



FLORIDA INTERNATIONAL UNIVERSITY
ANNUAL REPORT 2024-2025



PREMINENT TOP-50 RESEARCH UNIVERSITY

BOARD OF TRUSTEES AND PRESIDENT

During the 2024-25 fiscal year, Jeanette M. Nuñez served as President of Florida International University and the following individuals served as Members of the Board of Trustees:

Carlos A. Duart, Chair, from June 12, 2025

Rogelio Tovar, Chair, to June 4, 2025

Marc D. Sarnoff, JD, Vice Chair

Noël C. Barengo, MD, (1)

Francesca Casanova, from May 5, 2025 (2)

Dean C. Colson, JD

Alan Gonzalez

George Heisel, from January 7, 2025

Francis A. Hondal, to January 6, 2025

Jesus Lebeña, from January 7, 2025

Natasha Lowell, to January 6, 2025

Alexander M. Peraza, JD, from January 7, 2025

Yaffa Popack

T. Gene Prescott, to January 6, 2025

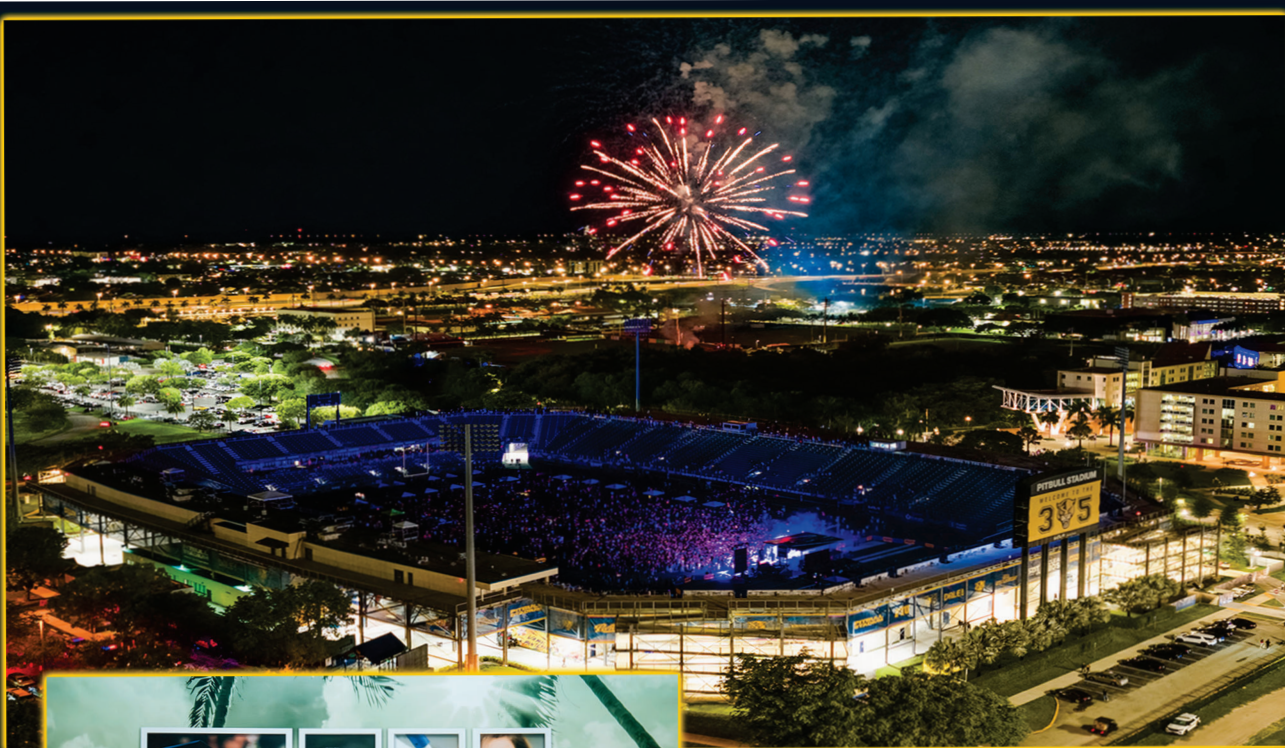
Chanel T. Rowe, JD

Alberto R. Taño, MD

Frederick Voccola, from June 18, 2025

Notes: (1) Faculty Senate Chair.

(2) Student Body President.



WE FEEL PERSONALLY CHARGED
TO MAKE A REAL DIFFERENCE.



FLORIDA INTERNATIONAL UNIVERSITY

ANNUAL REPORT 2024-25

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Message from the President



It has been a remarkable year at Florida International University. Our university continues to build on a legacy of excellence, innovation, and community impact, solidifying our place as one of the nation’s leading public research universities.

With a continued focus on student success, research excellence, and community partnerships, FIU continues to rise. For the second consecutive year, our university was ranked among the Top 50 public universities in the nation – No. 46 – by *U.S. News & World Report*. FIU also advanced to No. 97 overall.

FIU is on a clear path to becoming a Top 30 public university by 2030. We are especially proud to be recognized once again as No. 1 in the nation for upward economic mobility, highlighting the transformative power of an FIU education in changing lives and communities. Additionally, we have been recognized as No. 2 in international business, No. 11 best value, No. 16 in innovation, and No. 45 for veterans among public universities.

Serving as FIU’s seventh president – and the first alumna – during this historic time for FIU fills me with great pride and optimism.

In addition to U.S. News rankings, FIU has also received numerous other accolades. In Florida, FIU has been the No. 1 for three years in a row in performance-based funding metrics that measure student success. FIU has also again secured its place as the top university in Florida in *The Wall Street Journal/College Pulse* 2026 Best Colleges in the U.S. rankings. *Washington Monthly* ranked FIU the No. 8 university in the country, and the No. 1 “Best Bang for the Buck” in the Southeast. Meanwhile, *Niche* named FIU No. 21 among Top Public Universities, and No. 70 nationally.

These achievements underscore our steady and deliberate climb, a testament to the hard work and dedication of FIU students, faculty, staff, administrators, alumni, and supporters.

With more than 55,000 students and a growing alumni network of more than 340,000 Panthers worldwide, FIU stands as a powerful force for innovation, opportunity, and economic mobility in South Florida and beyond.

I am grateful to every Panther – past, present, and future – who has shown an unwavering commitment to FIU’s mission. Together, we continue to elevate FIU into a world-class institution.

Sincerely,

A handwritten signature in blue ink that reads "Jeanette M. Nuñez". The signature is fluid and cursive, with a long, sweeping underline.

Jeanette M. Nuñez
President



FIU Defined by EXCELLENCE

Introduction from the Senior Vice President and Interim Chief Financial Officer



I am pleased to present FIU's 2024-25 Annual Financial Report, which provides detailed information about the financial activities, results of operations, and financial position for FIU, its direct support organizations, and the university health services support organizations. As Interim Chief Financial Officer, I will continue to build on the standard of excellence built over the years, dedicated to responsible stewardship and use of the university's financial resources in support of strategic decisions that align with the university's strategic plan. We are committed to supporting our areas of strategic focus - Environment & Environmental Resilience, Health, and Technology & Innovation, and have an optimistic outlook for the future as FIU continues to provide an outstanding educational experience for our students, engage in world class research addressing the problems that affect South Florida and beyond, and continue to lead in the performance-based metrics of the State of Florida.

