented Component Unit Investments

The Foundation's investments at June 30, 2022, are reported at fair value as follows:

Investments by Fair Value Level	Amount	Fair Value Measurement Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Domestic Equities	$ 150,209,610	$ 150,209,610	$ -	$ -
Global Equities	98,864,397	98,864,397	-	-
Fixed Income	19,143,686	19,143,686	-	-
Real Assets	12,475,993	12,475,993	-	-
Land Held for Investments	15,340,150	-	-	15,340,150
Total Investments by Fair Value Level	$ 296,033,836	$ 280,693,686	$ -	$ 15,340,150
Investments Measured at the Net Asset Value (NAV)				
Fixed Income	1,200			
Hedge Funds	10,973,854			
Private Investments	79,246,236			
Total Investments Measured at the NAV	90,221,290			
Fiduciary Fund Equity Interest	(11,215,537)			
Total Investments Measured at Fair Value	$ 375,039,589			

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

Investments Measured at the NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Fixed Income:				
Global Bonds	$ 1,200	$ -	Monthly	10 Days
Hedge Funds:				
Long/Short Equity	10,798,100	-	Monthly - Every 3 Years	60 - 90 Days
Event Driven/Open Mandate	175,754	-	Quarterly	90 Days
Private Investments:				
Private Equity	52,286,682	80,458,832	Illiquid	N/A
Venture Capital	26,959,554	1,305,000	Illiquid	N/A
Total Investments Measured at the NAV	$ 90,221,290	$ 81,763,832		

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 IPO.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2022, the Foundation securities held in domestic fixed income were rated A+ by Standard and Poor's.

At June 30, 2022, 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, 2022, approximately $375,039,589 was held in these accounts. The Foundation believes that the number, diversity, and financial strength of the issuers mitigates the credit risks associated with all investments.

The Finance Corporation also maintains investment accounts with financial institutions that are not insured by the FDIC. These investments are made in accordance with the trust indenture. Money market fund shares are not guaranteed by the Federal government. Investments are reported at amortized cost of $3,826,705 at June 30, 2022, 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, 2022, are held with Regions Trust 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, 2022, is 22 days while the WAL is 47 days.

The HCN reported investments at fair value totaling $975,231 at June 30, 2022, 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, 2022, the University reported the following amounts as accounts receivable:

Description	Amount
Student Tuition and Fees	$ 21,757,283
Contracts and Grants	40,163,291
Other	591,189
Total Accounts Receivable, Net	$ 62,511,763

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 $9,804,664 and $457,837, respectively, at June 30, 2022.

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, 2022 the University recognized lease revenue of $481,577.

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

Fiscal Year Ending June 30	Principal	Interest	Total
2023	$ 454,452	$ 60,079	$ 514,531
2024	349,519	48,247	397,766
2025	210,713	39,198	249,911
2026	186,176	33,052	219,228
2027	195,846	26,734	222,580
2028 - 2032	652,919	60,745	713,664
2033	16,540	170	16,710
Total	$ 2,066,165	$ 268,225	$ 2,334,390

Discretely Presented Component Unit Lease Receivables

The University and HCN 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, 2022, rent expense under this agreement amounted to $1 per year.

Furthermore, certain space within this facility was subleased. The HCN recognized lease revenue of $419,644, interest revenue of $188,449, and common area maintenance income of $177,652, for a total $785,745 of lease-related revenue for the year ended June 30, 2022. 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:

Fiscal Year Ending June 30	Principal	Interest	Common Area Maintenance	Total
2023	$ 325,161	$ 177,552	$ 177,652	$ 680,365
2024	336,948	165,730	177,652	680,330
2025	349,162	153,480	177,652	680,294
2026	361,819	140,786	177,652	680,257
2027	374,934	127,631	177,652	680,217
2028 - 2032	2,088,657	423,533	888,260	3,400,450
2033 - 2035	1,317,507	63,696	488,543	1,869,746
Total	$ 5,154,188	$ 1,252,408	$ 2,265,063	$ 8,671,659

6. DUE FROM STATE

The amount due from State consists of $19,417,223 of Public Education Capital Outlay, $30,118,445 of Capital Improvement Fee Trust Fund, and $35,463,564 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, 2022. One component unit is not presented (see Note 1). Additionally, component units' due from and due to amounts include receivables and payables between the various component units. Accordingly, amounts reported by the University as due from and to component units on the statement of net position do not agree with amounts reported by the component units as due from and to the University.

8. CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2022, is shown in the following table:

Description	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable Capital Assets:				
Land	$ 32,818,854	$ -	$ -	$ 32,818,854
Works of Art and Historical Treasures	9,518,358	1,304,703	75,000	10,748,061
Construction in Progress	174,239,612	95,120,477	20,533,403	248,826,686
Total Nondepreciable Capital Assets	$ 216,576,824	$ 96,425,180	$ 20,608,403	$ 292,393,601
Depreciable Capital Assets:				
Buildings	$ 1,200,486,315	$ 20,924,966	$ -	$ 1,221,411,281
Infrastructure and Other Improvements	52,995,533	5,776,432	-	58,771,965
Furniture and Equipment	163,426,712	21,308,678	6,065,743	178,669,647
Library Resources	132,011,884	707,243	3,878	132,715,249
Leasehold Improvements	752,567	-	-	752,567
Computer Software	3,601,057	317,516	236,075	3,682,498
Amortizable Capital Assets				
Right-to-Use Space Lease (1)	-	38,345,217	-	38,345,217
Right-to-Use Equipment Lease (1)	-	1,828,768	-	1,828,768
Total Depreciable/Amortizable Capital Assets	1,553,274,068	89,208,820	6,305,696	1,636,177,192
Less, Accumulated Depreciation:				
Buildings	469,941,533	28,360,501	-	498,302,034
Infrastructure and Other Improvements	25,132,918	2,790,743	-	27,923,661
Furniture and Equipment	119,993,620	11,941,224	5,780,564	126,154,280
Library Resources	114,332,316	3,908,153	3,878	118,236,591
Leasehold Improvements	714,113	38,454	-	752,567
Computer Software	3,204,614	138,566	141,844	3,201,336
Less, Accumulated Amortization				
Right-to-Use Space Lease (1)	-	5,133,352	-	5,133,352
Right-to-Use Equipment Lease (1)	-	522,505	-	522,505
Total Accumulated Depreciation/Amortization	733,319,114	52,833,498	5,926,286	780,226,326
Total Depreciable/Amortizable Capital Assets, Net	$ 819,954,954	$ 36,375,322	$ 379,410	$ 855,950,866

(1) Right-to-Use Lease Assets were added due to the implementation of GASB Statement No. 87, *Leases*. Beginning balance was not restated.

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, 2022, to spend the funds.

Unearned revenue at June 30, 2022 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, 2022, the University reported the following amounts as unearned revenue:

Description	Amount
State Capital Appropriations	$ 9,805,283
Contracts and Grants	8,088,673
Admission Fees	1,473,294
Stadium Rental Income	1,304,083
Reservation System Fees	148,982
Land Use Fees	52,381
Athletic Revenues	3,648
Total Current Unearned Revenue	$ 20,876,344

10. LONG-TERM LIABILITIES

Long-term liabilities of the University at June 30, 2022, include capital improvement debt payable, leases payable, compensated absences payable, other postemployment benefits payable, the long-term portion of unearned revenue, liability for self-insured claims, net pension liability, and other long-term liabilities.

Long-term liabilities activity for the fiscal year ended June 30, 2022, is shown below:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Capital Improvement Debt Payable	$ 205,362,962	$ -	$ 7,932,746	$ 197,430,216	$ 7,931,789
Leases Payable (1)	-	40,173,986	5,011,313	35,162,673	5,408,614
Compensated Absences Payable	58,093,522	3,749,252	5,304,853	56,537,921	4,434,271
Other Postemployment Benefits Payable	352,563,977	272,978,129	267,354,993	358,187,113	6,386,901
Unearned Revenue	61,624,106	2,795,676	1,356,464	63,063,318	-
Liability for Self-Insured Claims	225,857	45,039	43,841	227,055	105,949
Net Pension Liability	333,954,652	69,978,450	291,523,464	112,409,638	328,042
Other Long-Term Liabilities	1,684,749	-	720,100	964,649	-
Total Long-Term Liabilities	$1,013,509,825	$ 389,720,532	$ 579,247,774	$ 823,982,583	$ 24,595,566

(1) Right-to-Use Leases Payable were added due to the implementation of GASB Statement No. 87, *Leases*. Beginning balance was not restated.

Capital Improvement Debt Payable

The University had the following capital improvement debt payable outstanding at June 30, 2022:

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	$ 20,022,361	3.00 - 5.00	2034
2020A Student Apartments	71,800,000	79,765,439	3.00 - 5.00	2050
2021A Student Apartments Refunding	46,365,000	49,527,877	2.00 - 5.00	2041
Total Student Housing Debt	147,270,000	149,315,677		
Parking Garage Debt:				
2013A Parking Garage	33,500,000	27,757,677	3.50 - 5.25	2043
2019A Parking Garage Refunding	19,805,000	20,356,862	4.00 - 5.00	2039
Total Parking Garage Debt	53,305,000	48,114,539		
Total Capital Improvement Debt	$ 200,575,000	$ 197,430,216		

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 $200,575,000 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 $260,510,381, and principal and interest paid for the current year totaled $14,336,131. During the 2021-22 fiscal year, housing rental income totaled $25,738,675, and parking fees totaled $14,125,892, comprised of traffic and parking fees totaling $3,620,948, and assessed transportation fees totaling $10,504,944.

