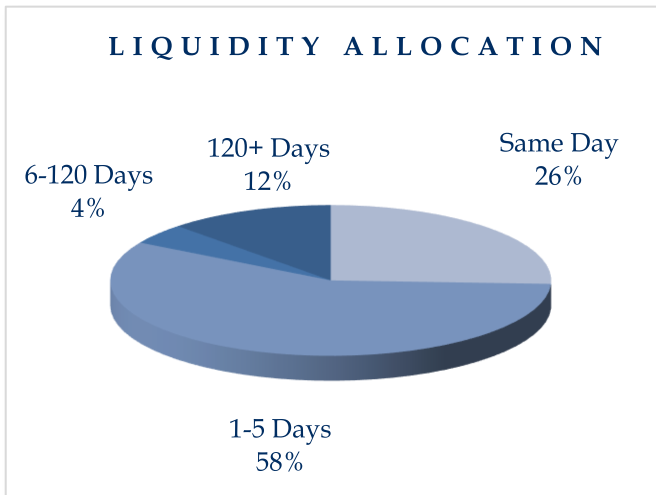
THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee
March 3, 2022

TREASURY REPORT *(For quarter ending December 31, 2021)*

Report *(For Information Only – no action required)*

OVERVIEW
The University's total liquidity position of $498.1 million was 2.7 times the University's debt position of $187.5 million at the end of FY 2022 2Q. Including direct support organization ("DSO") debt, the liquidity to total debt ratio was 2.3 times. These results are lower compared to the end of FY 2021 2Q, where the liquidity to University debt and the liquidity to total debt ratios were 2.1 times and 1.9 times, respectively. The ratio was higher due to debt service payments.

LIQUIDITY
Real Days Payable
At the end of FY 2022 2Q, $415.3 million, or 83.4 percent, of the liquidity position was accessible within 5 business days (see *Liquidity Allocation* chart for detail). At the end of FYTD 2022 2Q, the University had 80 real days payable[1] ("RDP") versus 80 RDP at the end of FYTD 2021 2Q.



Sources
The University started the fiscal year with $217.9 million in cash balances[2]. Total FYTD 2022 2Q inflows (state and operational) were $656.2 million as compared to $551.9 Million for FYTD 2021 2Q. On average, $5.0 million flowed into the University each business day in FYTD 2022 2Q and $3.2 million in FYTD 2021 2Q.

Uses
FYTD 2022 2Q, the University used $683.8 million as compared to $578.7 million in the same period last fiscal year. The FYTD 2022 2Q velocity cash outflow was $5.2 million per day and $4.4 million in FYTD 2021 2Q. The University ended FY 2022 2Q with $190.3 million in cash balances.

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[1] Real Days Payable represents the available balance of liquid funds divided by the average cash outflows of the University. The calculation uses the available balance in the University's bank accounts plus the market value of investments that are accessible within 5 business days as its balance of liquid funds.

[2] Cash includes Working Capital Pool assets and cash balances in the concentration bank account.

Stress Tests/Performance Simulations

The University Office of the Treasurer ("Treasury") analyzes the effect of negative market performance on its liquidity position through both value-at-risk (VAR) analysis and Monte Carlo simulation analyses.

VAR analysis, completed quarterly, estimates the maximum potential loss during a specific time period at a given level of confidence. VAR uses the historical behavior of each asset class over various time horizons (five years, ten years, full history). Our VAR analysis predicts that there is a five percent probability that the portfolio (as of the FYTD 2022 2Q ending balance) could have unrealized losses of up to $19.1 million and one percent probability of up to $32.6 million of unrealized losses within a twelve-month period.

The University conducts monthly performance simulations of the portfolio under various market scenarios. At the end of FY 2022 2Q, a 100 bps rise in the 10 year Treasury Bond rate would result in a $4.3 million (0.8 percent) unrealized gain. Liquidity, as measured by 5-day accessibility, would drop to 72.5 percent, or $367.2 million, of the total current available cash and investment balances. RDP would fall to 71 days based on current fiscal year outflows.

A 25 percent decline in the equity markets would result in a -$14.2 million (-3.0 percent) unrealized loss. Liquidity, as measured by 5-days accessibility, would decrease slightly to $410.8 million or 87.5 percent of the total current available cash and investment balances. RDP would drop slightly to 79 days based on fiscal year outflows in this stress scenario.

A scenario similar to the 2013 Federal Reserve "Taper Tantrum" would result in a -$8.5 million (-1.8 percent) unrealized loss. Liquidity, as measured by 5-day accessibility would drop to $350.5 million or 72.8 percent of the total current available balances. Furthermore, RDP would drop to 68 days.