Our financial stewardship and strategic investments have positioned the university to thrive in a rapidly changing landscape. Some notable highlights from 2024-2025 include:

- The confirmation of Jeanette M. Nuñez by the Florida Board of Governors as the university's seventh president. President Nuñez is former Lieutenant Governor of Florida and the first woman and FIU graduate to serve in the role.
- The designation of FIU as a Preeminent State Research University. FIU became the fourth – and youngest – university to earn the honor. The designation comes with additional funding to strengthen research as well as recruit and retain top faculty and students.
- The completion of the university's latest strategic plan, Experience Impact 2030. Under this plan, FIU aims to become a Top 30 U.S. public university by 2030.
- The unveiling of a groundbreaking partnership between the university and Armando "Pitbull" Perez to rename FIU's stadium Pitbull Stadium and to support and promote FIU.
- The continued investment in critical infrastructure projects that will shape FIU's future, including additional on-campus residential housing and research facilities.

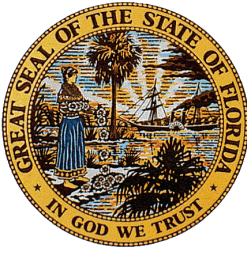
These accomplishments reflect the dedication, creativity, and fiscal responsibility of every member of our Panther community. We are grateful for the support we receive from the State of Florida – support that enables our university to build facilities that benefit our students and the greater South Florida community. We also appreciate our affiliations with Baptist Health and Nicklaus Children's Hospital. These relationships will figure prominently in the positive transformation of South Florida's healthcare landscape for decades to come.

Looking ahead, we remain committed to building upon this momentum – investing wisely, innovating boldly, and ensuring that FIU's impact continues to grow locally, nationally, and globally.

Sincerely,

A handwritten signature in blue ink that reads "David H. Snider". The signature is fluid and cursive, written in a professional style.

David H. Snider, J.D., M.S.
Senior Vice President and Interim Chief Financial Officer



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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



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

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

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of Florida International University, a component unit of the State of Florida, and its aggregate discretely presented component units as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of Florida International University and of its aggregate discretely presented component units as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units columns as of June 30, 2025. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditors.

Basis for Opinions

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2026, on our consideration of the Florida International University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**. The purpose of

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

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
February 27, 2026
Audit Report No. 2026-118

FLORIDA INTERNATIONAL UNIVERSITY

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

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, 2025, 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, 2025, and June 30, 2024.

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 four component units are included within the University reporting entity as discretely presented component units:

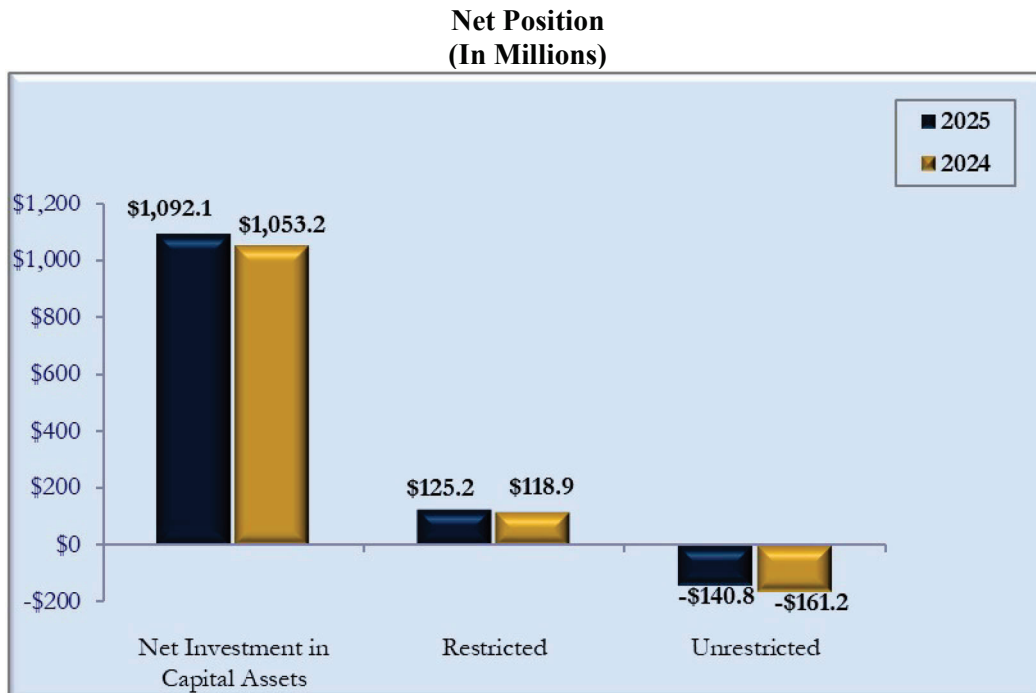
- Florida International University Foundation, Inc. (Foundation)
- FIU Athletics Finance Corporation (Finance Corporation)
- Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc. (Health Care Network)
- Florida International University Children's Alliance for Research and Education, Inc. (CARE)

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, 2025, and June 30, 2024, is shown in the following graph:



FLORIDA INTERNATIONAL UNIVERSITY

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

The following summarizes the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30:

Condensed Statement of Net Position at June 30 (In Millions)

	<u>2025</u>	<u>2024</u>
Assets		
Current Assets	\$ 897.2	\$ 754.4
Capital Assets, Net	1,294.3	1,269.3
Other Noncurrent Assets	<u>41.1</u>	<u>28.4</u>
Total Assets	<u>2,232.6</u>	<u>2,052.1</u>
Deferred Outflows of Resources	<u>181.5</u>	<u>170.4</u>
Liabilities		
Current Liabilities	153.0	99.6
Noncurrent Liabilities	<u>1,004.6</u>	<u>929.6</u>
Total Liabilities	<u>1,157.6</u>	<u>1,029.2</u>
Deferred Inflows of Resources	<u>180.0</u>	<u>182.4</u>
Net Position		
Net Investment in Capital Assets	1,092.1	1,053.2
Restricted	125.2	118.9
Unrestricted	<u>(140.8)</u>	<u>(161.2)</u>
Total Net Position	<u>\$ 1,076.5</u>	<u>\$ 1,010.9</u>

Total assets as of June 30, 2025, increased by \$180.5 million, or 8.8 percent. This increase was predominantly due to a net increase in current assets driven mainly by additional capital appropriations due from the State, essentially for the Herbert Wertheim College of Medicine Academic Health Sciences Clinical Facility, as well as a rise in accounts receivable. Additionally, there was a net increase in noncurrent assets of \$37.7 million comprised mainly of \$25 million in capital assets, mostly from construction in progress for the Engineering Building, Trish and Dan Bell Chapel, and CASE building remodeling.

Total liabilities as of June 30, 2025, increased by \$128.4 million, or 12.5 percent. The increase was driven by a rise in both current and noncurrent unearned revenue of \$117.4 million, mostly from capital appropriations provided by the State for the Herbert Wertheim College of Medicine Academic Health Sciences Clinical Facility. Additionally, compensated absences liability rose by \$16.5 million, prompted by the a change in the University's sick leave policy during the year, whereby eligible employees with more than ten years of continuous service became eligible to be paid for one-fourth of accrued sick leave up to 480 hours upon separation from the University. These increases were partially offset by a decline of \$8.7 million in capital improvement debt payable from the payments made during the year.