Annual requirements to amortize all capital improvement debt outstanding as of June 30, 2022, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	$ 7,145,000	$ 6,944,131	$ 14,089,131
2024	7,465,000	6,625,581	14,090,581
2025	7,885,000	6,260,831	14,145,831
2026	7,460,000	5,875,381	13,335,381
2027	7,795,000	5,541,632	13,336,632
2028-2032	38,750,000	22,463,150	61,213,150
2033-2037	39,420,000	14,391,725	53,811,725
2038-2042	34,965,000	7,949,900	42,914,900
2043-2047	18,510,000	3,279,850	21,789,850
2048-2050	11,110,000	673,200	11,783,200
Subtotal	180,505,000	80,005,381	260,510,381
Net Premiums and Losses on Bond Refundings	16,925,216	-	16,925,216
Total	$ 197,430,216	$ 80,005,381	$ 277,435,597

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
2023	$ 5,408,614	$ 1,087,971	$ 6,496,585
2024	5,369,184	932,092	6,301,276
2025	3,612,660	799,741	4,412,401
2026	3,421,616	691,797	4,113,413
2027	2,313,962	591,592	2,905,554
2028 - 2032	5,208,803	2,344,819	7,553,622
2033 - 2037	6,849,125	1,227,148	8,076,273
2038 - 2040	2,978,709	114,816	3,093,525
Total	$ 35,162,673	$ 7,789,976	$ 42,952,649

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, 2022, the estimated liability for compensated absences, which includes the University's share of the Florida Retirement System and FICA contributions, totaled $56,537,921. The current portion of the compensated absences liability, $4,434,271, 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 4 of GASB Statement No. 75. The OPEB Plan contribution requirements and benefit terms necessary for the funding of the OPEB Plan each year is on a pay-as-you-go basis as established by the Governor's recommended budget and the General Appropriations Act. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible.

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

Proportionate Share of the Total OPEB Liability

The University's proportionate share of the total OPEB liability of $358,187,113 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. At June 30, 2021, the University's proportionate share, determined by its proportion of total benefit payments made, was 3.40 percent, which was a decrease of 0.03 percent from its proportionate share measured as of June 30, 2020.

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

Inflation	2.60 percent
Salary Increases	Varies by FRS class
Discount Rate	2.18 percent
Healthcare Cost Trend Rates	
PPO Plan	7.95 percent for 2022, decreasing to an ultimate rate of 4.04 percent for 2075 and years later for all employees in the Preferred Provider Option (PPO) Plan.
HMO Plan	6.02 percent for 2022, 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, 2021 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.

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 decreased from 2.66 percent to 2.18 percent.
- The retirement, withdrawal, disability, and salary scale rates were updated based on those used in the actuarial valuation of the FRS conducted by Milliman as of July 1, 2019, with certain adjustments made to reflect the difference in the underlying populations. The impact of these changes resulted in a decrease in OPEB liabilities of about seven percent for retirement; and increases of approximately three percent, 0.5 percent, and 0.2 percent for withdrawal, disability and salary scale, respectively.
- The overall participation rate for actively employed participants currently covered by health coverage to continue their current health coverage into retirement rate is 47 percent. For those actively employed participants not currently covered under the health plan, 3.7 percent are assumed to elect medical coverage in retirement. The resulting overall participation rate decreased to 43 percent from 50 percent. This change resulted in an eight percent decrease in the total OPEB liability.

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 (1.18 percent) or 1 percentage point higher (3.18 percent) than the current rate:

	1% Decrease (1.18%)	Current Discount Rate (2.18%)	1% Increase (3.18%)
University's proportionate share of the total OPEB liability	$ 452,118,483	$ 358,187,113	$ 287,648,533

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	$ 275,356,562	$ 358,187,113	$ 474,590,750

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

For the fiscal year ended June 30, 2022, the University recognized OPEB expense of $16,252,583. At June 30, 2022, 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	$ -	$ 17,025,286
Changes of assumptions or other inputs	38,523,126	118,626,956
Changes in proportion and differences between University benefit payments and proportionate share of benefit payments	62,672,937	3,110,499
Transactions subsequent to the measurement date	6,386,901	-
Total	$ 107,582,964	$ 138,762,741

Of the total amount reported as deferred outflows of resources related to OPEB, $6,386,901 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, 2023. 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
2023	$ (10,331,279)
2024	(10,331,279)
2025	(10,331,282)
2026	(3,345,720)
2027	765,750
Thereafter	(3,992,868)
Total	$ (37,566,678)

Unearned Revenue

Long-term unearned revenue at June 30, 2022, 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, 2022, the University reported the following amounts as long-term unearned revenue:

Description	Amount
State Capital Appropriations	$ 38,931,877
Stadium Rental Income	12,932,158
National Institute of Health Grant	9,500,000
Land Use Fees	1,699,283
Total Unearned Revenue	$ 63,063,318

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, 2022, the University's proportionate share of the net pension liabilities totaled $112,409,638.

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

Notes Payable – Florida International University Foundation, Inc.

On January 20, 2000, the Miami-Dade County Educational Facilities Authority (the Authority) issued $13 million tax-exempt revenue bonds (Florida International University Foundation Project – Series 1999). These bonds are payable from and secured by a pledge of payments to be made to the Authority under a loan agreement dated December 1, 1999, between the Foundation and the Authority.

The bonds are secured by an irrevocable letter of credit issued by a commercial bank as described below. The Foundation will finance the payments to the Authority under the loan agreement with lease payments received from the University under an operating lease. The $13 million original principal amount was issued under a variable rate structure with a final maturity date of May 1, 2022. The variable rate on fifty percent of the original issue, $6.5 million, was synthetically fixed at 4.63 percent through February 1, 2015, by way of an interest rate swap agreement with a commercial bank. The bond proceeds were used to acquire, construct, and equip a multi-function support complex located on the Modesto A. Maidique campus and to pay issuance costs. The Foundation paid off the outstanding balance of $1,075,000 as of June 30, 2022. For the year ended June 30, 2022, total interest incurred and paid was $11,198.

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

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

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

On August 27, 2010, the Health Care Network entered into a loan agreement totaling $5,321,198 with the University in order to provide working capital and build out capital to fund the expansion of the faculty practice plan and the establishment of the ambulatory care center and other University clinical activities. In June of 2015 the Health Care Network renegotiated the loan agreement with the University and borrowed an additional $3,015,652. In May 2021 the Health Care Network's Board of Directors voted to retire the loan effective July 1, 2021. As a result, the principal balance loaned by the University to Health Care Network was paid off effectively July 1, 2021. There was no balance outstanding at June 30, 2022.

Bonds Payable – FIU Athletics Finance Corporation

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

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

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

The bonds are secured by operating and nonoperating revenues as well as University athletic fees, not to exceed 5 percent of the total athletic fees collected. Total principal due at June 30, 2022, was $22,735,000.

The Finance Corporation has funded a debt service reserve fund in accordance with the bond indenture requirement of maintaining an amount equal to the maximum allowable debt service on the bond in the current and any future fiscal year. This debt service reserve fund currently totals $2,783,067 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.

The aggregate maturities of these bonds as of June 30, 2022, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	$ 1,645,000	$ 996,845	$ 2,641,845
2024	1,730,000	927,363	2,657,363
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
Thereafter	13,650,000	2,056,528	15,706,528
Total	$ 22,735,000	$ 6,286,492	$ 29,021,492

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 5.50 percent, which is the fixed rate payable by the Finance Corporation under the interest rate swap agreement of 3.60 percent plus 1.90 percent.

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

Fair Value. As of June 30, 2022, the Finance Corporation interest rate swap agreement has a derivative liability of $1,530,124 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, 2022.

As of June 30, 2022, the fair value of the Series 2007A ineffective interest rate swap agreement was $1,041,084. This interest rate swap agreement was not terminated when the bonds were refunded in December 2009 nor in December 2016. The interest rate on the refunded Series 2009A bonds reflects a higher rate due to not terminating this interest rate swap agreement. Accordingly, the fair value of $1,041,084 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 outflow of resources in the amount of $489,040.

Credit Risk. As of June 30, 2022, 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 LIBOR rate, there is limited basis risk.

Termination Risk. The derivative contract uses the International Swap Dealers Association (ISDA) Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The schedule to the Master Agreement includes an "additional termination event". That is, the interest rate swap agreement may be terminated if: (i) the loan or other indebtedness in connection with which a transaction entered into by the Finance Corporation for the purpose or with the effect of altering the net combined payment from a floating to fixed or a fixed to floating-rate basis is repaid, whether upon acceleration of principal, at maturity, or otherwise, or for any other reason ceases to be an obligation of the Finance Corporation, with or without the consent of the counterparty; or (ii) any credit support document expires, terminates, or ceases to be of full force and effect. Also, the interest rate swap agreement may be terminated or assigned by the Finance Corporation if the counterparty's long-term, senior, unsecured, unenhanced debt rating is withdrawn, suspended, or falls below at least two of the following: a) "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, 2022, the swap counterparty was rated in excess of the aforementioned requirements.

Swap Payments and Associated Debt. Using rates as of June 30, 2022, 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 Principal	Variable-Rate Bond Interest	Interest Rate Swap, Net	Total
2023	$ 1,135,000	$ 528,680	$ 270,011	$ 1,933,691
2024	1,185,000	490,594	252,590	1,928,184
2025	1,245,000	450,829	230,250	1,926,079
2026	1,300,000	409,052	208,913	1,917,965
2027	1,355,000	365,429	186,634	1,907,063
Thereafter	9,535,000	1,161,553	505,058	11,201,611
Total	$ 15,755,000	$ 3,406,137	$ 1,653,456	$ 20,814,593

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.

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. An annual comprehensive 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 $7,589,073 for the fiscal year ended June 30, 2022.

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 Clas*s - 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.

The following table shows the percentage value for each year of service credit earned:

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

As provided in Section 121.101, Florida Statutes, if the member was initially enrolled in the Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 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 2021-22 fiscal year were:

	Percent of Gross Salary	
Class	**Employee**	**Employer (1)**
Florida Retirement System, Regular	3.00	10.82
Florida Retirement System, Senior Management Service	3.00	29.01
Florida Retirement System, Special Risk	3.00	25.89
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	18.34
Florida Retirement System, Reemployed Retiree	(2)	(2)

Notes: (1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.
(2) Contribution rates are dependent upon retirement class in which reemployed.