Forecast and Budget

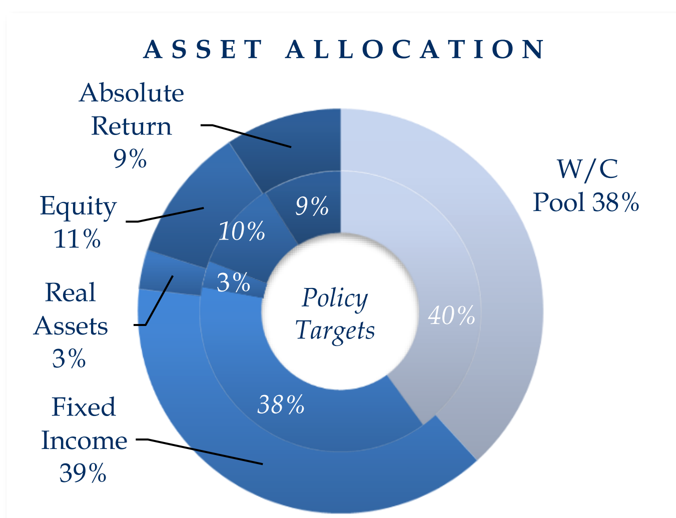
Actual balances at the end of FY 2022 2Q were 4.6 percent lower than the rolling forecast, 7.0 percent higher than the budget, and 17.7 percent higher than prior year. For the next quarter, the University should experience an increase in the cash and investment balances due to the Spring tuition inflows. This will last through the end of the third quarter of FY 2022.

INVESTMENTS

Composition

Asset allocations at the end of FY 2022 2Q remained within policy guidelines (See *Asset Allocation* chart for quarter end detail).

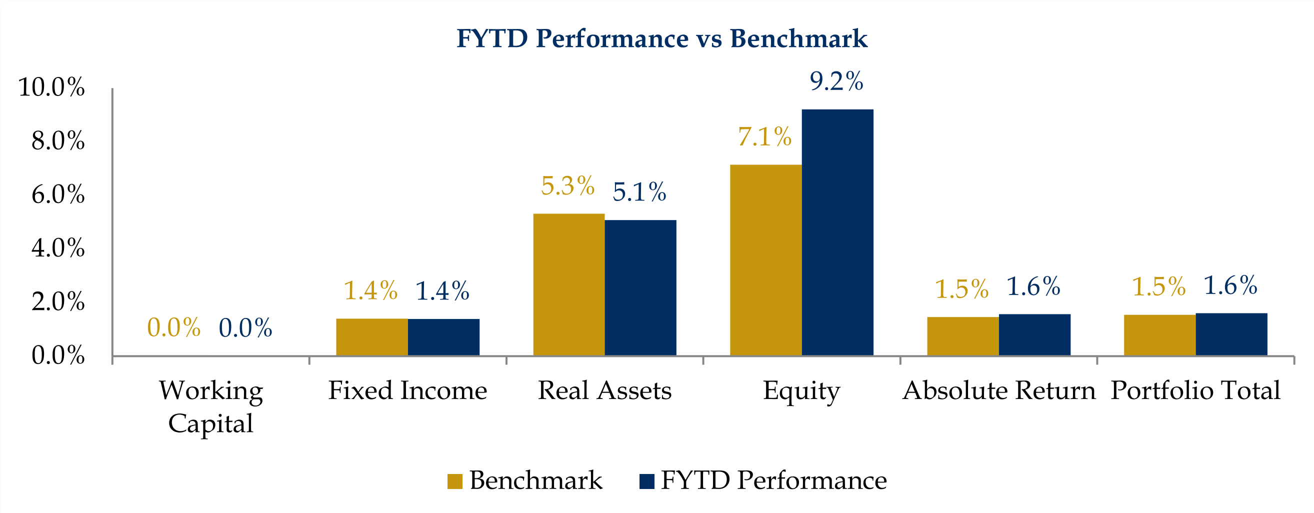
At the end of FY 2022 2Q, the market value of the University's operating funds portfolio and cash was $498.1 million. This balance reflects a decrease of $82.4 million or 14.2 percent, from the previous quarter. The decrease reflects the quarter-to-quarter seasonal decrease in net cash flows. The total portfolio market value was $75.0 million higher than the market value at the end of FY 2021 2Q. The increase was largely due to HEERF Program receipts and a solid investment performance for the trailing one year period that was slightly offset by higher cash outflows.