Deferred outflows of resources increased by \$11.1 million from activity related to pensions and other postemployment benefits. Deferred inflows of resources decreased by \$2.4 million from activity related to pensions, other postemployment benefits and right-to-use leases.

As a result, the University's net position increased by \$65.6 million, or 6.5 percent, resulting in a fiscal year-end balance of \$1,076.5 million, which includes a deficit in unrestricted net position. This deficit is discussed further in the notes to financial statements.

FLORIDA INTERNATIONAL UNIVERSITY

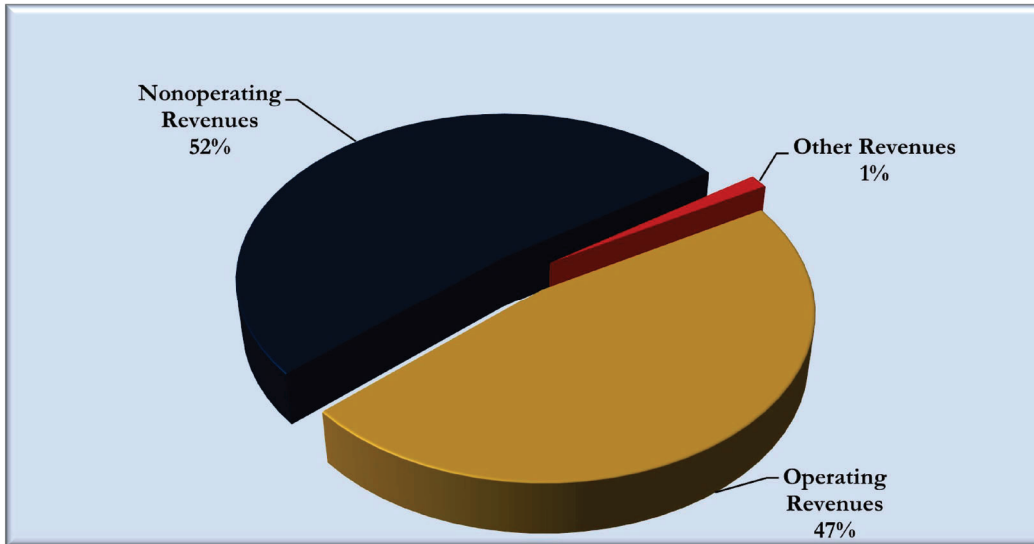
A COMPONENT UNIT OF THE STATE OF FLORIDA MANAGEMENT'S DISCUSSION AND ANALYSIS

THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The statement of revenues, expenses, and changes in net position presents the University's revenue and expense activity, categorized as operating and nonoperating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

The following chart provides a graphical presentation of the University revenues by category for the 2024-25 fiscal year:

Total Revenues



The following summarizes the University's activity for the 2024-25 and 2023-24 fiscal years:

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

	<u>2024-25</u>	<u>2023-24</u>
Operating Revenues	\$ 661.0	\$ 646.3
Less, Operating Expenses	<u>1,347.7</u>	<u>1,315.3</u>
Operating Loss	(686.7)	(669.0)
Net Nonoperating Revenues	<u>734.7</u>	<u>682.6</u>
Income Before Other Revenues	48.0	13.6
Other Revenues	<u>17.6</u>	<u>62.9</u>
Net Increase in Net Position	65.6	76.5
Net Position, Beginning of Year	<u>1,010.9</u>	<u>934.4</u>
Net Position, End of Year	<u><u>\$ 1,076.5</u></u>	<u><u>\$ 1,010.9</u></u>

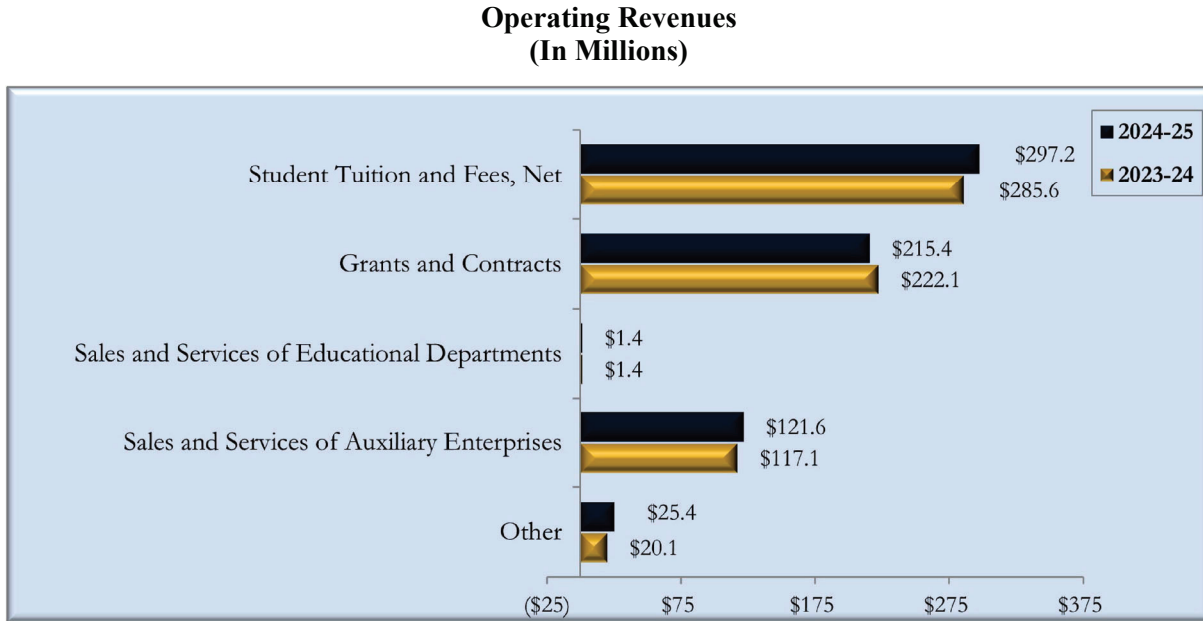
FLORIDA INTERNATIONAL UNIVERSITY

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

Operating Revenues

GASB Statement No. 35 categorizes revenues as either operating or nonoperating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either gives or receives something of equal or similar value.

The following chart presents the University's operating revenues for the 2024-25 and 2023-24 fiscal years:



The following summarizes the operating revenues by source that were used to fund operating activities for the 2024-25 and 2023-24 fiscal years:

**Operating Revenues
For the Fiscal Years
(In Millions)**

	<u>2024-25</u>	<u>2023-24</u>
Student Tuition and Fees, Net	\$ 297.2	\$ 285.6
Grants and Contracts	215.4	222.1
Sales and Services of Educational Departments	1.4	1.4
Sales and Services of Auxiliary Enterprises	121.6	117.1
Other	<u>25.4</u>	<u>20.1</u>
Total Operating Revenues	<u><u>\$ 661.0</u></u>	<u><u>\$ 646.3</u></u>

The University total operating revenues increased by \$14.7 million, or 2.3 percent, over the 2023-24 fiscal year. Operating revenue changes were the result of the following factors:

- Net student tuition and fees revenue increased \$11.6 million or 4.1 percent. This increase was primarily driven by undergraduate tuition and fees revenue from higher enrollment for first-time college students as well as an incremental amount of Shorelight students, which pay the higher out-of-State students tuition rate. In addition, an increase in enrollment for undergraduate transfer students also contributed to the increase in tuition and student fee revenue.

