

**THE FLORIDA INTERNATIONAL UNIVERSITY**  
**BOARD OF TRUSTEES**  
**Finance and Facilities Committee**  
 September 12, 2024

**TREASURY REPORT** (For quarter ending June 30, 2024)

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

**OVERVIEW**

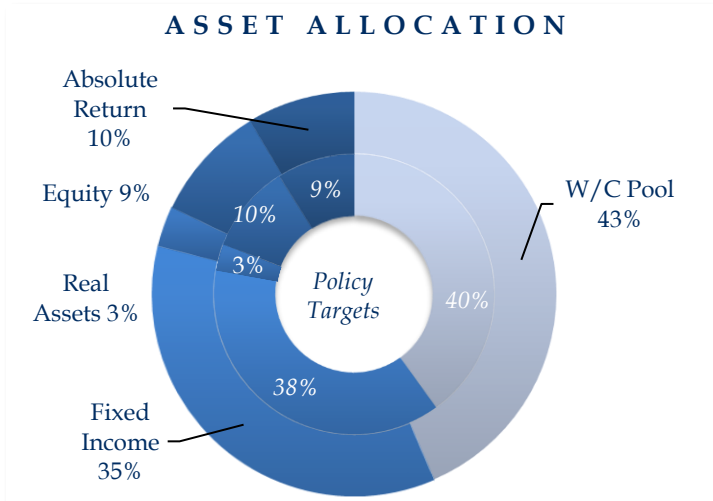
The University’s total liquidity position of \$547.1 million was 3.2 times the University’s debt position of \$171.3 million at the end of FY 2024 4Q. Including direct support organization (“DSO”) debt, the liquidity to total debt ratio was 2.9 times. These results are higher compared to the end of FY 2023 4Q, where the liquidity to University debt and the liquidity to total debt ratios were 2.9 times and 2.6 times, respectively. The improved liquidity to debt ratio was due to the continuance of debt service payments.

**INVESTMENTS**

**Composition**

Asset allocations at the end of FY 2024 4Q remained within policy guidelines (See *Asset Allocation* chart for quarter end detail).

At the end of FY 2024 4Q, the market value of the University’s operating funds portfolio and cash was \$547.1 million. This balance reflects an increase of \$3.2 million or 0.6 percent, from the previous quarter. The increase reflects the quarter-to-quarter increase in investment earnings. The total portfolio market value was \$28.1 million higher than the market value at the end of FY 2023 4Q. The increase was mostly due to investment returns.