Performance

FIU's operating portfolio continues to outperform the State Treasury investment pool ("SPIA"), returning 4.3 percent since inception versus the SPIA's 2.5 percent for the same period. At the end of FY 2022 2Q, the portfolio returned 1.6 percent. This compares unfavorably to a 5.2 percent return at the end of FY 2021 2Q. The Strategic Capital and Reserve Pools returned 2.9 percent while the Working Capital Pool gained 0.1 percent. Returns from the SPIA totaled 0.5 percent at the end of FY 2022 2Q (see *FY Performance vs. Benchmarks* chart for additional performance detail by asset class).

The overall Portfolio was in line with its overall weighted benchmark. All asset classes with the exception of Equity were in line with each of their respective benchmarks. The Equity asset class outperformed its benchmark due to its investments in the Private Markets and Small Cap Equities.



DEBT

Total Outstanding

The University and DSOs ended FY 2022 2Q with $24.9M million in outstanding debt versus $27.4M million at the end of FY 2021 2Q. The weighted average interest rate for the University and DSO issuances was 3.7 percent versus 4.0 percent in the same period in the prior year.

Bond Refunding

The University and the Athletics Finance Corporation (AFC), has refunded/modified all eligible outstanding bond series. The refundings/modification are projected to save the University and AFC $27.5 million in interest expense over the term of the issuances. As of December 31, 2021, $6.5 million of interest savings have been realized from the refunding/modification activities. The University and AFC are expected to save $1.0 million in interest expense in Fiscal Year 2022 and $7.7 million over the next 5 years.

Period Ending December 31, 2021

(000's)

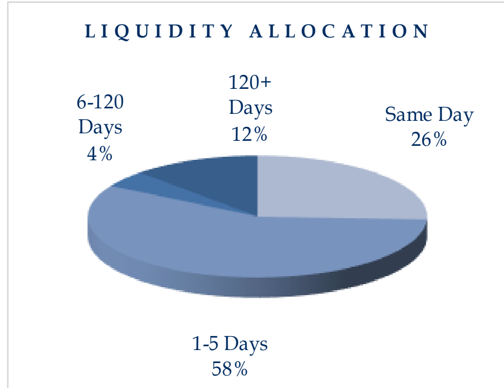
OVERVIEW

Liquidity/University Debt		**2.66**
Liquidity/Total Debt		**2.34**
Liquidity Position		
Cash + W/C Pool	$	190,274
Strategic + Reserve Pools		307,827
Total	**$**	**498,101**
Debt Position		
University Debt	$	187,545
DSO Debt		24,885
Total	**$**	**212,430**

LIQUIDITY

Availability		
Same Day	$	128,222
1-5 Days		287,032
6-120 Days		22,080
120+ Days		60,766
Total	**$**	**498,101**

Real Days Payable (<5 Days)	
MTD Outflows	**84**
QTD Outflows	**90**
YTD Outflows	**80**

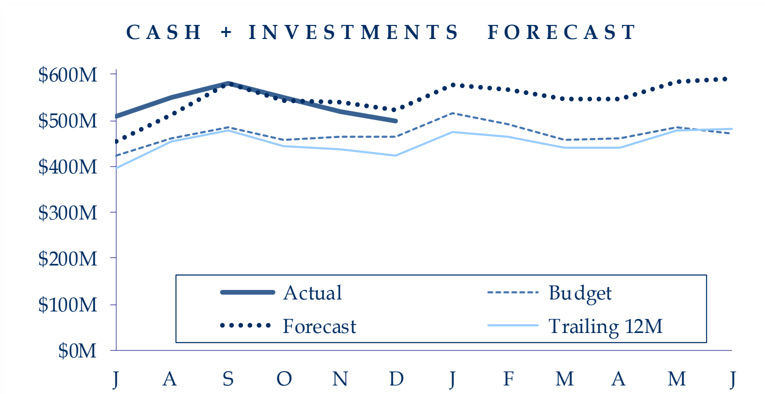


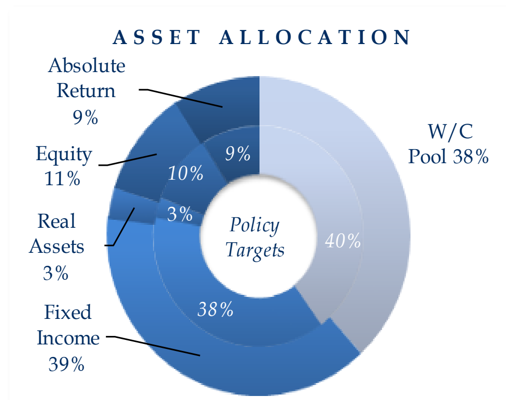
LIQUIDITY SOURCES AND USES

Sources*		**MTD**		**QTD**		**YTD**
Opening W/C Pool Balance	$	129,110	$	192,270	$	150,855
Opening Cash Balance	$	83,501	$	83,224		66,999
From State		28,124		77,543		173,325
From Operations		63,767		141,148		482,896
Uses						
To Payroll		(87,187)		(203,144)		(391,408)
To Operations		(22,451)		(78,164)		(170,200)
To Students		(4,589)		(22,603)		(122,194)
Cash + W/C Pool	**$**	**190,274**	**$**	**190,274**	**$**	**190,274**