FLORIDA INTERNATIONAL UNIVERSITY

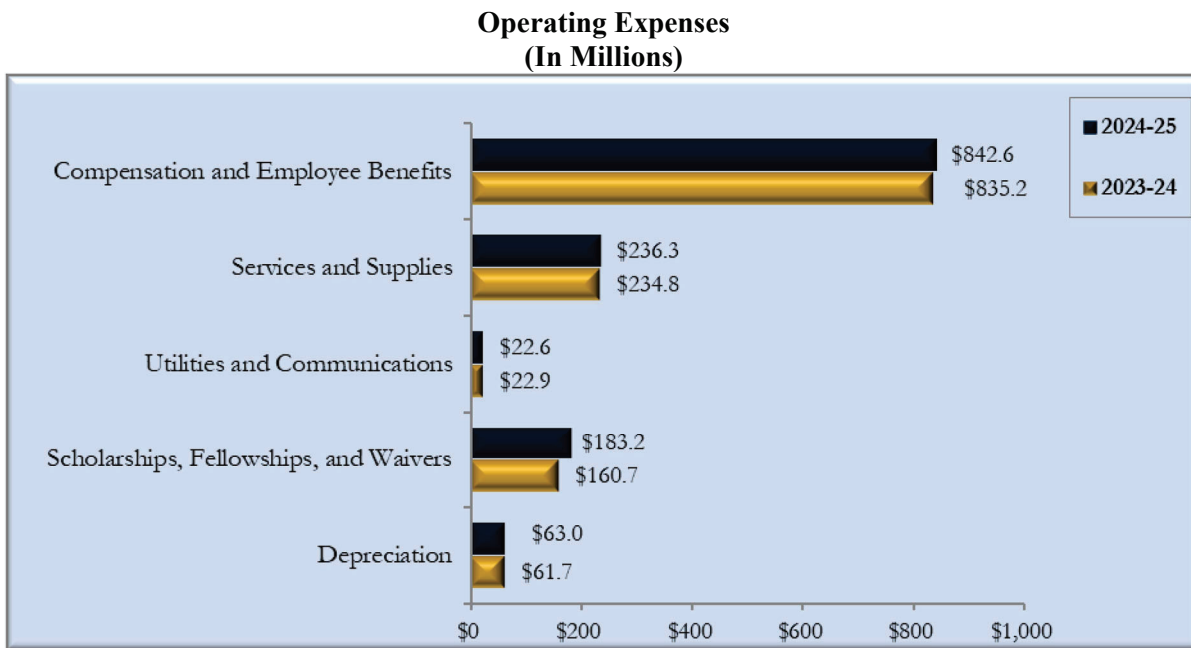
A COMPONENT UNIT OF THE STATE OF FLORIDA MANAGEMENT'S DISCUSSION AND ANALYSIS

- ▶ Revenue from Sales and Services of Auxiliary Enterprises increased by \$4.5 million or 3.8 percent. The increase is mostly attributed to a contract termination payment from Wells Fargo, a former banking provider on campus, revenues from Toshiba for the administration and technical support of the copier lease contract, construction services reimbursement revenues associated with deferred maintenance projects, a six percent increase in student housing fees, incremental parking fines revenues, as well as rental income from demand for events hosted on campus and sublease escalation revenues in our National Forensic Science Technology Center location.
- ▶ Other operating revenues increased by \$5.3 million, or 26.4 percent. The increase came largely from reimbursements from the Health Care Network for expenses in the College of Medicine for programs related to the Baptist Affiliation agreement as well as a reimbursement from the Athletics Finance Corporation for a concert held in the football stadium.

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 2024-25 and 2023-24 fiscal years:



The following summarizes the operating expenses by natural classification for the 2024-25 and 2023-24 fiscal years:

**Operating Expenses
For the Fiscal Years
(In Millions)**

	<u>2024-25</u>	<u>2023-24</u>
Compensation and Employee Benefits	\$ 842.6	\$ 835.2
Services and Supplies	236.3	234.8
Utilities and Communications	22.6	22.9
Scholarships, Fellowships, and Waivers	183.2	160.7
Depreciation	<u>63.0</u>	<u>61.7</u>
Total Operating Expenses	<u><u>\$ 1,347.7</u></u>	<u><u>\$ 1,315.3</u></u>

FLORIDA INTERNATIONAL UNIVERSITY

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

Changes in operating expenses primarily resulted from the following factors:

- ▶ Compensation and employee benefits increased \$7.4 million, or 0.9 percent. The higher expenses primarily resulted from a three and a half percent across-the-board salary increase, and bonuses for eligible employees, as well as an increase in the total number of employees. Consequently, these actions contributed to an increase in payroll taxes and retirement benefit expenses. Additionally, there were increases in the University's proportionate share of Other Postemployment Benefits as well as an increase in compensated absences expense, primarily due to the change in sick leave policy whereby eligible employees with more than ten years of continuous service are now paid one-fourth of sick leave up to 480 hours upon separation from the University. These increases were partially offset by a decrease in pension expense related to the Florida Retirement System (FRS).
- ▶ Scholarship, fellowship, and waiver expenses increased by \$22.5 million, or 14 percent, mostly from scholarships from Pell, Bright Futures, and Federal Supplemental Educational Opportunity Grants (FSEOG). Additionally, there was an increase in waivers from an enrollment increase in the Shorelight program.

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 2024-25 and 2023-24 fiscal years:

	<u>2024-25</u>	<u>2023-24</u>
State Noncapital Appropriations	\$ 447.6	\$ 424.5
Federal and State Student Financial Aid	219.5	195.4
Noncapital Grants, Contracts, and Gifts	37.1	36.5
Investment Income	36.6	31.0
Other Nonoperating Revenues	3.4	3.6
Loss on Disposal of Capital Assets	-	(0.3)
Interest on Capital Asset-Related Debt	(6.3)	(6.8)
Other Nonoperating Expenses	<u>(3.2)</u>	<u>(1.3)</u>
Net Nonoperating Revenues	<u>\$ 734.7</u>	<u>\$ 682.6</u>

Net nonoperating revenues increased by \$52.1 million, or 7.6 percent, from the 2023-24 fiscal year. Net nonoperating revenues changes were due mainly to the following factors:

- ▶ State noncapital appropriations increased \$23.1 million, or 5.4 percent, mainly due to additional appropriations of \$25 million for the University attaining preeminent status and \$16 million for the Adam Smith Center for the Study of Economic Freedom. These increases were partially offset by a decrease of \$11.2 million from prior year nonrecurring funding, Nursing LINE and PIPELINE funding, and programs of strategic emphasis funds. A decrease of \$6.6 million in performance funding and \$0.1 million in risk management insurance funding contributed to the offset of the increases noted.
- ▶ Federal and State student financial aid increased by \$24.1 million, or 12.3 percent, primarily driven by revenues from Pell, Bright Futures, and Federal Work Study awards.

FLORIDA INTERNATIONAL UNIVERSITY

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

- ▶ Investment income increased by \$5.6 million, or 18.1 percent, in large part due to unrealized gains resulting from improved investment performance from the fixed income asset class, an increase in interest income driven by higher cash balances, and gains on the sale of investments mostly from international equities.

