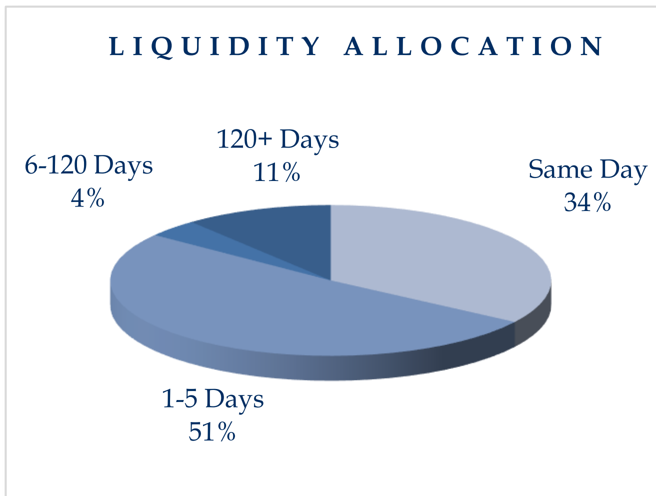
THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee
September 22, 2022

TREASURY REPORT *(For quarter ending June 30, 2022)*

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

OVERVIEW
The University's total liquidity position of $514.8 million was 2.7 times the University's debt position of $187.5 million at the end of FY 2022. Including direct support organization ("DSO") debt, the liquidity to total debt ratio was 2.4 times. These results are higher compared to the end of FY 2021, where the liquidity to university debt and the liquidity to total debt ratios were 2.6 times and 2.3 times, respectively. The ratio was higher due to debt service payments.

LIQUIDITY
Real Days Payable
At the end of FY 2022, $439.1 million, or 85.2 percent, of the liquidity position was accessible within 5 business days (see *Liquidity Allocation* chart for detail). At the end of FYTD 2022, the University had 82 real days payable[1] ("RDP") versus 78 RDP at the end of FYTD 2021.



Sources
The University started the fiscal year with $220.3 million in cash balances[2]. Total FY 2022 inflows (state and operational) were $1,417.1 million as compared to $1,318.0 Million for FY 2021. On average, $5.4 million flowed into the University each business day in FY 2022 and $4.7 million in FY 2021.

Uses
FYTD 2022, the University used $1,400.3 million as compared to $1,293.1 million in the same period last fiscal year. The FY 2022 velocity cash outflow was $5.4 million per day and $4.7 million in FY 2021. The University ended FY 2022 with $237.1 million in cash balances.

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.

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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.

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 FY 2022 ending balance) could have unrealized losses of up to $13.7 million and one percent probability of up to $25.9 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 , a 100 bps rise in the 10 year Treasury Bond rate would result in a $4.0 million (0.8 percent) unrealized gain. Liquidity, as measured by 5-day accessibility, would drop to 78.6 percent, or $411.8 million, of the total current available cash and investment balances. RDP would fall to 77 days based on current fiscal year outflows.

A 25 percent decline in the equity markets would result in a -$11.3 million (-2.3 percent) unrealized loss. Liquidity, as measured by 5-days accessibility, would decrease to $436.5 million or 88.5 percent of the total current available cash and investment balances. RDP would drop to 81 days based on fiscal year outflows in this stress scenario.

A scenario similar to the 2013 Federal Reserve "Taper Tantrum" would result in a -$7.8 million (-1.6 percent) unrealized loss. Liquidity, as measured by 5-day accessibility would drop to $381.7 million or 76.3 percent of the total current available balances. Furthermore, RDP would drop to 71 days.