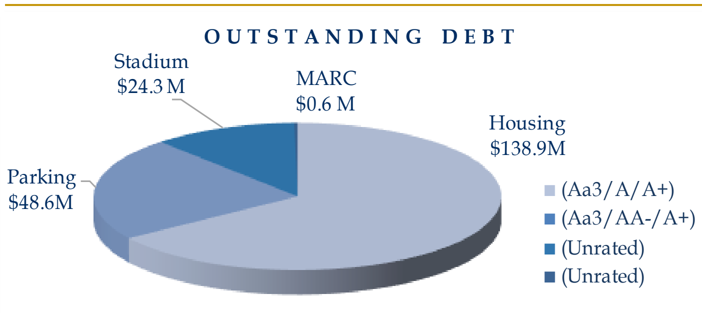
INVESTMENTS

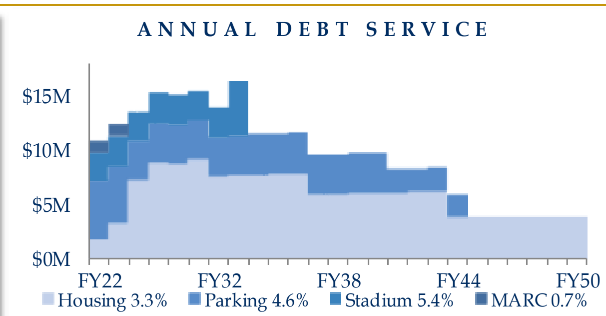
Cash + W/C Pool	**Balance**	**FYTD**	**Last 1Y**
W/C Pool	$ 118,493	0.0%	0.2%
Cash	71,782	0.1%	0.0%
Strategic + Reserve Pools			
Fixed Income	192,144	1.4%	1.2%
Real Assets	15,585	5.1%	27.4%
Equity	53,851	9.2%	28.4%
Absolute Return	46,246	1.6%	6.4%
Total Portfolio	**$ 498,101**	**1.6%**	**4.2%**





DEBT





Period Ending December 31, 2021

(Million's)

OPERATING FUNDS	MARKET VALUE[1]	BOOK VALUE	INCOME EARNED[2]
Working Capital[3]	**$190.3M**	**$191.1M**	**$0.5M**
Fixed Income	$192.1M	$176.7M	$1.4M
Equity	$53.9M	$33.7M	$0.3M
Real Assets	$15.6M	$18.7M	$0.0M
Absolute Return	$46.2M	$30.2M	$0.0M
Total Strategic/Reserve	**$307.8M**	**$259.3M**	**$1.7M**
Total Operating Funds	**$498.1M**	**$450.4M**	**$2.2M**

[1] Includes Dividend/Interest Receivable

[2] Investment Income Earnings - Dividends and Interest

[3] Includes Bank Cash

i) The total principal amount of variable rate debt to principal amount of total debt:

Florida International University and DSOs
As of June 30, 2021

Rate Type	Total Principal Amount	% of Total Debt
Variable	$1,075,000	0.5%
Synthetically Fixed[1]	$24,315,000	11.4%
Fixed	$187,545,000	88.1%
Total	**$212,935,000**	**100.0%**

[1] Rate is fixed by a swap agreement.

ii) the amount of debt service accrued during the reporting period in relation to the pro-rata amount of annual budgeted debt service for the reporting period. If the amount of debt service which accrued during the reporting period exceeded the pro-rata amount of annual budgeted debt service for the period, the university shall explain what actions were taken to assure that there would be sufficient revenues and budget authority to make timely payments of debt service during

The Fiscal Year 2021 variable rate debt service budget was sufficient to meet the debt servicing needs.

iii) the amount of variable rate debt in relation to the amount of the university's and/or DSO's short-term investments, and any other strategies used to hedge interest rate risk.

Florida International University and DSOs
As of June 30, 2021

Rate Type	Outstanding Balance	Cash/Investments[2]	% of Cash/Investments
Variable	$1,075,000	$427,394,685	0.3%

[2] Includes cash/cash equivalents and investments that can be accessed in less than 5 days.