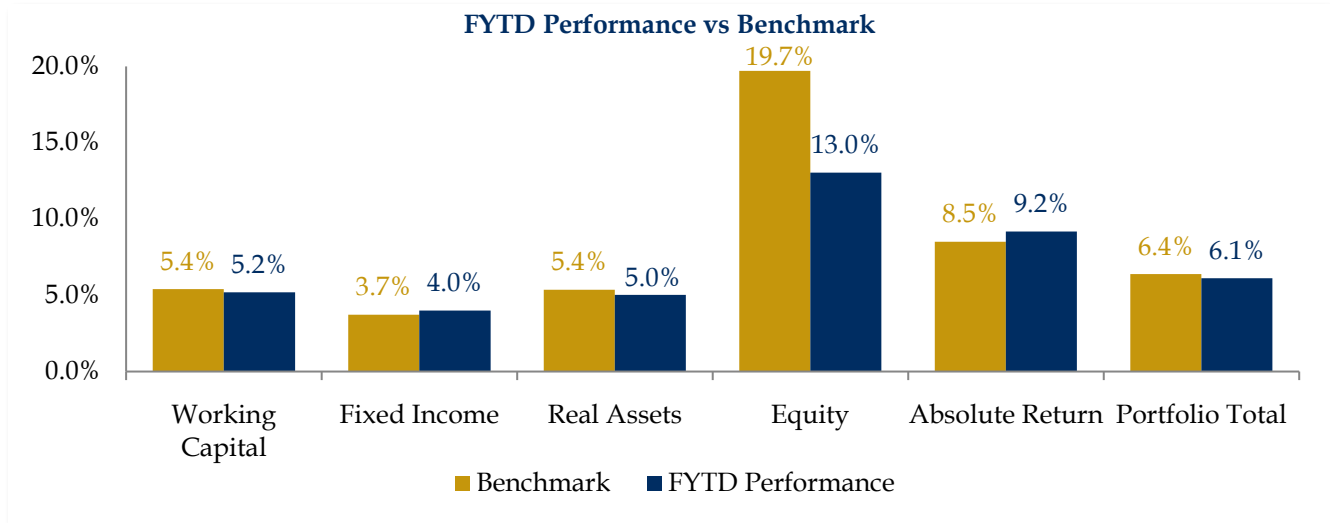
**Forecast and Budget**

Actual balances at the end of FY 2024 4Q were 6.9 percent higher than the rolling forecast, 6.8 percent higher than the budget, and 5.4 percent higher than prior year. For the next quarter, the University should experience an increase in the cash and investment balances through the end of FY 2025 1Q.

**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 2024 4Q, the portfolio returned 6.1 percent. This compares favorably to a 2.7 percent return at the end of FY 2023 4Q. The Strategic Capital and Reserve Pools returned 6.3 percent while the Working Capital Pool gained 5.2 percent. Returns from the SPIA totaled 3.2 percent at the end of FY 2024 4Q (see *FY Performance vs. Benchmarks* chart for additional performance detail by asset class).

The Overall Portfolio was slightly lower than its aggregate benchmark due mostly to the equity asset class. The Equity Asset class underperformed its benchmark due to Private Equity.



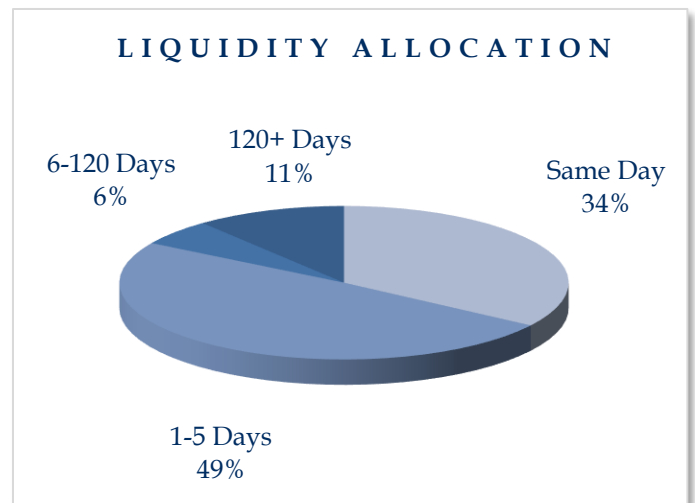
## LIQUIDITY

### Real Days Payable

At the end of FY 2024 4Q, \$457.8 million, or 83.7 percent, of the liquidity position was accessible within 5 business days (see *Liquidity Allocation* chart for detail). At the end of FYTD 2024 4Q, the University had 82 real days payable<sup>1</sup> (“RDP”) versus 80 RDP at the end of FYTD 2023 4Q.

### Sources

The University started the fiscal year with \$224.5 million in cash balances<sup>2</sup>. Total FYTD 2024 4Q inflows (state and operational) were \$1,469.0 million as compared to \$1,429.1 million for FYTD 2023 4Q. On average, \$5.7 million flowed into the University each business day in FYTD 2024 4Q and \$5.5 million in FYTD 2023 4Q. The higher inflows were from State Appropriations.



### Uses

FYTD 2024 4Q, the University used \$1,457.8 million as compared to \$1,441.6 million in the same period last fiscal year. The FYTD 2024 4Q velocity cash outflow was \$5.6 million per day and \$5.5 million in FYTD 2023 4Q. The higher outflow was due to payroll. The University ended FY 2024 4Q with \$235.8 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.

<sup>1</sup> 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 five business days as its balance of liquid funds.

<sup>2</sup> 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 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 2024 4Q ending balance) could have unrealized losses of up to \$7.5 million and one percent probability of up to \$21.2 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 2024 4Q, a 100 bps rise in the 10 year Treasury Bond rate would result in a \$3.9 million, 0.7 percent unrealized gain. Liquidity, as measured by 5-day accessibility, would drop to 76.4 percent, or \$423.8 million, of the total current available cash and investment balances. RDP would fall to 76 days based on current fiscal year outflows.