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 2024-25 and 2023-24 fiscal years:

	<u>2024-25</u>	<u>2023-24</u>
State Capital Appropriations	\$ -	\$ 40.0
Capital Grants, Contracts, and Donations	<u>17.6</u>	<u>22.9</u>
Total Other Revenues	<u>\$ 17.6</u>	<u>\$ 62.9</u>

Total other revenues decreased by \$45.3 million, or 72 percent, due to a decrease of \$40 million in revenue earned from State capital appropriations for construction projects and a decrease of \$5.3 million in capital grants, contracts, and donations as compared to the 2023-24 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 2024-25 and 2023-24 fiscal years:

	<u>2024-25</u>	<u>2023-24</u>
Cash Provided (Used) by:		
Operating Activities	\$ (613.5)	\$ (563.7)
Noncapital Financing Activities	705.6	655.6
Capital and Related Financing Activities	(70.6)	(86.4)
Investing Activities	<u>(24.5)</u>	<u>(10.7)</u>
Net Decrease in Cash and Cash Equivalents	(3.0)	(5.2)
Cash and Cash Equivalents, Beginning of Year	<u>51.7</u>	<u>56.9</u>
Cash and Cash Equivalents, End of Year	<u>\$ 48.7</u>	<u>\$ 51.7</u>

FLORIDA INTERNATIONAL UNIVERSITY

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

Major sources of funds came from proceeds from sales and maturities of investments \$1.3 billion, State noncapital appropriations \$447.6 million, net student tuition and fees \$298.4 million, grants and contracts \$227.2 million, Federal and State student financial aid \$219.5 million, Federal Direct Student Loan program receipts \$206.4 million, and sales and services of auxiliary enterprises \$118.4 million. Major uses of funds were for purchases of investments \$1.3 billion, payments made to and on behalf of employees \$833.7 million, payments to suppliers \$255.7 million, disbursements to students for Federal Direct Student Loan program \$205.9 million, payments to and on behalf of students for scholarships and fellowships \$183.2 million, and purchases of capital assets \$86.6 million.

CAPITAL ASSETS, CAPITAL EXPENSES AND COMMITMENTS, AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2025, the University had \$2.2 billion in capital assets, less accumulated depreciation/amortization of \$939.7 million, for net capital assets of \$1.3 billion. Depreciation for the current fiscal year totaled \$63 million.

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

	<u>2025</u>	<u>2024</u>
Land	\$ 38.0	\$ 38.0
Works of Art and Historical Treasures	14.6	13.8
Construction in Progress	269.9	227.5
Buildings	831.1	838.9
Infrastructure and Other Improvements	36.7	40.6
Furniture and Equipment	69.8	66.0
Library Resources	6.4	8.7
Leasehold Improvements	0.2	0.2
Computer Software	0.2	0.3
Right-to-Use Space Lease	19.7	26.3
Right-to-Use Equipment Lease	2.0	3.0
Subscription-Based Information Technology Arrangements	<u>5.7</u>	<u>6.0</u>
Capital Assets, Net	<u><u>\$ 1,294.3</u></u>	<u><u>\$ 1,269.3</u></u>

Additional information about the University's capital assets is presented in the notes to financial statements.

FLORIDA INTERNATIONAL UNIVERSITY

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

Capital Expenses and Commitments

Major capital expenses through June 30, 2025, were incurred on the following projects: \$18.6 million for Auxiliary Minor Projects, \$10.8 million for the Nondenominational Chapel, \$9.5 million for the Engineering Building Phases 1 & 2, \$6.8 million for Deferred Building Maintenance, \$5.6 million for the CASE Building Remodel/Renovation, and \$3.1 million for University Student Housing.

The University's construction commitments at June 30, 2025, are as follows:

	Amount (In Millions)
Total Committed	\$ 538.6
Completed to Date	<u>(269.9)</u>
Balance Committed	<u>\$ 268.7</u>

Additional information about the University's construction commitments is presented in the notes to financial statements.

Debt Administration

As of June 30, 2025, the University had \$202.3 million in outstanding capital improvement debt payable, leases payable, and SBITA liability, representing a decrease of \$16.7 million, or 7.6 percent, from the prior fiscal year.

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

	Long-Term Debt, at June 30 (In Millions)	
	<u>2025</u>	<u>2024</u>
Capital Improvement Debt Payable	\$ 172.8	\$ 181.5
Leases Payable	23.6	31.1
SBITA Liability	<u>5.9</u>	<u>6.4</u>
Total	<u>\$ 202.3</u>	<u>\$ 219.0</u>

Additional information about the University's long-term debt is presented in the notes to the financial statements.

FLORIDA INTERNATIONAL UNIVERSITY

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

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

Florida's economy is shifting from a period of rapid, post-pandemic expansion into a more moderate and typical growth pattern. Over recent fiscal years, the State's real Gross Domestic Product (GDP) has shown a clear trend of deceleration. In the fiscal year 2022-23, Florida's real GDP growth was 4.9 percent, followed by a decrease to 3.7 percent in the fiscal year 2023-24, and a further slowdown to 2.9 percent in the fiscal year 2024-25.

Looking further ahead, State economists project that GDP growth will continue to decline, settling between 1.9 percent and 2 percent over the next three fiscal years. By the fiscal year 2028-29, growth is expected to stabilize in the range of 2.1 percent to 2.2 percent. This transition signals a return to more traditional rates of economic expansion following the unique circumstances of the post-pandemic recovery.

In the near term, Florida's fiscal position remains robust, with a significant budget surplus of \$3.8 billion projected for the fiscal year 2026-27. However, the State faces a more challenging outlook in subsequent years. As expenditures begin to exceed revenues, deficits are expected to emerge and widen. Specifically, a deficit of \$1.5 billion is anticipated in the fiscal year 2027-28, escalating sharply to \$6.6 billion by the fiscal year 2028-29.

The timing and effectiveness of fiscal strategies adopted by the State Legislature will be critical in addressing these emerging challenges. Proactive financial planning will be essential for maximizing funding for the State University System and for supporting Florida's ongoing growth and innovation in the face of the slowing economic expansion.

The 2025 Florida Legislative session concluded on June 16, 2025. Subsequently, the Governor approved the General Appropriations Act for the fiscal year 2025-26 (Senate Bill 2500) on June 30, 2025. Within this legislative cycle, FIU was allocated a total of \$479.5 million in operating State appropriations, reflecting an increase of \$29.7 million, or 6.6 percent, over the preceding year.

The increase in funding included several key components: \$10 million in non-recurring funding to maintain the Preeminent Research State University designation, \$35 million is for operational support (with \$15 million recurring and \$20 million non-recurring), \$0.5 million allocated to the Nursing Education (PIPELINE) program, and additional amounts totaling \$0.4 million. Reductions in the prior year's non-recurring budget amounted to \$16.2 million, which included \$10.2 million for Performance Based Recruitment and Retention Incentives, \$5 million for the Florida Public Hurricane Loss Model, and \$1 million for the Adam Smith Center for the Study of Economic Freedom.