The University's contributions to the Plan totaled $27,929,542 for the fiscal year ended June 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2022, the University reported a liability of $47,237,454 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The University's proportionate share of the net pension liability was based on the University's 2020-21 fiscal year contributions relative to the total 2020-21 fiscal year contributions of all participating members. At June 30, 2021, the University's proportionate share was 0.625341648 percent, which was an increase of 0.002124916 from its proportionate share measured as of June 30, 2020.

For the year ended June 30, 2022, the University recognized pension expense of $1,745,953. 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	$ 8,096,575	$ -
Change of Assumptions	32,322,208	-
Net Difference Between Projected and Actual Earnings on FRS Plan Investments	-	164,799,604
Changes in Proportion and Differences Between University FRS Contributions and Proportionate Share of FRS Contributions	5,007,035	2,160,340
University FRS Contributions Subsequent to the Measurement Date	27,929,542	-
Total	$ 73,355,360	$ 166,959,944

The deferred outflows of resources related to pensions totaling $27,929,542, 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, 2023.

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
2023	$ (20,588,591)
2024	(24,385,005)
2025	(33,362,749)
2026	(43,547,962)
2027	350,181
Total	$ (121,534,126)

Actuarial Assumptions. The total pension liability in the July 1, 2021, 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	6.80 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, 2021, 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 %	2.1 %	2.1 %	1.1 %
Fixed Income	20 %	3.8 %	3.7 %	3.3 %
Global Equity	54.2 %	8.2 %	6.7 %	17.8 %
Real Estate (Property)	10.3 %	7.1 %	6.2 %	13.8 %
Private Equity	10.8 %	11.7 %	8.5 %	26.4 %
Strategic Investments	3.7 %	5.7 %	5.4 %	8.4 %
Total	100 %			
Assumed Inflation - Mean			2.4 %	1.2 %

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

Discount Rate. The discount rate used to measure the total pension liability was 6.80 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 2021 valuation was unchanged from the previous valuation.

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 6.80 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 (5.80 percent) or 1 percentage point higher (7.80 percent) than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
University's Proportionate Share of the Net Pension Liability	$ 211,249,060	$ 47,237,454	$ (89,857,859)

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, 2022, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement with a minimum HIS payment of $30 and a maximum HIS payment of $150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2022, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The University contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The University's contributions to the HIS Plan totaled $3,234,096 for the fiscal year ended June 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2022, the University reported a liability of $65,172,184 for its proportionate share of the net pension liability. The current portion of the net pension liability is the University's proportionate share of benefit payments expected to be paid within one year, net of the University's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, and update procedures were used to determine the net pension liability as of June 30, 2021. The University's proportionate share of the net pension liability was based on the University's 2020-21 fiscal year contributions relative to the total 2020-21 fiscal year contributions of all participating members. At June 30, 2021, the University's proportionate share was 0.531302048 percent, which was an increase of 0.008417625 from its proportionate share measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the University recognized pension expense of $5,843,120. 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	$ 2,180,826	$ 27,297
Change of Assumptions	5,121,075	2,685,260
Net Difference Between Projected and Actual Earnings on HIS Plan Investments	67,940	-
Changes in Proportion and Differences Between University HIS Contributions and Proportionate Share of HIS Contributions	3,102,704	-
University HIS Contributions Subsequent to the Measurement Date	3,234,096	-
Total	$ 13,706,641	$ 2,712,557

The deferred outflows of resources totaling $3,234,096 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, 2023.

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
2023	$ 2,191,217
2024	1,154,651
2025	1,493,427
2026	1,608,436
2027	1,078,813
Thereafter	233,444
Total	$ 7,759,988

Actuarial Assumptions. The total pension liability in the July 1, 2021, 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	2.16 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 2.16 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 2021 valuation was updated from 2.21 percent to 2.16 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 2.16 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.16 percent) or 1 percentage point higher (3.16 percent) than the current rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
University's Proportionate Share of the Net Pension Liability	$ 75,345,358	$ 65,172,184	$ 56,837,543

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 2021-22 fiscal year were as follows:

Class	Percent of Gross Compensation
Florida Retirement System, Regular	6.30
Florida Retirement System, Senior Management Service	7.67
Florida Retirement System, Special Risk Regular	14.00

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the FRS Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2022, 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 $6,924,316 for the fiscal year ended June 30, 2022.

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, 4.19 percent to cover the unfunded actuarial liability of the FRS pension plan, and 0.01 percent to cover administrative costs for a total of 9.34 percent, and employees contribute 3 percent of the employee's salary. Additionally, the employee may contribute, by payroll deduction, an amount not to exceed the percentage contributed by the University to the participant's annuity account. The contributions are invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement.

The University's contributions to the Program totaled $25,067,904 and employee contributions totaled $14,134,567 for the 2021-22 fiscal year.

15. CONSTRUCTION COMMITMENTS

The University's major construction commitments at June 30, 2022, were as follows:

Project Description	Total Commitment	Completed to Date	Balance Committed
Auxiliary Construction Projects	$ 80,801,004	$ 32,251,314	$ 48,549,690
Engineering Building Phases I & II	41,500,000	1,592,277	39,907,723
SIPA Building Phase II	37,212,930	24,689,624	12,523,306
Tamiami Hall	95,191,665	89,227,487	5,964,178
CASE Building Renovation	5,844,436	105,245	5,739,191
East Loop Road Realignment	3,405,000	128,489	3,276,511
Graham Center Expansion	6,075,636	-	6,075,636
Subtotal	270,030,671	147,994,436	122,036,235
Projects with Balance Committed Under $3 Million	125,085,697	100,832,250	24,253,447
Total	$ 395,116,368	$ 248,826,686	$ 146,289,682

16. RELATED PARTY TRANSACTIONS

Florida International University Foundation, Inc.

On December 1, 1999, the former Board of Regents of the State University System of the State of Florida for and on behalf of the University entered into a ground lease agreement with the Foundation. Under this agreement, the Foundation leases from the University the grounds on which a multi-function support complex facility was built on the Modesto A. Maidique campus. The consideration required to be paid by the Foundation is $10 annually. The ground lease will expire on December 31, 2024, or on the date the Foundation makes its final payment under a letter of credit agreement related to the financing of the facility. Total amounts paid to the Foundation under this agreement were $1,935,233 for the year ended June 30, 2022.

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

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

On May 1, 2022, the Foundation made the final payment on the letter of credit. As per the terms of the ground lease, the Foundation completed the transfer of the facility to the University, at carrying value, on June 30, 2022. The carrying value of the building, improvements, and furniture and fixtures is reflected as $9,670,696 of other expenses in the current year. The facility has an estimated replacement cost of approximately $34 million.

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
2023	$ 1,304,083
2024	1,304,083
2025	1,304,083
2026	1,304,083
2027	1,304,083
2028-2032	6,520,416
2033	1,195,410
Total Minimum Payments Required	$ 14,236,241

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 $2.9 million during the 2021-22 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 $0.3 million during the 2021-22 fiscal year for utilities, repairs, and maintenance expenses for buildings used by the Wolfsonian.

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 2021-22 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 $57.5 million for named windstorm and flood through February 14, 2022, and decreased to $56.3 million starting February 15, 2022. For perils other than named windstorm and flood, losses in excess of $2 million per occurrence were commercially insured up to $167.5 million through February 14, 2022, and increased to $168.7 million starting February 15, 2022; 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 2020-21 and 2021-22 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, 2021	$ 29,271	$ 230,753	$ (34,167)	$ 225,857
June 30, 2022	225,857	42,306	(41,108)	227,055

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	$ 341,432,931
Research	172,745,937
Public Services	14,393,237
Academic Support	116,560,684
Student Services	72,553,274
Institutional Support	104,077,029
Operation and Maintenance of Plant	65,313,460
Scholarships, Fellowships, and Waivers	191,627,285
Depreciation	52,833,498
Auxiliary Enterprises	55,100,529
Total Operating Expenses	$ 1,186,637,864

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

	Housing Facilities	Parking Facilities
Assets		
Current Assets	$ 31,035,766	$ 12,446,329
Capital Assets, Net	205,300,659	92,071,272
Other Noncurrent Assets	7,256,233	774,575
Total Assets	243,592,658	105,292,176
Liabilities		
Current Liabilities	13,629,952	2,675,901
Noncurrent Liabilities	143,363,041	46,601,578
Total Liabilities	156,992,993	49,277,479
Net Position		
Net Investment in Capital Assets	56,036,043	44,022,038
Restricted - Expendable	3,925,714	749,038
Unrestricted	26,637,908	11,243,621
Total Net Position	$ 86,599,665	$ 56,014,697

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

	Housing Facilities	Parking Facilities
Operating Revenues	$ 25,738,675	$ 14,125,892
Depreciation Expense	(3,947,157)	(3,139,152)
Other Operating Expenses	(17,035,110)	(8,735,758)
Operating Income	4,756,408	2,250,982
Nonoperating Revenues (Expenses):		
Nonoperating Revenue	3,262,336	1,385,757
Interest Expense	(4,408,990)	(1,996,749)
Other Nonoperating Expenses	-	(2,727)
Net Nonoperating Expenses	(1,146,654)	(613,719)
Income Before Transfers	3,609,754	1,637,263
Net Transfers	(88,472)	(72,018)
Increase in Net Position	3,521,282	1,565,245
Net Position, Beginning of Year	83,078,383	54,449,452
Net Position, End of Year	$ 86,599,665	$ 56,014,697