Forecast and Budget

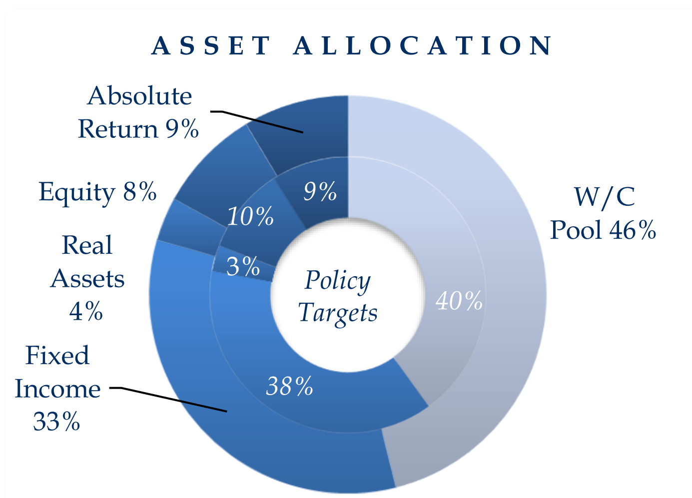
Actual balances at the end of FY 2022 were -8.9 percent lower than the rolling forecast, 8.5 percent higher than the budget, and 6.8 percent higher than prior year. For the next quarter, the University should experience a significant increase in the cash and investment balances due to the Fall tuition receipts.

INVESTMENTS

Composition

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

At the end of FY 2022, the market value of the University's operating funds portfolio and cash was $515.6 million. This balance reflects a decrease of $11.8 million or -2.2 percent, from the previous quarter. The decrease reflects the negative return of the portfolio over the period. The total portfolio market value was $32.7 million higher than the market value at the end of FY 2021. The increase was largely due to HEERF Program lost revenue receipts.

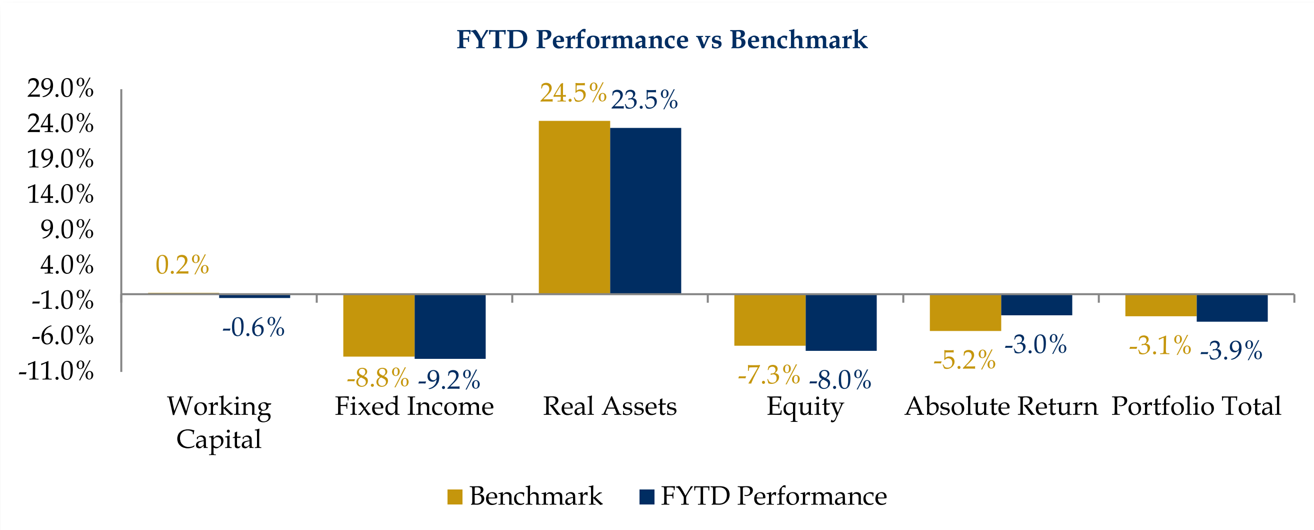


Performance

FIU's operating portfolio continues to outperform the State Treasury investment pool ("SPIA"), returning 3.9 percent since inception versus the SPIA's 2.4 percent for the same period. At the end of FY 2022, the portfolio returned -3.9 percent. This compares unfavorably to an 8.3 percent return at the end of FY 2021. The Strategic Capital and Reserve Pools returned -6.4 percent while the Working Capital Pool had returns of -0.6 percent. Returns from the SPIA, excluding the fair value adjustment, totaled 0.9 percent at the end of FY 2022 (see *FY Performance vs.*

Benchmarks chart for additional performance detail by asset class). Negative returns were experienced across the entire portfolio in FY 2022 with the exception of the commodities asset class.