FIU also received capital appropriations totaling \$60 million. Of this, \$53.7 million is designated for the Herbert Wertheim College of Medicine Academic Health Sciences/Clinical Facility, and \$6.3 million is allocated for the expansion and renovation of the student union, the Graham Center. Notably, for the first time in over a decade, FIU was approved to increase the out-of-state tuition fee by 10%, while all other tuition rates remain unchanged.

FIU has solidified its place among the country's top public institutions, ranking No. 46 among public universities and No. 97 overall, according to U.S. News and World Report. The University also remains No. 1 nationally for upward economic mobility, reflecting its strong support for student advancement.

FIU continues as a Preeminent Research State University and achieved the highest score in the Florida Board of Governors performance metrics for the second consecutive year and third time in five years, affirming its ongoing excellence.

The University is advancing its Experience Impact 2030 plan, which focuses on environmental resilience, health, and innovation. This strategy underscores FIU's commitment to positive outcomes for stakeholders and ensures its position as a forward-thinking and innovative institution.

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, David Snider, Jr., 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, 2025

	<u>University</u>	<u>Component Units</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 47,652,833	\$ 27,794,971
Investments	544,878,642	25,404,380
Accounts Receivable, Net	66,762,265	20,211,394
Loans and Notes Receivable, Net	133,205	-
Leases Receivable	473,556	598,194
Due from State	225,165,491	-
Due from Component Units/University	9,278,947	2,526,359
Inventories	392,066	-
Other Current Assets	2,427,886	2,133,190
Total Current Assets	<u>897,164,891</u>	<u>78,668,488</u>
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	1,086,084	-
Restricted Investments	38,151,010	475,781,692
Loans and Notes Receivable, Net	331,299	21,542,060
Leases Receivable	642,329	3,851,529
Depreciable/Amortizable Capital Assets, Net	971,788,966	3,841,981
Nondepreciable Capital Assets	322,532,529	5,054,567
Due from Component Units	852,241	-
Other Noncurrent Assets	-	9,019,909
Total Noncurrent Assets	<u>1,335,384,458</u>	<u>519,091,738</u>
Total Assets	<u>2,232,549,349</u>	<u>597,760,226</u>
DEFERRED OUTFLOWS OF RESOURCES		
Other Postemployment Benefits	79,043,068	-
Pensions	102,488,968	-
Total Deferred Outflows of Resources	<u>181,532,036</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	26,166,740	963,230
Construction Contracts Payable	12,803,273	-
Salaries and Wages Payable	10,873,444	-
Deposits Payable	7,818,118	-
Due to State	358,326	-
Due to Component Units/University	2,513,339	9,291,968
Unearned Revenue	59,875,120	2,533,618
Other Current Liabilities	1,664,564	97,634
Long-Term Liabilities - Current Portion		
Bonds Payable	-	600,000
Notes Payable	-	1,385,100
Capital Improvement Debt Payable	8,281,528	-
Leases Payable	5,151,733	-
Subscription Arrangements Liability	2,277,429	-
Compensated Absences Payable	6,205,424	-
Liability for Self-Insured Claims	1,848	-
Other Postemployment Benefits Payable	8,746,881	-
Net Pension Liability	287,706	-
Total Current Liabilities	<u>153,025,473</u>	<u>14,871,550</u>

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA

STATEMENT OF NET POSITION (CONTINUED)

AS OF JUNE 30, 2025

	<u>University</u>	<u>Component Units</u>
LIABILITIES (Continued)		
Noncurrent Liabilities:		
Bonds Payable	-	4,745,000
Notes Payable	-	21,455,600
Capital Improvement Debt Payable	164,483,607	-
Leases Payable	18,478,407	-
Subscription Arrangements Liability	3,660,478	-
Compensated Absences Payable	69,030,096	-
Due to University	-	852,241
Other Postemployment Benefits Payable	298,754,347	-
Unearned Revenue	141,804,141	-
Liability for Self-Insured Claims	201,223	-
Other Long-Term Liabilities	524,722	445,751
Net Pension Liability	307,662,433	-
Total Noncurrent Liabilities	<u>1,004,599,454</u>	<u>27,498,592</u>
Total Liabilities	<u>1,157,624,927</u>	<u>42,370,142</u>
DEFERRED INFLOWS OF RESOURCES		
Other Postemployment Benefits	137,857,943	-
Pensions	41,033,678	-
Leases	1,059,834	4,183,718
Total Deferred Inflows of Resources	<u>179,951,455</u>	<u>4,183,718</u>
NET POSITION		
Net Investment in Capital Assets	1,092,074,104	8,470,189
Restricted for Nonexpendable:		
Endowment	-	219,872,372
Restricted for Expendable:		
Debt Service	61,784	-
Loans	2,103,958	-
Capital Projects	73,030,916	-
Other	50,008,039	214,185,162
Unrestricted	(140,773,798)	108,678,643
TOTAL NET POSITION	<u>\$ 1,076,505,003</u>	<u>\$ 551,206,366</u>

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

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>University</u>	<u>Component Units</u>
REVENUES		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarship Allowances of \$194,350,815	\$ 297,253,548	\$ -
Federal Grants and Contracts	167,656,623	-
State and Local Grants and Contracts	13,757,815	-
Nongovernmental Grants and Contracts	33,970,918	-
Sales and Services of Educational Departments	1,415,319	-
Sales and Services of Auxiliary Enterprises	121,605,777	-
Sales and Services of Component Units	-	18,743,341
Gifts and Donations	-	33,186,158
Interest on Loans and Notes Receivable	12,493	-
Other Operating Revenues	<u>25,354,163</u>	<u>10,100,634</u>
Total Operating Revenues	<u>661,026,656</u>	<u>62,030,133</u>
EXPENSES		
Operating Expenses:		
Compensation and Employee Benefits	842,569,749	-
Services and Supplies	236,288,372	79,820,684
Utilities and Communications	22,611,341	356,241
Scholarships, Fellowships, and Waivers	183,202,435	-
Depreciation/Amortization	63,038,677	178,583
Self-Insurance Claims	<u>27,440</u>	<u>-</u>
Total Operating Expenses	<u>1,347,738,014</u>	<u>80,355,508</u>
Operating Loss	<u>(686,711,358)</u>	<u>(18,325,375)</u>
NONOPERATING REVENUES (EXPENSES)		
State Noncapital Appropriations	447,579,733	-
Federal and State Student Financial Aid	219,461,137	-
Noncapital Grants, Contracts, and Gifts	37,110,508	5,000,000
Investment Income	36,550,100	67,859,262
Other Nonoperating Revenues	3,426,039	15,233,981
Loss/Gain on Disposal of Capital Assets	(29,027)	1,411
Interest on Capital Asset-Related Debt	(6,289,225)	(1,051,129)
Other Nonoperating Expenses	<u>(3,053,713)</u>	<u>(2,150,483)</u>
Net Nonoperating Revenues	<u>734,755,552</u>	<u>84,893,042</u>
Income Before Other Revenues	48,044,194	66,567,667
Capital Grants, Contracts, and Donations	<u>17,615,365</u>	<u>-</u>
Increase in Net Position	65,659,559	66,567,667
Net Position, Beginning of Year	<u>1,010,845,444</u>	<u>484,638,699</u>
Net Position, End of Year	<u>\$ 1,076,505,003</u>	<u>\$ 551,206,366</u>