Condensed Statement of Cash Flows

	Housing Facilities	Parking Facilities
Net Cash Provided (Used) by:		
Operating Activities	$ 10,726,790	$ 6,003,578
Noncapital Financing Activities	1,992,712	278
Capital and Related Financing Activities	(47,161,239)	(4,636,431)
Investing Activities	43,935,268	(863,476)
Net Increase in Cash and Cash Equivalents	9,493,531	503,949
Cash and Cash Equivalents, Beginning of Year	159,996	3,071,269
Cash and Cash Equivalents, End of Year	$ 9,653,527	$ 3,575,218

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	$ 30,842,039	$ 5,084,038	$ 6,851,498	$ 42,777,575
Capital Assets, Net	7,832,027	-	26,232	7,858,259
Other Noncurrent Assets	383,527,507	15,715,225	5,818,130	405,060,862
Total Assets	422,201,573	20,799,263	12,695,860	455,696,696
Deferred Outflows of Resources	-	650,475	-	650,475
Liabilities				
Current Liabilities	8,671,776	1,974,037	2,537,057	13,182,870
Noncurrent Liabilities	495,549	23,472,365	-	23,967,914
Total Liabilities	9,167,325	25,446,402	2,537,057	37,150,784
Deferred Inflows of Resources	317,885	-	5,085,371	5,403,256
Net Position				
Net Investment in Capital Assets	7,345,972	-	26,232	7,372,204
Restricted Nonexpendable	198,540,065	-	-	198,540,065
Restricted Expendable	145,013,261	-	-	145,013,261
Unrestricted	61,817,065	(3,996,664)	5,047,200	62,867,601
Total Net Position	$ 412,716,363	$ (3,996,664)	$ 5,073,432	$ 413,793,131

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	$ 28,860,598	$ 5,507,789	$ 11,682,931	$ 46,051,318
Depreciation Expense	(734,854)	(3,650)	(5,000)	(743,504)
Operating Expenses	(63,062,435)	(2,816,499)	(5,946,180)	(71,825,114)
Operating (Loss) Income	(34,936,691)	2,687,640	5,731,751	(26,517,300)
Net Nonoperating Revenues (Expenses)				
Investment (Loss)/Income	(25,423,340)	4,223	(29,046)	(25,448,163)
Interest Expense	(11,198)	(976,276)	-	(987,474)
Other Nonoperating Revenues (Expenses)	14,950,318	-	(3,292,098)	11,658,220
Net Nonoperating Expenses	(10,484,220)	(972,053)	(3,321,144)	(14,777,417)
Other Losses	(12,170,696)	-	-	(12,170,696)
(Decrease)/Increase in Net Position	(57,591,607)	1,715,587	2,410,607	(53,465,413)
Net Position, Beginning of Year	470,307,970	(5,712,251)	2,662,825	467,258,544
Net Position, End of Year	$ 412,716,363	$ (3,996,664)	$ 5,073,432	$ 413,793,131

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

	2021 (1)	2020 (1)	2019 (1)	2018 (1)	2017 (1)
University's Proportion of the Total Other Postemployment Benefits Liability	3.40 %	3.43 %	3.18 %	2.57 %	2.57 %
University's Proportionate Share of the Total Other Postemployment Benefits Liability	$358,187,113	$352,563,977	$402,994,810	$271,175,000	$277,334,000
University's Covered Payroll	$449,423,678	$441,956,666	$426,565,567	$402,854,082	$388,298,438
University's Proportionate Share of the Total Other Postemployment Benefits Liability as a Percentage of its Covered Payroll	79.70 %	79.77 %	94.47 %	67.31 %	71.42 %

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

Notes to Required Supplementary Information:

No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75 to pay related benefits. The University's June 30, 2022, proportionate share of the total OPEB liability decreased slightly from the prior fiscal year as a result of changes to assumptions as discussed below.

Changes in Assumptions. In 2022, amounts reported as changes of assumptions resulted from a change to the discount rate, updates to the retirement, termination, disability, and salary scale rates, and a change in active medical plan election rate. 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 NET PENSION LIABILITY - FLORIDA RETIREMENT SYSTEM PENSION PLAN

	2021 (1)	2020 (1)	2019 (1)	2018 (1)	2017 (1)
University's Proportion of the FRS Net Pension Liability	0.63%	0.62%	0.64%	0.62%	0.58%
University's Proportionate Share of the FRS Net Pension Liability	$ 47,237,454	$270,111,316	$219,045,078	$186,930,731	$172,260,097
University's Covered Payroll (2)	$449,423,678	$441,956,666	$426,565,567	$402,854,082	$388,298,438
University's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	10.51 %	61.12 %	51.35 %	46.40 %	44.36 %
FRS Plan Fiduciary Net Pension as a Percentage of the FRS Total Pension Liability	96.40 %	78.85 %	82.61 %	84.26 %	83.89 %

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

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

Notes to Required Supplementary Information:

Change of Assumptions. The maximum amortization period was decreased to 20 years for all current and future amortization bases.

FLORIDA INTERNATIONAL UNIVERSITY

OTHER REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - FLORIDA RETIREMENT SYSTEM PENSION PLAN

	2016 (1)	2015 (1)	2014 (1)	2013 (1)
University's Proportion of the FRS Net Pension Liability	0.58%	0.57%	0.53%	0.38%
University's Proportionate Share of the FRS Net Pension Liability	$145,845,435	$ 73,303,925	$ 32,080,257	$ 65,503,841
University's Covered Payroll (2)	$370,763,486	$355,458,891	$332,597,433	$305,657,917
University's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	39.34 %	20.62 %	9.65 %	21.43 %
FRS Plan Fiduciary Net Pension as a Percentage of the FRS Total Pension Liability	84.88 %	92.00 %	96.09 %	88.54 %

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

	2022 (1)	2021 (1)	2020 (1)	2019 (1)	2018 (1)
Contractually Required FRS Contribution	$ 27,929,542	$ 23,822,815	$ 20,706,730	$ 19,721,988	$ 17,686,866
FRS Contributions in Relation to the Contractually Required Contribution	(27,929,542)	(23,822,815)	(20,706,730)	(19,721,988)	(17,686,866)
FRS Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
University's Covered Payroll (2)	$459,617,718	$449,423,678	$441,956,666	$426,565,567	$402,854,082
FRS Contributions as a Percentage of Covered Payroll	6.08 %	5.30 %	4.69 %	4.62 %	4.39 %

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

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

Notes to Required Supplementary Information:

Change of Assumptions. The maximum amortization period was decreased to 20 years for all current and future amortization bases.

FLORIDA INTERNATIONAL UNIVERSITY

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

	2017 (1)	2016 (1)	2015 (1)	2014 (1)
Contractually Required FRS Contribution	$ 15,160,433	$ 14,085,792	$ 13,836,828	$ 11,516,793
FRS Contributions in Relation to the Contractually Required Contribution	(15,160,433)	(14,085,792)	(13,836,828)	(11,516,793)
FRS Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
University's Covered Payroll (2)	$388,298,438	$370,763,486	$355,458,891	$332,597,433
FRS Contributions as a Percentage of Covered Payroll	3.90 %	3.80 %	3.89 %	3.46 %

FLORIDA INTERNATIONAL UNIVERSITY

OTHER REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - HEALTH INSURANCE SUBSIDY PENSION PLAN

	2021 (1)	2020 (1)	2019 (1)	2018 (1)	2017 (1)
University's Proportion of the HIS Net Pension Liability	0.53%	0.52%	0.52%	0.50%	0.49%
University's Proportionate Share of the HIS Net Pension Liability	$ 65,172,184	$ 63,843,336	$ 58,182,613	$ 53,094,937	$ 52,274,414
University's Covered Payroll (2)	$182,271,803	$178,126,318	$168,199,711	$156,730,885	$168,353,927
University's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	35.76 %	35.84 %	34.59 %	33.88 %	31.05 %
HIS Plan Fiduciary Net Pension as a Percentage of the HIS Total Pension Liability	3.56 %	3.00 %	2.63 %	2.15 %	1.64 %

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

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

Notes to Required Supplementary Information:

Change of Assumptions. The municipal rate used to determine total pension liability decreased from 2.21 percent to 2.16 percent.

FLORIDA INTERNATIONAL UNIVERSITY

OTHER REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - HEALTH INSURANCE SUBSIDY PENSION PLAN

	2016 (1)	2015 (1)	2014 (1)	2013 (1)
University's Proportion of the HIS Net Pension Liability	0.48%	0.47%	0.45%	0.42%
University's Proportionate Share of the HIS Net Pension Liability	$ 56,235,698	$ 48,191,110	$ 42,007,145	$ 36,379,258
University's Covered Payroll (2)	$147,667,524	$140,089,301	$130,882,051	$118,388,264
University's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	38.08 %	34.40 %	32.10 %	30.73 %
HIS Plan Fiduciary Net Pension as a Percentage of the HIS Total Pension Liability	0.97 %	0.50 %	0.99 %	1.78 %

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

	2022 (1)	2021 (1)	2020 (1)	2019 (1)	2018 (1)
Contractually Required HIS Contribution	$ 3,234,096	$ 3,122,998	$ 3,013,138	$ 2,887,500	$ 2,720,447
HIS Contributions in Relation to the Required HIS Contribution	(3,234,096)	(3,122,998)	(3,013,138)	(2,887,500)	(2,720,447)
HIS Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
University's Covered Payroll (2)	$ 188,456,096	$ 182,271,803	$ 178,126,318	$ 168,199,711	$ 156,730,885
HIS Contributions as a Percentage of Covered Payroll	1.72 %	1.71 %	1.69 %	1.72 %	1.74 %

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

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

Notes to Required Supplementary Information:

Change of Assumptions. The municipal rate used to determine total pension liability decreased from 2.21 percent to 2.16 percent.