A 25 percent decline in the equity markets would result in a (\$13.7) million (2.6) percent unrealized loss. Liquidity, as measured by 5-days accessibility, would decrease to \$454.7 million or 87.5 percent of the total current available cash and investment balances. RDP would be 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 (\$8.7) million (1.6) percent unrealized loss. Liquidity, as measured by 5-day accessibility would drop to \$392.3 million or 73.9 percent of the total current available balances. RDP would drop to 70 days.

## **DEBT**

### **Total Outstanding**

The University and DSOs ended FY 2024 4Q with \$190.7 million in outstanding debt versus \$198.7 million at the end of FY 2023 4Q. The lower year over year outstanding debt was due to continued debt service payments. The weighted average interest rate for the University and DSO issuances was 3.8 percent which was flat to same period in the prior year.

### **Refunding**

The University and the Athletics Finance Corporation (AFC) has refunded/modified all other eligible outstanding bond series. The refunding/modification are projected to save the University and AFC \$32.2 million in interest expense over the term of the issuances. As of June 31, 2024, \$10.0 million of interest savings have been realized from the refunding and modification activities. The University and AFC are expected to save \$1.7 million in interest expense in Fiscal Year 2024 and \$8.3 million over the next 5 years.

### **AFC Loan Modification**

The University anticipates that it will need to take remedial action and modify the AFC Stadium loan to remain compliant with Internal Revenue Service Post-Issuance Compliance Codes. This action is being taken because of the Pitbull Naming Rights Agreement.

### **Rating Agency Review**

The University expects that it will have its annual rating agency review with S&P in August and Moody's in September. The rating agencies will review the Housing and Parking system bonds.

**OVERVIEW**

Liquidity/University Debt	<b>3.19</b>
Liquidity/Total Debt	<b>2.87</b>

**Liquidity Position**

Cash + W/C Pool	\$ 235,752
Strategic + Reserve Pools	311,378
<b>Total</b>	<b>\$ 547,129</b>

**Debt Position**

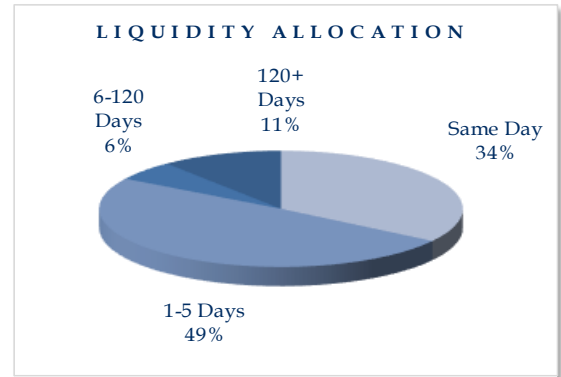
University Debt	\$ 171,310
DSO Debt	19,360
<b>Total</b>	<b>\$ 190,670</b>

**LIQUIDITY**

<b>Availability</b>	
Same Day	\$ 187,869
1-5 Days	269,891
6-120 Days	30,222
120+ Days	59,147
<b>Total</b>	<b>\$ 547,129</b>

**Real Days Payable (<5 Days)**

MTD Outflows	<b>91</b>
QTD Outflows	<b>79</b>
YTD Outflows	<b>82</b>



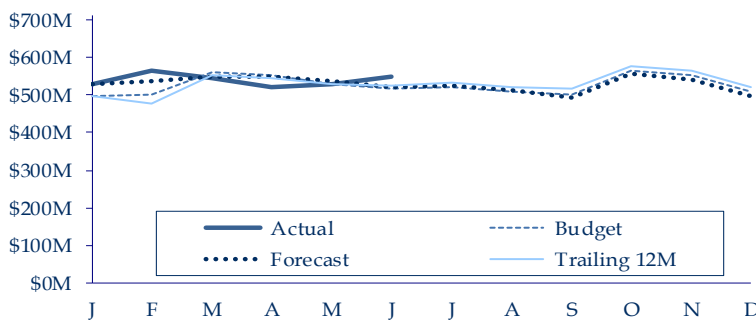
**LIQUIDITY SOURCES AND USES**

Sources	MTD	QTD	YTD
Opening W/C Pool Balance	\$ 171,583	\$ 177,946	\$ 171,829
Opening Cash Balance	41,763	56,500	52,720
From State	53,226	160,314	540,651
From Operations	70,253	217,718	928,393
<b>Uses</b>			
To Payroll	\$ (57,684)	\$ (205,205)	\$ (781,839)
To Operations	(38,165)	(124,529)	(441,164)
To Students	(5,225)	(46,992)	(234,837)
<b>Cash + W/C Pool</b>	<b>\$ 235,752</b>	<b>\$ 235,752</b>	<b>\$ 235,752</b>