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

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA

STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>University</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Student Tuition and Fees, Net	\$ 298,424,128
Grants and Contracts	227,166,840
Sales and Services of Educational Departments	1,415,319
Sales and Services of Auxiliary Enterprises	118,412,436
Interest on Loans and Notes Receivable	12,706
Payments to Employees	(833,743,661)
Payments to Suppliers for Goods and Services	(255,684,219)
Payments to Students for Scholarships and Fellowships	(183,202,435)
Payments on Self-Insured Claims	(51,085)
Loans Issued to Students	(994,000)
Collection on Loans to Students	970,539
Other Operating Receipts	13,753,461
Net Cash Used by Operating Activities	<u>(613,519,971)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Noncapital Appropriations	447,579,733
Federal and State Student Financial Aid	219,461,137
Noncapital Grants, Contracts, and Gifts	39,086,109
Federal Direct Loan Program Receipts	206,350,826
Federal Direct Loan Program Disbursements	(205,933,001)
Net Change in Funds Held for Others	(162,909)
Other Nonoperating Receipts	1,375,895
Other Nonoperating Disbursements	(2,181,302)
Net Cash Provided by Noncapital Financing Activities	<u>705,576,488</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
State Capital Appropriations	14,278,607
Capital Grants, Contracts, and Donations	16,660,820
Other Receipts for Capital Projects	1,397,235
Capital Subsidies and Transfers	5,006,918
Purchase or Construction of Capital Assets	(86,599,125)
Principal Paid on Capital Debt and Leases	(14,765,213)
Interest Paid on Capital Debt and Leases	(7,190,753)
Principal Received on Capital Debt and Leases	568,992
Interest Received on Capital Debt and Leases	59,766
Net Cash Used by Capital and Related Financing Activities	<u>(70,582,753)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	1,293,006,818
Purchase of Investments	(1,335,788,235)
Investment Income	18,317,162
Net Cash Used by Investing Activities	<u>(24,464,255)</u>
Net Decrease in Cash and Cash Equivalents	(2,990,491)
Cash and Cash Equivalents, Beginning of Year	51,729,408
Cash and Cash Equivalents, End of Year	<u>\$ 48,738,917</u>

FLORIDA INTERNATIONAL UNIVERSITY
A COMPONENT UNIT OF THE STATE OF FLORIDA
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>University</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	\$ (686,711,358)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	63,038,677
Changes in Assets, Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources:	
Receivables, Net	(17,184,243)
Inventories	77,574
Other Assets	(256,244)
Accounts Payable	3,314,312
Salaries and Wages Payable	2,623,446
Deposits Payable	3,046,167
Compensated Absences Payable	16,494,975
Other Postemployment Benefits Payable	26,873,371
Unearned Revenue	12,352,700
Liability for Self-Insured Claims	(23,644)
Pension Liability	(24,464,736)
Deferred Outflows of Resources Related to Other Postemployment Benefits	(8,421,810)
Deferred Outflows of Resources Related to Pensions	(2,671,271)
Deferred Inflows of Resources Related to Other Postemployment Benefits	(25,257,045)
Deferred Inflows of Resources Related to Pensions	<u>23,649,158</u>
NET CASH USED BY OPERATING ACTIVITIES	<u><u>\$ (613,519,971)</u></u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND CAPITAL FINANCING ACTIVITIES	
Unrealized gains on investments were recognized as a increase to investment income on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.	<u>\$ 18,109,833</u>
Losses from the disposal of capital assets were recognized on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.	<u>\$ (29,027)</u>
Donations of capital assets were recognized on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.	<u>\$ 954,545</u>

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

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

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 Florida International University Children's Alliance for Research and Education, Inc. (CARE) - The purpose of CARE is to operate exclusively for scientific, educational, and charitable purposes, in direct support of FIU's Herbert Wertheim College of Medicine mission.

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 \$1,062,173 and \$0, respectively. The amounts represent less than one percent of the total aggregate component units' assets and operating revenues.

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

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.

FLORIDA INTERNATIONAL UNIVERSITY

A COMPONENT UNIT OF THE STATE OF FLORIDA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

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 “Direct Method A” as prescribed in NACUBO Advisory Report 2023-01 to determine the reported net tuition scholarship allowances. Under this method, the University utilizes detail by student by term.

The statement of cash flows is presented using the direct method in compliance with GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and cash in demand accounts. University cash deposits are held in banks qualified as public depositories under Florida law. All such deposits are insured by Federal Depository Insurance Corporation (FDIC), up to specified limits, or collateralized with securities held in Florida’s multiple financial institution collateral pool required by Chapter 280, Florida Statutes. Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other restricted assets, are classified as restricted.

Concentration of Credit Risk – Component Units

Financial instruments that potentially subject the Foundation to concentration of credit risk consist principally of cash and cash equivalents in banks, investments, and promises to give.

Financial instruments that potentially subject the Finance Corporation to concentration of credit risk consist principally of cash in banks and investments.

In addition to insurance provided by the FDIC, the Foundation, the Finance Corporation, and the Health Care Network deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution, eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits, with the exception noted above, are insured or collateralized with securities held by the entity or its agent in the entity’s name.

Capital Assets

University capital assets consist of land, works of art and historical treasures, construction in progress, buildings, infrastructure and other improvements, furniture and equipment, library resources, leasehold improvements, computer software, right-to-use lease assets, and subscription-based information technology arrangements (SBITAs). These assets are capitalized and recorded at cost at the date of acquisition or at estimated fair value at the date received in the case of gifts and purchases of State surplus property. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The University has a capitalization threshold of \$250 for library resources, \$5,000 for tangible personal property, and \$100,000 for new buildings, leasehold improvements, and other improvements. Depreciation and amortization are computed on the straight-line basis over the following estimated useful lives:

- Buildings – 20 to 50 years
- Infrastructure and Other Improvements – 15 years
- Furniture and Equipment – 3 to 20 years
- Library Resources – 10 years
- Leasehold Improvements – Various based on lease terms
- Right-to-Use Lease Assets – Various based on lease terms
- Subscription-Based Information Technology Arrangements Assets – Various based on lease terms
- Computer Software – 5 years

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Depreciable assets of the Foundation are stated at cost and are net of accumulated depreciation of \$2,588,529. 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 \$403,413. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, ranging from five to 15 years.

Leases

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

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

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

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

Noncurrent Liabilities

Noncurrent liabilities include capital improvement debt payable, leases payable, subscription arrangements liability, compensated absences payable, other postemployment benefits payable, unearned revenues, liability for Self-Insured Claims, other long-term liabilities, and net pension liabilities that are not scheduled to be paid within the next fiscal year. Capital improvement debt is reported net of unamortized premiums and deferred losses on refunding. The University amortizes debt premiums over the life of the debt using the straight-line method. Deferred losses on refunding are amortized over the life of the old debt or new debt (whichever is shorter) using the straight-line method.

Pensions

For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS and the HIS fiduciary net positions have been determined on the same basis as they are reported by the FRS and the HIS plans. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

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2. CHANGE IN ACCOUNTING PRINCIPLE

The University implemented GASB Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences and requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. At implementation on July 1, 2024, the beginning balance of the compensated absences was not affected by this change in accounting principle.

3. DEFICIT NET POSITION IN INDIVIDUAL FUNDS

The University reported an unrestricted net position which included a deficit in the current funds - unrestricted as shown below.