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

	2017 (1)	2016 (1)	2015 (1)	2014 (1)
Contractually Required HIS Contribution	$ 2,587,349	$ 2,473,222	$ 1,806,322	$ 1,539,022
HIS Contributions in Relation to the Required HIS Contribution	(2,587,349)	(2,473,222)	(1,806,322)	(1,539,022)
HIS Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
University's Covered Payroll (2)	$ 168,353,927	$ 147,667,524	$ 140,089,301	$ 130,882,051
HIS Contributions as a Percentage of Covered Payroll	1.54 %	1.67 %	1.29 %	1.18 %

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House of Representatives, and the
Legislative Auditing Committee

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of 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, 2022, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated March 24, 2023, 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

Sherrill F. Norman, CPA
Tallahassee, Florida
March 24, 2023
Audit Report No. 2023-168


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Florida International University

Parking System

Financial Statements

For the Fiscal Years Ended
June 30, 2022 and June 30, 2021

Unaudited

Florida International University

Parking System

Table of Contents

Florida International University
Parking System
Management's Discussion and Analysis

The management's discussion and analysis (MD&A) introduces the Florida International University's Parking System Annual Financial Statements and provides an overview of the Parking System financial activities during the fiscal year ended June 30, 2022, and should be read in conjunction with the financial statements and notes hereto. This overview is required by the Governmental Accounting Standards Board (GASB) Statement No. 35. The MD&A, financial statements and notes hereto, are the responsibility of University Management. The MD&A contains financial activity of the University's Parking System for the fiscal years ended June 30, 2022, and June 30, 2021.

FINANCIAL HIGHLIGHTS

The Parking System's assets totaled $105.3 million at June 30, 2022. This amount is reported net of accumulated depreciation of $37.8 million. Total assets decreased $1.3 million or 1.2 percent as compared to the 2020-21 fiscal year. There was an increase in cash and cash equivalents and investments $0.5 million and $1 million, respectively. The net decrease in capital assets resulted from the increase in accumulated depreciation on capital assets of $3.1 million and was offset by slight increases in furniture and equipment, buildings, and construction in progress of $0.4 million.

Total liabilities were $49.3 million at June 30, 2022, compared to $52.1 million at June 30, 2021. The decrease of $2.8 million or 5.4 percent is mainly attributed to reductions of $3.3 million principal payments on capital improvement debt payable, which was offset by a slight increase in accounts payable of $0.5 million.

The Parking System's total net position balance of $56 million at the end of the year represents an increase of $1.5 million or 2.8 percent from the total beginning net position balance of $54.5 million. Total net position consisted primarily of $44 million in net investment in capital assets and $11.2 million unrestricted.

THE STATEMENT OF NET POSITION

The statement of net position reflects the assets and liabilities of the Parking System, using the accrual basis of accounting, and presents the financial position of the System at a specified time. The difference between total assets and total liabilities, equals net position, which is one indicator of the Parking System's current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the Parking System's financial condition.

The following summarizes the Parking System's assets, liabilities, and net position at June 30:

Condensed Statements of Net Position at June 30
(In Millions)

	2022	2021
Assets		
Current Assets	$ 12.5	$ 11.8
Capital Assets, Net	92.1	94.7
Other Noncurrent Assets	0.7	0.1
Total Assets	105.3	106.6
Liabilities		
Current Liabilities	2.7	3.8
Noncurrent Liabilities	46.6	48.3
Total Liabilities	49.3	52.1
Net Position		
Net Investment in Capital Assets	44.0	43.4
Restricted	0.8	0.1
Unrestricted	11.2	11.0
Total Net Position	$ 56.0	$ 54.5

THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

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

The following summarizes the Parking System's activity for the 2021-22 and 2020-21 fiscal years:

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

For the Fiscal Years Ended June 30

(In Millions)

	2022	2021
Operating Revenues	$ 14.1	$ 13.2
Less, Operating Expenses	11.9	10.0
Operating Income	2.2	3.2
Net Nonoperating (Expenses) Revenues	(0.6)	1.1
Income Before Transfers	1.6	4.3
Transfers Out	(0.1)	(0.2)
Increase in Net Position	1.5	4.1
Net Position, Beginning of Year	54.5	50.4
Net Position, End of Year	$ 56.0	$ 54.5

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 give up or receive something of equal or similar value.

The following summarizes the operating revenues by source that were used to fund operating activities for the 2021-22 and 2020-21 fiscal years:

Operating Revenues

For the Fiscal Years Ended June 30

(In Millions)

	2022	2021
Parking Decal and Fees	$ 12.2	$ 12.3
Visitor Parking	0.5	0.2
Traffic Fines and Other Operating	1.4	0.7
Total Operating Revenues	$ 14.1	$ 13.2

Operating revenues were $14.1 million for the fiscal year 2021-22, representing a slight increase of $0.9 million from 2020-21 fiscal year. Revenues derived from parking decals and fees, totaling $12.2 million, were the largest components of operating revenues. The net increase in operating revenues are mainly comprised of a $0.3 million increase to visitor parking revenue and $0.7 million increase in traffic fines and other operating revenues. These increases in operating revenues were the result of increased campus activity and on-site presence as the University progressed closer to normal post-pandemic operations. The Parking System received $1.2 million of Higher Education Emergency Relief Fund (HEERF) Act institutional funding as reimbursement for lost revenue. These HEERF Act funds are classified as other nonoperating revenues, and are therefore not included in operating revenues.

Operating Expenses

Expenses are categorized as operating or nonoperating. The majority of the Parking System 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 Parking System has chosen to report the expenses in their natural classification on the statement of revenues, expenses, and changes in net position.

The following summarizes the operating expenses by natural classifications for the 2021-22 and 2020-21 fiscal years:

Operating Expenses

For the Fiscal Years Ended June 30

(In Millions)

	2022	2021
Compensation and Employee Benefits	$ 3.3	$ 3.3
Services and Supplies	4.8	2.8
Utilities and Communications	0.5	0.4
Scholarships, Fellowships, and Waivers	0.2	0.2
Depreciation	3.1	3.3
Total Operating Expenses	$ 11.9	$ 10.0

Operating expenses totaled $11.9 million, representing an increase of $1.9 million from the 2020-21 fiscal year, mainly due to higher expenses for services and supplies of $2 million which was resulted from expanded on-campus activity as the University progressed closer to normal post-pandemic operations. Operating expenses include depreciation expense of $3.1 million.

Nonoperating Revenues and Expenses

Nonoperating revenues and expenses reported during fiscal year 2021-22 consist of noncapital donations, investment income, other nonoperating revenues, loss on disposal of capital assets, and interest expense on capital asset-related debt. There was an overall decrease of $0.5 million in other nonoperating revenues resulting from a reduction of HEERF Act institutional funding for reimbursements to the Parking System which were lower than the fiscal year 2020-21 when the effect of the COVID-19 pandemic were more prevalent. As noted in the operating revenue section, HEERF Act revenue is required to be reported as nonoperating revenue. The remaining fluctuation in nonoperating revenues and expenses is mainly attributable to slight decreases in investment income and interest on asset related debt and investment income.

THE STATEMENT OF CASH FLOWS

The statement of cash flows provides information about the Parking System's financial results by reporting the major sources and uses of cash and cash equivalents. This statement will assist in evaluating the Parking System'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 provided by the operating activities of the Parking System. 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 2021-22 and 2020-21 fiscal years:

Condensed Statements of Cash Flows

For the Fiscal Years Ended June 30

(In Millions)

	2022	2021
Cash Provided (Used) by:		
Operating Activities	$ 6.0	$ 6.7
Capital and Related Financing Activities	(4.6)	(3.7)
Investing Activities	(0.9)	(1.6)
Net Increase in Cash and Cash Equivalents	0.5	1.4
Cash and Cash Equivalents, Beginning of Year	3.1	1.7
Cash and Cash Equivalents, End of Year	$ 3.6	$ 3.1

Major sources of funds were Parking decals and fees $12.2 million and traffic fines, towing and other operating revenues $1.9 million. Major uses of funds were disbursements for payments to suppliers $4.7 million, payments made to and on behalf of employees $3.4 million, payments for principal on capital improvement debt payable $3 million, and interest on capital debt $2.3 million.

CAPITAL ASSETS

At June 30, 2022 the Parking System had $129.9 million in capital assets, less accumulated depreciation of $37.8 million, for net capital assets of $92.1 million. Depreciation charges for the current fiscal year totaled $3.1 million.

Capital Assets, Net at June 30

(In Millions)

	2022	2021
Construction in Progress	$ 4.0	$ 3.6
Buildings	85.5	88.2
Infrastructure and Other Improvements	1.8	1.9
Furniture and Equipment	0.8	1.0
Capital Assets, Net	$ 92.1	$ 94.7

DEBT ADMINISTRATION

As of June 30, 2022 the Parking System had $48.1 million in outstanding capital improvement debt payable.

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

Long-Term Debt, at June 30

(In Millions)

	2022	2021
Capital Improvement Debt Payable	$ 48.1	$ 51.4

In a continuous effort to provide better customer service to all constituents, the Parking System will continue to look into new strategies and develop services to provide improved access to educational and research programs, services, and activities to all students, faculty, staff, and visitors.