The Portfolio was -0.7% lower than its overall weighted benchmark: Short Term Bonds were lower due to the underweight to US Treasuries and overweight to Investment Grade Bonds; Fixed Income was lower due to overweight to BBB rated securities and an underweight to non-corporate securities in our corporate credit strategy. Equity was lower due to our Biotech private markets manager. We anticipate that the fixed income returns will gradually improve as the individual securities reach their maturities.



DEBT

Total Outstanding

The University and DSOs ended FY 2022 with $207.9 in outstanding debt versus $225.7 million at the end of FY 2021. The weighted average interest rate for the University and DSO issuances was 3.7 percent versus 3.8 percent in the same period in the prior year.

MARC Building

The University/Foundation made its final payment on the loan used to build the MARC building in on April 29, 2022. The Foundation transferred the operational activity for the building to the University's Auxiliary Enterprises.

Rating Agencies

The University held an annual surveillance call with Fitch at the end of June and received an affirmation of our rating and outlook in July (Housing A+, Parking A+, Outlook: Stable). S&P and Moody's will conduct their annual rating surveillances for the University's Housing and Parking Systems Bonds in July and August, respectively.

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 June 30, 2022, $6.5 million of interest savings have been realized from the refunding/modification activities. The University and AFC are expected to save $1.8 million in interest expense in Fiscal Year 2023 and $8.0 million over the next 5 years.

Period Ending June 30, 2022 (000's)

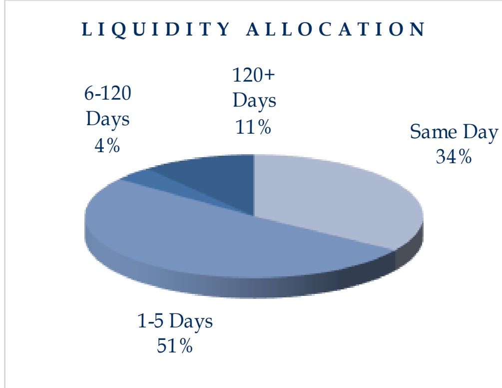
OVERVIEW

Liquidity/University Debt		**2.75**
Liquidity/Total Debt		**2.45**
Liquidity Position		
Cash + W/C Pool	$	237,058
Strategic + Reserve Pools		277,783
Total	**$**	**514,842**
Debt Position		
University Debt	$	187,545
DSO Debt		22,735
Total	**$**	**210,280**

LIQUIDITY

Availability		
Same Day	$	176,563
1-5 Days		262,518
6-120 Days		19,704
120+ Days		56,056
Total	**$**	**514,842**

Real Days Payable (<5 Days)	
MTD Outflows	**84**
QTD Outflows	**88**
YTD Outflows	**82**