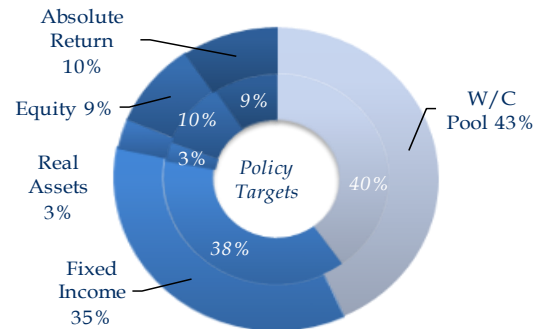
**INVESTMENTS**

Cash + W/C Pool	Balance	FYTD	Last 1Y
W/C Pool	\$ 192,628	1.9%	2.0%
Cash	43,124	1.7%	1.7%
<b>Strategic + Reserve Pools</b>			
Fixed Income	192,300	0.8%	-4.9%
Real Assets	17,084	-7.9%	-12.7%
Equity	49,892	5.8%	-7.0%
Absolute Return	52,102	5.6%	2.4%
<b>Total Portfolio</b>	<b>\$ 547,129</b>	<b>2.1%</b>	<b>-1.6%</b>

**CASH + INVESTMENTS FORECAST**

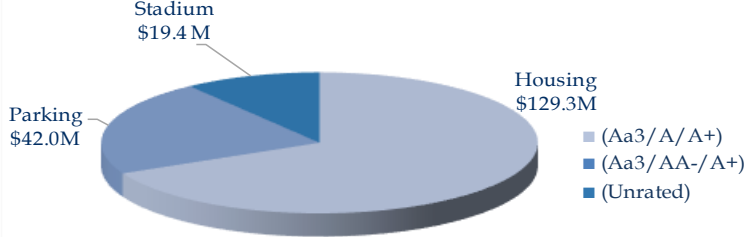


**ASSET ALLOCATION**

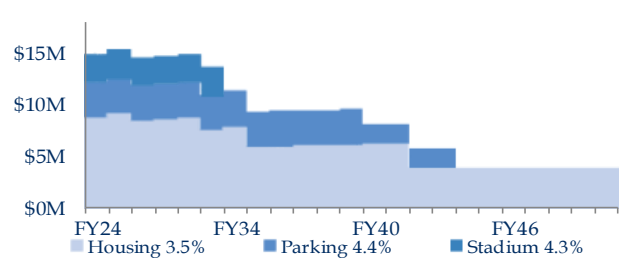


**DEBT**

**OUTSTANDING DEBT**



**ANNUAL DEBT SERVICE**



<u>OPERATING FUNDS</u>	<u>MARKET VALUE<sup>1</sup></u>	<u>BOOK VALUE</u>	<u>INCOME EARNED<sup>2</sup></u>
<u>Working Capital<sup>3</sup></u>	\$235.8M	\$238.3M	\$10.6M
Fixed Income	\$192.3M	\$192.4M	\$4.0M
Equity	\$49.9M	\$33.7M	\$1.9M
Real Assets	\$17.1M	\$18.6M	\$0.0M
Absolute Return	\$52.1M	\$30.2M	\$0.0M
<u>Total Strategic/Reserve</u>	<u>\$311.4M</u>	<u>\$274.9M</u>	<u>\$6.0M</u>
<u>Total Operating Funds</u>	<u>\$547.1M</u>	<u>\$513.1M</u>	<u>\$16.6M</u>

<sup>1</sup> Includes Dividend/Interest Receivable

<sup>2</sup> Investment Income Earnings - Dividends and Interest

<sup>3</sup> Includes Bank Cash