REQUESTS FOR INFORMATION

Questions concerning information provided in the MD&A, financial statements and notes thereto, or requests for additional financial information should be addressed to the Interim 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
Parking System
Statements of Net Position (Unaudited)
June 30, 2022 and 2021

	2022	2021
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 3,282,804	$ 3,023,498
Investments	8,764,619	8,206,737
Accounts Receivable, Net	398,906	547,701
Total Current Assets	12,446,329	11,777,936
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	292,414	47,771
Restricted Investments	482,161	19,823
Furniture and Equipment	2,647,390	2,638,434
Infrastructure and Other Improvements	2,581,735	2,581,735
Buildings	120,620,259	120,609,910
Construction in Progress	3,973,949	3,567,480
Accumulated Depreciation	(37,752,060)	(34,704,415)
Total Noncurrent Assets	92,845,848	94,760,738
Total Assets	105,292,177	106,538,674
LIABILITIES		
Current Liabilities:		
Accounts Payable	850,070	342,852
Construction Contracts Payable	25,540	16,925
Salaries and Wages Payable	101,602	135,221
Due to Component Units/University	38	-
Long-Term Liabilities - Current Portion		
Capital Improvement Debt Payable	1,684,088	3,285,046
Compensated Absences Payable	14,564	14,039
Total Current Liabilities	2,675,902	3,794,083
Noncurrent Liabilities:		
Capital Improvement Debt Payable	46,430,451	48,114,538
Compensated Absences Payable	171,127	180,601
Total Noncurrent Liabilities	46,601,578	48,295,139
Total Liabilities	49,277,480	52,089,222
NET POSITION		
Net Investment in Capital Assets	44,022,038	43,358,171
Restricted for Expendable		
Debt Service	6,175	3,036
Capital Projects	742,863	47,635
Unrestricted	11,243,621	11,040,610
TOTAL NET POSITION	$ 56,014,697	$ 54,449,452

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

Florida International University
Parking System
Statements of Revenues, Expenses, and Changes in Net Position (Unaudited)
For the Fiscal Years Ended June 30, 2022 and 2021

	2022	2021
REVENUES		
Operating Revenues:		
Parking Decal and Fees	$ 12,206,126	$ 12,291,039
Visitor Parking	549,056	192,670
Traffic Fines, Towing, and Other Operating Revenue	1,370,710	731,059
Total Operating Revenues	14,125,892	13,214,768
EXPENSES		
Operating Expenses:		
Compensation and Employee Benefits	3,337,420	3,303,643
Services and Supplies	4,738,895	2,862,994
Utilities and Communications	458,934	389,338
Scholarships, Fellowships, and Waivers	200,509	207,111
Depreciation	3,139,152	3,255,274
Total Operating Expenses	11,874,910	10,018,360
Operating Income	2,250,982	3,196,408
NONOPERATING REVENUES (EXPENSES)		
Noncapital Donations	278	-
Investment Income	156,744	290,841
Other Nonoperating Revenues	1,228,735	2,929,922
Loss on Disposal of Capital Assets	(2,727)	-
Interest on Capital Asset-Related Debt	(1,996,749)	(2,097,011)
Net Nonoperating (Expenses) Revenues	(613,719)	1,123,752
Income Before Transfers	1,637,263	4,320,160
Transfers Out	(72,018)	(229,120)
Increase in Net Position	1,565,245	4,091,040
Net Position, Beginning of Year	54,449,452	50,358,412
Net Position, End of Year	$ 56,014,697	$ 54,449,452

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

Florida International University
Parking System
Statements of Cash Flows (Unaudited)
For the Fiscal Years Ended June 30, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Sales and Services of Parking System	$ 14,124,994	$ 13,213,252
Changes in Other Accounts Receivable	149,691	(65,115)
Payments to Employees	(3,379,987)	(3,277,016)
Payments to Suppliers for Goods and Services	(4,690,611)	(2,965,206)
Other Operating Disbursements	(200,509)	(207,111)
Net Cash Provided by Operating Activities	6,003,578	6,698,804
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Noncapital Donations	278	-
Net Cash Provided by Noncapital Financing Activities	278	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Grants, Contracts, Donations, and Fees	1,228,735	2,929,922
Purchase or Construction of Capital Assets	(583,371)	(1,366,339)
Principal Paid on Capital Debt	(3,030,000)	(2,920,000)
Interest Paid on Capital Debt	(2,251,795)	(2,352,057)
Net Cash Used by Capital and Related Financing Activities	(4,636,431)	(3,708,474)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Change in Investments	(1,020,220)	(1,869,495)
Investment Income	156,744	290,841
Net Cash (Used) Provided by Investing Activities	(863,476)	(1,578,654)
Net Increase in Cash and Cash Equivalents	503,949	1,411,676
Cash and Cash Equivalents, Beginning of Year	3,071,269	1,659,593
Cash and Cash Equivalents, End of Year	$ 3,575,218	$ 3,071,269
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	$ 2,250,982	$ 3,196,408
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	3,139,152	3,255,274
Change in Assets and Liabilities		
Accounts Receivable, Net	148,794	(66,629)
Accounts Payable	507,218	287,124
Accrued Salaries and Wages	(33,619)	20,096
Accrued Compensated Absences Current & Noncurrent	(8,949)	6,531
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 6,003,578	$ 6,698,804
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND CAPITAL FINANCING ACTIVITIES		
Losses from the disposal of capital assets were recognized on the statements of revenues, expenses, and changes in net position, but are not cash transactions for the statements of cash flows.	$ (2,727)	$ -

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The financial statements of the Parking System are an integral part of the financial statements of Florida International University (the University). The University is a part of the State University System and accordingly, the University is governed, regulated, and coordinated by the Florida Board of Governors and the University's Board of Trustees.

Basis of Presentation

The Parking System'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. GASB allows public universities various reporting options. The Parking System 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:
    - Statements of Net Position
    - Statements of Revenues, Expenses, and Changes in Net Position
    - Statements of Cash Flows
    - Notes to Financial Statements

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues, expenses, and related assets, deferred outflows of resources, liabilities, and deferred inflows of resources, are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The Parking System'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 and the Parking System follow GASB standards of accounting and financial reporting.

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 Parking System's policy to first apply the restricted resources to such programs, followed by the use of the unrestricted resources.

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.*

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Newly Implemented Accounting Standards

For the fiscal year ended June 30, 2022 the University and the Parking System implemented GASB Statement No. 87, *Leases*, which seeks to improve the accounting and reporting for leases, by requiring the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, while the lessor is required to recognize a lease receivable and a deferred inflow of resources. While this Statement substantially impacts the University's lease accounting and reporting, the impact to the Parking System is not substantial. The only potential leases in the Parking System are related to copy machines. Therefore, expenses for copier services continue to be recorded as operating expenses in the statement of revenue, expenses and changes in net position.

Cash and Cash Equivalents

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

Capital Assets

The Parking System's capital assets consist of buildings, infrastructure and improvements, furniture and equipment, and construction in progress. These assets are capitalized and recorded at cost at the date of acquisition. 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 $5,000 for tangible personal property and $100,000 for buildings, leasehold improvements and other improvements. Depreciation is computed on the straight-line basis over the following estimated useful lives:

- Buildings – 20 to 50 years
- Infrastructure and Other Improvements – 15 years
- Furniture and Equipment – 3 to 20 years

Noncurrent Liabilities

Noncurrent liabilities include capital improvement debt payable and compensated absences payable. Capital improvement debt is reported net of unamortized premium and deferred losses on refunding. The University amortizes debt premiums over the life of the debt using the straight-line method. Deferred losses on refundings are amortized over the life of the old debt or new debt (whichever is shorter) using the straight-line method.

2. INVESTMENTS

Investments for the Parking System are reported at the market value of $9,246,780 and $8,226,560 at June 30, 2022 and 2021, respectively.

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 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 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; 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; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and other investments approved by the University Board of Trustees as authorized by law. Investments set aside to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted.

The Parking System's investments consists of money market funds reported at amortized cost totaling $9,240,608 and $8,223,525 at June 30, 2022 and 2021, respectively, and SBA Debt Service Accounts totaling $6,172 and $3,035 at June 30, 2022 and 2021, respectively reported as Level 1 inputs at fair value according to GASB No. 72.

State Board of Administration Debt Service Accounts

The Parking System reported investments totaling $6,172 and $3,035 at June 30, 2022 and 2021 respectively, 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 Parking System. The Parking System's investments consist of United States Treasury securities, with maturity dates of six months or less, and are reported at fair value (Level 1 inputs). The Parking System relies on policies developed by the SBA for managing interest rate risk or credit risk for these accounts. Disclosures for the Debt Service Accounts are included in the notes to financial statements of the State's Comprehensive Annual Financial Report.

3. RECEIVABLES

Accounts Receivable

Accounts receivable represent amounts for parking fees and citations due to the Parking System. The Parking System's accounts receivable totaled $1,062,051 and $1,228,787 at June 30, 2022 and 2021, respectively.

Allowance for Doubtful Receivables

Allowances for doubtful accounts are reported based on management's best estimate as of fiscal year-end considering type, age, collection history, and other factors considered appropriate. The Parking System's accounts receivable are reported net of allowances of $663,145 and $681,086, at June 30, 2022 and 2021, respectively.

4. CAPITAL ASSETS

The Parking System's capital asset activity for the year ended June 30, 2022, is shown below:

Description	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable Capital Assets:				
Construction in Progress	$ 3,567,480	$ 416,818	$ 10,349	$ 3,973,949
Depreciable Capital Assets:				
Buildings	$ 120,609,910	$ 10,349	$ -	$ 120,620,259
Infrastructure and Other Improvements	2,581,735	-	-	2,581,735
Furniture and Equipment	2,638,434	103,190	94,234	2,647,390
Total Depreciable Capital Assets	125,830,079	113,539	94,234	125,849,384
Less, Accumulated Depreciation:				
Buildings	32,399,608	2,724,217	-	35,123,825
Infrastructure and Other Improvements	686,888	143,262	-	830,150
Furniture and Equipment	1,617,919	271,673	91,507	1,798,085
Total Accumulated Depreciation	34,704,415	3,139,152	91,507	37,752,060
Total Depreciable Capital Assets, Net	$ 91,125,664	$ (3,025,613)	$ 2,727	$ 88,097,324

5. LONG-TERM LIABILITIES

The Parking System's long-term liabilities of the Parking System at June 30, 2022, include capital improvement debt payable and compensated absences payable.