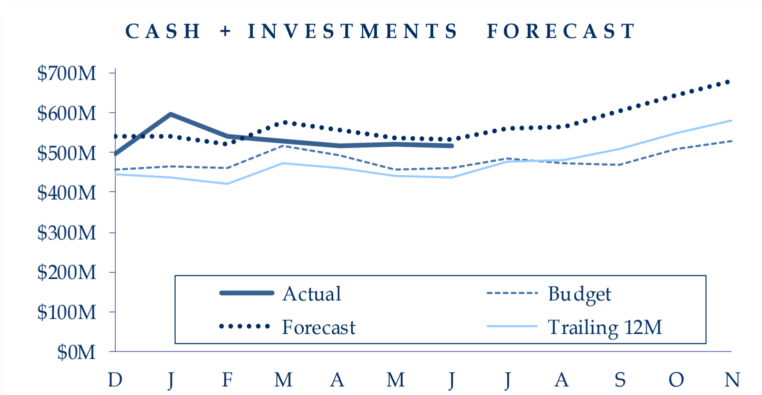


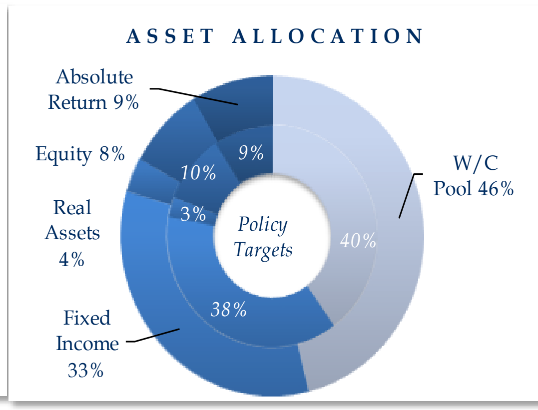
LIQUIDITY SOURCES AND USES

Sources*		**MTD**		**QTD**		**YTD**
Opening W/C Pool Balance	$	160,890	$	160,435	$	150,855
Opening Cash Balance	$	72,930	$	81,040		69,476
From State		44,493		166,331		426,907
From Operations		73,650		268,196		990,162
Uses						
To Payroll		(57,897)		(230,077)		(734,450)
To Operations		(43,041)		(144,943)		(383,187)
To Students		(13,966)		(63,924)		(282,705)
Cash + W/C Pool		**237,058**		**237,058**		**237,058**

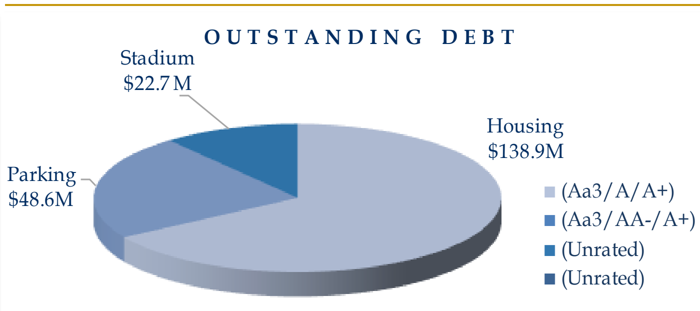
INVESTMENTS

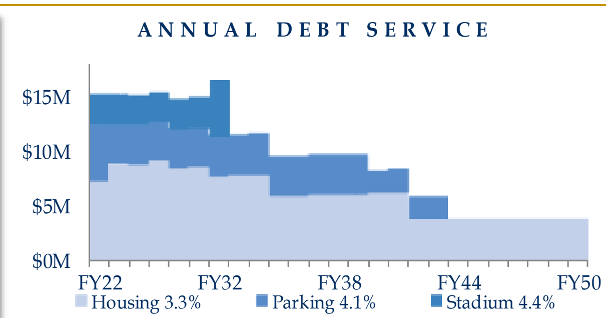
Cash + W/C Pool		**Balance**	**FYTD**	**Last 1Y**
W/C Pool	$	152,010	-0.9%	-0.9%
Cash		85,049	0.1%	0.1%
Strategic + Reserve Pools				
Fixed Income		172,179	-9.2%	-9.2%
Real Assets		18,329	23.5%	23.5%
Equity		43,098	-8.0%	-8.0%
Absolute Return		44,177	-3.0%	-3.0%
Total Portfolio	**$**	**514,842**	**-3.9%**	**-3.9%**





DEBT





(Million's)

OPERATING FUNDS	MARKET VALUE[1]	BOOK VALUE	INCOME EARNED[2]
Working Capital[3]	**$237.1M**	**$239.8M**	**$1.0M**
Fixed Income	$172.2M	$177.0M	$2.9M
Equity	$43.1M	$33.6M	$0.6M
Real Assets	$18.3M	$18.7M	$0.0M
Absolute Return	$44.2M	$30.2M	$0.0M
Total Strategic/Reserve	**$277.8M**	**$259.5M**	**$3.4M**
Total Operating Funds	**$514.8M**	**$499.4M**	**$4.4M**

[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, 2022

Rate Type	Total Principal Amount	% of Total Debt
Variable	$0	0.0%
Synthetically Fixed[1]	$22,735,000	10.8%
Fixed	$187,545,000	89.2%
Total	**$210,280,000**	**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 subsequent years

The Fiscal Year 2022 variable rate debt service budget was sufficient to payoff the remaining variable rate debt.

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.

Remaining variable rate debt was paid off on April 29, 2022.