Capital Improvement Debt Payable

The University issued, through the Division of Bond Finance, capital improvement debt payable totaling $53,305,000 from the 2013A and 2019A capital improvement debt payable series amounting to $33,500,000 and $19,805,000, respectively. The purpose of this capital improvement debt payable is to finance the construction of six parking garages on the Modesto A. Maidique Campus. This capital improvement debt payable is secured by traffic and parking fees and other revenue generated through parking operations.

The State Board of Administration administers the principal and interest payments, investment of sinking fund resources, and compliance with reserve requirements.

The Parking System had the following capital improvement debt payable outstanding at June 30, 2022:

Capital Improvement Debt Type and Series	Amount of Original Debt	Amount Outstanding (1)	Interest Rates (Percent)	Maturity Date To
Parking Garage Debt				
2013A Parking Garage	$ 33,500,000	$ 27,757,677	3.50 - 5.25	2043
2019A Parking Garage	19,805,000	20,356,862	4.00 - 5.00	2039
Total Parking Garage Debt	$ 53,305,000	$ 48,114,539		

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

The Parking System has pledged a portion of future parking fees, and an assessed transportation fee per student to repay $53,305,000 of capital improvement revenue bonds issued by the Florida Board of Governors on behalf of the University. Proceeds from the bonds provided financing to construct parking garages. The bonds are payable solely from parking fees and assessed transportation fees per student and are payable through 2043. The Parking System has committed to appropriate each year from 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 $72,879,339, and principal and interest paid for the current year totaled $5,281,557. Parking fees totaled $3,620,948 and $2,287,545 and assessed transportation fees totaled $10,504,944 and $10,927,223 for fiscal years June 30, 2022 and 2021, respectively.

5. LONG-TERM LIABILITIES (Continued)

Annual requirements to amortize all capital improvement debt outstanding as of June 30, 2022, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	$ 1,535,000	$ 2,100,056	$ 3,635,056
2024	1,600,000	2,035,607	3,635,607
2025	1,665,000	1,964,107	3,629,107
2026	1,740,000	1,889,655	3,629,655
2027	1,825,000	1,811,806	3,636,806
2028-2032	10,455,000	7,703,519	18,158,519
2033-2037	13,055,000	5,107,150	18,162,150
2038-2042	11,650,000	2,050,650	13,700,650
2043	2,045,000	102,250	2,147,250
Subtotal	45,570,000	24,764,800	70,334,800
Plus: Net Premiums and Losses on Bond Refundings	2,544,539	-	2,544,539
Total	$ 48,114,539	$ 24,764,800	$ 72,879,339

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. The Parking System's estimated liability for compensated absences, which includes the Parking System's share of the Florida Retirement System and FICA contributions, was $185,691 and $194,640 at June 30, 2022 and 2021, respectively. The current portion of the compensated absences liability is based on the amount expected to be paid in the coming fiscal year, and represents a historical percentage of leave used applied to total accrued leave liability.

FORM OF
CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by the Board of Governors of the State University System of Florida (the "Board"), Florida International University (the "University") and the Division of Bond Finance of the State Board of Administration of Florida (the "Division") in connection with the issuance of $24,835,000 State of Florida, Board of Governors, Florida International University Parking Facility Revenue Refunding Bonds, Series 2023A (the "Bonds"). This Disclosure Agreement is being executed and delivered pursuant to Section 5.03 of the resolution adopted by the Governor and Cabinet, as the Governing Board of the Division, on January 17, 2023, providing for the issuance of the Bonds. The Board, the University, and the Division covenant and agree as follows:

SECTION 1. PURPOSE OF THE DISCLOSURE AGREEMENT. This Disclosure Agreement is being executed and delivered by the Board, the University, and the Division for the benefit of the Registered Owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission (the "SEC"). It shall inure solely to the benefit of the Board, the University, the Division, the Registered Owners, the Beneficial Owners, and the Participating Underwriters.

SECTION 2. DEFINITIONS. In addition to the definitions set forth in the resolution adopted by the Governing Board of the Division on February 28, 1995, as amended on June 12, 2002, September 10, 2002, and September 15, 2009 (collectively, the "Resolution") which apply to any capitalized term used in this Disclosure Agreement, the following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories, or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Financial Obligation" shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b). The term financial obligation does not include municipal securities as to which a final official statement has been otherwise provided to the Municipal Securities Rulemaking Board (the "MSRB") under the Rule.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

SECTION 3. CONTINUING DISCLOSURE.

(A) *Information To Be Provided.* The Board and the University assume all responsibilities for any continuing disclosure as described below. In order to comply with the Rule, the Board and the University hereby agree to provide or cause to be provided the information set forth below, or such other information as may be required, from time to time, by the Rule or the Division. The Division will be responsible for the filing of the information required by the Rule.

(1) *Financial Information and Operating Data.* For fiscal years ending on June 30, 2023, and thereafter, annual financial information and operating data shall be provided within nine months after the end of the University's fiscal year. Such information shall include:

(a) Daytime Campus Population and Total Number of Parking Spaces;
(b) Student Parking Access Fee;
(c) Number of Parking Decals Issued, Parking Decal Costs by Type, and Student Parking Access Fee Assessments;
(d) Comparison of Budget to Actual for Fiscal Year;
(e) Historical Statement of Revenues and Expenditures (Unaudited);
(f) Historical Summary of Balance Sheet Date (Unaudited);
(g) Schedule of Historical Pledged Revenues and Debt Service Coverage;
(h) Investment of Funds; and
(i) University Financial Statements.

(2) *Audited Financial Statements.* If not submitted as part of the annual financial information, a copy of the University's audited financial statements, prepared in accordance with generally accepted accounting principles, will be provided when and if available.

(3) *Material Events Notices.* Notice of the following events relating to the Bonds will be provided in a timely manner not in excess of ten business days after the occurrence of the event:

(a) principal and interest payment delinquencies;
(b) non-payment related defaults, if material;
(c) unscheduled draws on debt-service reserves reflecting financial difficulties;
(d) unscheduled draws on credit enhancements reflecting financial difficulties;
(e) substitution of credit or liquidity providers, or their failure to perform;
(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
(g) modifications to rights of security holders, if material;
(h) bond calls, if material, and tender offers;
(i) defeasances;
(j) release, substitution or sale of property securing repayment of the securities, if material;
(k) rating changes;
(l) bankruptcy, insolvency, receivership or similar event of the obligated person;
(m) the consummation of merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
(n) appointment of a successor or additional trustee or the change of name of a trustee, if material.
(o) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
(p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(4) *Failure to Provide Annual Financial Information; Remedies.*

(a) Notice of the failure of the Board or the University to provide the information required by paragraphs (A) (1) or (A)(2) of this Section will be provided in a timely manner.

(b) The Board and the University acknowledge that their undertaking pursuant to the Rule set forth in this Section is for the benefit of the Beneficial Owners and Registered Owners of the Bonds and shall be enforceable only by such Beneficial Owners and Registered Owners; provided that the right to enforce the provisions of such undertaking shall be conditioned upon the same enforcement restrictions as are applicable to the information undertakings in the Resolution and shall be limited to a right to obtain specific enforcement of the Board's and the University's obligations hereunder.

(B) *Method of Providing Information*.

(1) (a) Annual financial information and operating data described in paragraph 3(A)(1) and the audited financial statements described in paragraph 3(A)(2) shall be transmitted to the Municipal Securities Rulemaking Board (hereafter the "MSRB") using the MSRB's Electronic Municipal Market Access System ("EMMA") or by such other method as may be subsequently determined by the MSRB.

(b) Material event notices described in paragraph 3(A)(3) and notices described in paragraph 3(A)(4) shall also be transmitted to the MSRB using EMMA, or by such other method as may be subsequently determined by the MSRB.

(2) (a) Information shall be provided to the MSRB in an electronic format as prescribed by the MSRB, either directly, or indirectly through an indenture trustee or a designated agent.

(b) All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(C) If this Disclosure Agreement is amended to change the operating data or financial information to be disclosed, the annual financial information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(D) The Board's and the University's obligations hereunder shall continue until such time as the Bonds are no longer Outstanding or until the Board and the University shall otherwise no longer remain obligated on the Bonds.

(E) This Disclosure Agreement may be amended or modified so long as:

(1) any such amendments are not violative of any rule or regulation of the SEC or MSRB, or other federal or state regulatory body;

(2) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted;

(3) this Disclosure Agreement, as amended, would have complied with the requirements of Rule 15c2-12 of the SEC at the time of the primary offering, after taking into account any amendments or interpretations of the rule, as well as any change in circumstances; and

(4) the amendment does not materially impair the interests of Beneficial Owners or Registered Owners, as determined either by parties unaffiliated with the issuer or obligated person (such as bond counsel), or by approving vote of the Beneficial Owners and Registered Owners pursuant to the terms of the Resolution at the time of the amendment.

SECTION 4. ADDITIONAL INFORMATION. If, when submitting any information required by this Disclosure Agreement, the Board or the University chooses to include additional information not specifically required by this Disclosure Agreement, neither the Board nor the University shall have any obligation to update such information or include it in any such future submission.

Dated this 20th day of April, 2023.

FLORIDA BOARD OF GOVERNORS

By ____
Chair

DIVISION OF BOND FINANCE

By ____
Assistant Secretary

FLORIDA INTERNATIONAL UNIVERSITY

By ____
President

APPENDIX J

[FORM OF BOND COUNSEL OPINION]

April 20, 2023

Board of Governors
Tallahassee, Florida

Division of Bond Finance of the
State Board of Administration of Florida
Tallahassee, Florida

Ladies and Gentlemen:

We have served as Bond Counsel to the Division of Bond Finance of the State Board of Administration of Florida (the "Division of Bond Finance") and have examined certified copies of the proceedings of the Board of Governors (the "Board"), the Division of Bond Finance, the State Board of Administration of the State of Florida, applicable provisions of the Constitution and laws of the State of Florida, and other proofs submitted to us relative to the issuance and sale of:

$24,835,000
STATE OF FLORIDA
BOARD OF GOVERNORS
FLORIDA INTERNATIONAL UNIVERSITY
PARKING FACILITY REVENUE REFUNDING BONDS, SERIES 2023A
Dated April 20, 2023
(the "2023A Bonds")

The 2023A Bonds are being issued by the Division of Bond Finance in the name of and on behalf of the Board for the purpose of refunding certain of the outstanding State of Florida, Board of Governors, Florida International University Parking Facility Revenue Bonds, Series 2013A, and paying certain costs of issuance of the 2023A Bonds, under the authority of and in full compliance with the Constitution and statutes of the State of Florida, including particularly Article VII, Section 11(d) and Article IX, Section 7(d) of the Florida Constitution, Sections 215.57-215.83, Florida Statutes, Section 1010.62, Florida Statutes and other applicable provisions of law. The principal of, premium, if any, and interest on the 2023A Bonds will be secured by and payable solely from a pledge of the Pledged Revenues (as defined in the hereinafter defined Resolution) on a parity with the Outstanding Bonds and any Additional Parity Bonds hereafter issued (each as defined in the hereinafter defined Resolution).

The 2023A Bonds do not constitute a general obligation of the State of Florida or any political subdivision thereof within the meaning of any constitutional, statutory, or other limitation of indebtedness and the owners thereof shall never have the right to compel the exercise of any ad valorem taxing power or taxation in any form for the payment of the principal of or interest on the 2023A Bonds.

Based on our examination, we are of the opinion, as of the date hereof, under existing law, as follows:

1. That such proceedings and proofs show lawful authority for issuance and sale of the 2023A Bonds pursuant to the Constitution and statutes of the State of Florida and pursuant to resolutions authorizing the issuance and sale of the 2023A Bonds duly adopted by the Governing Board of the Division of Bond Finance on February 28, 1995, as amended and supplemented by resolutions adopted on June 12, 2002, September 10, 2002, September 15, 2009, and January 17, 2023, and a Resolution of the Board adopted on March 28, 2013 (collectively, the "Resolution").

2. The 2023A Bonds (i) have been duly authorized, executed, and delivered by the Division of Bond Finance and the Board and (ii) are valid and binding special obligations of the Board enforceable in accordance with their terms, payable solely from the sources provided therefor in the Resolution.

3. The 2023A Bonds and the income thereon are not subject to any State tax except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended.

4. The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met subsequent to the issuance and delivery of the 2023A Bonds in order that interest on the 2023A Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the 2023A Bonds to be included in federal gross income retroactive to the date of issuance of the 2023A Bonds, regardless of the date on which such non-compliance occurs or is ascertained. The Division of Bond Finance and the Board have covenanted in the Resolution to comply with such requirements in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the 2023A Bonds.

Subject to compliance by the Division of Bond Finance and the Board with the aforementioned covenants, (a) interest on the 2023A Bonds is excluded from gross income for purposes of federal income taxation, and (b) interest on the 2023A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; however, for tax years beginning after December 31, 2022, the interest on the 2023A Bonds may be included in the "adjusted financial statement income" of certain "applicable corporations" that are subject to the 15-percent alternative minimum tax under section 55 of the Code. We express no opinion regarding other federal tax consequences caused by the ownership of or the receipt of interest on or the disposition of the Bonds.

It is to be understood that the rights of the owners of the 2023A Bonds and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida, and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certifications, documents, and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not independently verified the accuracy or truthfulness thereof and the genuineness of the signatures appearing upon such public records, certifications, documents, and proceedings.

We have not been engaged to and, therefore, express no opinion as to compliance by the Division of Bond Finance or the underwriter or underwriters with any federal or state statute, regulation, or ruling with respect to the sale and distribution of the Bonds or regarding the perfection or priority of the lien on the Pledged Revenues created by the Resolution.

Our opinions expressed herein are predicated upon present law, facts, and circumstances as of the date of issuance and delivery of the 2023A Bonds, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts, or circumstances change after such date.

As Bond Counsel, we have not been engaged nor have we, in such capacity, undertaken to review the accuracy, completeness, or sufficiency of the Official Statement or any other offering material relating to the 2023A Bonds and we express no opinion herein relating thereto.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

APPENDIX K

PROVISIONS FOR BOOK-ENTRY ONLY SYSTEM OR REGISTERED BONDS

The Depository Trust Company and Book-Entry Only System

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA (THE "DIVISION") BELIEVES TO BE RELIABLE; HOWEVER, THE DIVISION TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the State of Florida, Board of Governors, Florida International University Parking Facility Revenue Refunding Bonds, Series 2023A (the "2023A Bonds"). The Series 2023A Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or in such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the 2023A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities and Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and together with Direct Participants, the "Participants"). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

Purchases of the 2023A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2023A Bonds on DTC's records. The ownership interest of each actual purchaser of each 2023A Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2023A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2023A Bonds, except in the event that use of the book-entry system is discontinued.

To facilitate subsequent transfers, all 2023A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2023A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in Beneficial Ownership. DTC has no knowledge of the actual Beneficial Owners of the 2023A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2023A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2023A Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2023A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2023A Bond documents. For example, Beneficial Owners of 2023A Bonds may wish to ascertain that the nominee holding the 2023A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Redemption notices shall be sent to DTC. If less than all of the 2023A Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2023A Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Division as soon as practicable after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2023A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the 2023A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Bond Registrar/Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, (nor its nominee), the Bond Registrar/Paying Agent, the Division, or the Board of Governors (the "Board"), subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bond Registrar/Paying Agent; disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services with respect to the 2023A Bonds at any time by giving reasonable notice to the Division or Bond Registrar/Paying Agent and discharging its responsibilities with respect thereto under applicable law. The Division may decide to discontinue use of the system of book-entry transfers for the 2023A Bonds through DTC (or a successor securities depository). Under such circumstances, in the event that a successor securities depository is not obtained, certificates for the 2023A Bonds will be printed and delivered as provided in the documents authorizing the issuance and sale of the 2023A Bonds.

For every transfer and exchange of beneficial interests in the 2023A Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other government charge that may be imposed in relation thereto.

So long as Cede & Co., as nominee of DTC, is the registered owner of the 2023A Bonds, references herein to the Registered Owners or Holders of the 2023A Bonds shall mean Cede & Co. and not mean the Beneficial Owners of the 2023A Bonds unless the context requires otherwise.

The Division, the Board of Governors and the Bond Registrar/Paying Agent will not have any responsibility or obligation with respect to:

(i) the accuracy of the records of DTC, its nominee or any DTC Participant or any successor securities depository, participants thereof or nominee thereof with respect to any beneficial ownership interest in the 2023A Bonds;

(ii) the delivery to any DTC Participant or participant of any successor securities depository or any other person, other than a registered owner, as shown in the Bond Register, of any notice with respect to any 2023A Bond, including, without limitation, any notice of redemption;

(iii) the payment to any DTC Participant or participant of any successor securities depository or any other person, other than a registered owner, as shown in the Bond Register, of any amount with respect to the principal of, premium, if any, or interest on the 2023A Bonds, or the purchase price of, any 2023A Bond;

(iv) any consent given by DTC or any successor securities depository as registered owner; or

(v) the selection by DTC or any DTC Participant or by any successor depository or its participants of the beneficial ownership interests in the 2023A Bonds for partial redemption.

So long as the Series 2023A Bonds are held in book-entry only form, the Division, the Board of Governors and the Bond Registrar/Paying Agent may treat DTC and any successor Securities Depository as, and deem DTC and any successor Securities Depository to be, the absolute owner of the Series 2023A Bonds for all purposes whatsoever, including, without limitation:

(i) the payment of the principal of, premium, if any, and interest on the Series 2023A Bonds;

(ii) giving notices of redemption and other matters with respect to the Series 2023A Bonds;

(iii) registering transfers with respect to the Series 2023A Bonds; and

(iv) the selection of the beneficial ownership interests in the Series 2023A Bonds for partial redemption.

Payment, Registration, Transfer and Exchange

The following provisions shall only be applicable if the book-entry-only system of registration is discontinued; for provisions which are applicable while the book-entry only system of registration is in effect, see "Book-Entry Only System" above.

The Division, the Board of Governors and the Bond Registrar/Paying Agent may treat the Registered Owner of any 2023A Bond as the absolute owner for all purposes, whether or not such 2023A Bond is overdue, and will not be bound by any notice to the contrary.

Principal of and premium, if any, on the 2023A Bonds will be payable upon presentation and surrender of the 2023A Bonds when due at the corporate trust office of U.S. Bank Trust National Association, as Bond Registrar/Paying Agent.

Each 2023A Bond will be transferable or exchangeable only upon the registration books by the Registered Owner or an attorney duly authorized in writing, upon surrender of such 2023A Bond to the Bond Registrar/Paying Agent together with a written instrument of transfer (if so required) satisfactory in form to the Division of Bond Finance and the Bond Registrar/Paying Agent, duly executed by the Registered Owner or a duly authorized attorney. Upon surrender to the Bond Registrar/Paying Agent for transfer or exchange of any 2023A Bond, duly endorsed for transfer or accompanied by an assignment in accordance with the Resolution, the Bond Registrar/Paying Agent will deliver in the name of the transferee(s) a fully registered 2023A Bond of authorized denomination of the same maturity for the aggregate principal amount which the Registered Owner is entitled to receive.

Neither the Division nor the Bond Registrar/Paying Agent may charge the Registered Owner or transferee for any expenses incurred in making any exchange or transfer of the 2023A Bonds. However, the Division and the Bond Registrar/Paying Agent may require payment from the Registered Owner of a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in relation thereto. Such governmental charges and expenses must be paid before any such new 2023A Bond is delivered.

The Bond Registrar/Paying Agent will not be required to issue, transfer or exchange any 2023A Bonds on the Record Date.