<u>Fund</u>	<u>Net Position</u>
Current Funds - Unrestricted	\$ (468,628,246)
Auxiliary Funds	327,854,448
Total	\$ (140,773,798)

As shown in the following schedule, this deficit can be attributed to the full recognition of long-term liabilities (i.e., compensated absences payable, OPEB payable, and net pension liabilities) in the current unrestricted funds that are expected to be paid over time and financed by future appropriations:

	<u>Amount</u>
Total Unrestricted Net Position Before Recognition of Long-Term Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources	\$ 538,228,530
Amount Expected to be Financed in Future Years:	
Compensated Absences Payable	\$ 66,191,376
Other Postemployment Benefits Payable and Related Deferred Outflows of Resources and Deferred Inflows of Resources	366,316,103
Net Pension Liability and Related Deferred Outflows of Resources and Deferred Inflows of Resources	246,494,849
Total Amount Expected to be Financed in Future Years	(679,002,328)
Total Unrestricted Net Position	\$ (140,773,798)

4. INVESTMENTS

Section 1011.42(5), Florida Statutes, authorizes universities to invest funds with the State Treasury and State Board of Administration (SBA) and requires that universities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities are subject to the requirements of Chapter 218, Part IV, Florida Statutes. The University's Board of Trustees has adopted a written investment policy providing that surplus funds of the University shall be invested in those institutions and instruments permitted under the provisions of Florida Statutes. Pursuant to Section 218.415(16), Florida Statutes, the University is authorized to invest in the Florida PRIME investment pool administered by the SBA; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; direct obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open end or closed end management type investment companies; and other investments approved by the University's Board of Trustees as authorized by law.

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Investments set aside to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted.

The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

The University's recurring fair value measurements as of June 30, 2025 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 \$182,306,578 according to GASB Statement No. 72.

The University's investments at June 30, 2025, are reported at fair value, as follows:

<u>Investments by Fair Value Level</u>	<u>Amount</u>	<u>Fair Value Measurement Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
External Investment Pool				
State Treasury Special Purpose Investment Account	\$ 2,134,323	\$ -	\$ -	\$ 2,134,323
SBA Debt Service Accounts	61,730	61,730	-	-
Mutual Funds				
Equities	52,925,342	1,300,320	51,625,022	-
Fixed Income and Bond Mutual Funds	256,597,945	97,560,237	140,454,779	18,582,929
Commodities	18,367,449	-	18,367,449	-
Other Investments	19,198,013	-	-	19,198,013
Total Investments by Fair Value Level	349,284,802	\$ 98,922,287	\$ 210,447,250	\$ 39,915,265
Investments Measured at the Net Asset Value (NAV)				
Mutual Funds				
Limited Partnerships	45,724,565			
Equities	5,713,707			
Total Investments Measured at the NAV	51,438,272			
Total Investments Measured at Fair Value	\$ 400,723,074			

The valuation method for investments measured at the NAV per share (or its equivalent) is presented in the following table:

<u>Investments Measured at the NAV</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Mutual Funds				
Limited Partnerships	\$ 45,724,565	\$ -	Quarterly/Annually	90 Days
Equities	5,713,707	2,836,642	Illiquid	N/A
Total Investments Measured at the NAV	\$ 51,438,272			

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Limited Partnerships: This category includes investments in a fund that invests in a portfolio of limited partnerships. The managers pursue multiple strategies to diversify risk and reduce volatility. The fair values of the investments have been determined by using the NAV per share of the investments. Redemption requests are received quarterly and require a 90-day written notice. Proceeds of the redemption, up to 90 percent, are available 17 business days after the redemption. The remaining 10 percent of the funds, in a complete liquidation, are available on the first week of April, after the redemption.

Equities: This category includes investments in a private equity fund. The fund invests in equity securities and debt of the private companies or conduct buyouts of public companies that result in a delisting of public equity. The nature of the investment in this category prohibits redemptions through the duration of the partnership. Distributions are received through the liquidation of underlying assets of the funds.

External Investment Pools

The University reported investments at fair value totaling \$2,134,323 at June 30, 2025, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities (Level 3 inputs).

Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Committee per Section 17.575, Florida Statutes. The authorized investment types are set forth in Section 17.57, Florida Statutes. The State Treasury SPIA investment pool carried a credit rating of AA-f by Standard & Poor's, had an effective duration of 3.33 years and fair value factor of 1.0030 at June 30, 2025. 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 \$61,730 at June 30, 2025, in the SBA Debt Service Accounts. These investments are used to make debt service payments on bonds issued by the State Board of Education for the benefit of the University. The University's investments consist of United States Treasury securities, with maturity dates of six months or less, and are reported at fair value. The University relies on policies developed by the SBA for managing interest rate risk and credit risk for these accounts. Disclosures for the Debt Service Accounts are included in the notes to financial statements of the State's Annual Comprehensive Financial Report.

Fixed Income and Bond Mutual Funds

The University invested in various mutual funds in accordance with the University's investment policy. The following risks apply to the University's fixed income and bond mutual fund investments:

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Pursuant to Section 218.415(6), Florida Statutes, the University's investments in securities must provide sufficient liquidity to pay obligations as they come due.

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The future maturities of the securities held in the fixed income and bond mutual funds at June 30, 2025, are as follows:

University Debt Investment Maturities

Type of Investment	Investment Maturities (In Years)				
	Fair Market Value	Less Than 1	1-5	6-10	More Than 10
Short Term Bond Fund	\$ 52,870,221	\$ 4,177,150	\$ 48,640,201	\$ 52,870	\$ -
Bond Index Fund	44,690,015	203,352	19,965,400	15,677,529	8,843,734
TIPS Index Fund	56,427,000	17,151	29,212,142	19,410,811	7,786,896
Core Fixed Income	43,943,427	782,193	15,692,198	18,772,632	8,696,404
Credit Fixed Income	39,721,433	3,980,270	9,763,107	14,481,562	11,496,494
Student Managed Investment Fund	362,920	66,457	145,180	150,041	1,242
Secured Bank Loans	18,582,929	236,003	7,570,685	10,776,241	-
Total	\$ 256,597,945	\$ 9,462,576	\$ 130,988,913	\$ 79,321,686	\$ 36,824,770

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2025, 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	\$ 52,870,221	\$ 24,743,059	\$ 2,273,401	\$ 8,670,644	\$ 17,183,117
Bond Index Fund	44,690,015	32,203,698	1,429,290	5,315,174	5,741,853
TIPS Index Fund	56,427,000	16,929	56,409,847	-	224
Core Fixed Income	43,943,427	878,869	28,123,793	5,712,645	9,228,120
Credit Fixed Income	39,721,433	2,757,490	3,114,029	11,037,545	22,812,369
Student Managed Investment Fund	362,920	105,312	149,161	49,179	59,268
Secured Bank Loans	18,582,929	-	-	-	18,582,929
Total	\$ 256,597,945	\$ 60,705,357	\$ 91,499,521	\$ 30,785,187	\$ 73,607,880

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the University's investment in a single issuer. The University has no formal policy on concentration of credit risk.

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Discretely Presented Component Unit Investments

The Foundation's investments at June 30, 2025, are reported at fair value as follows:

<u>Investments by Fair Value Level</u>	<u>Amount</u>	<u>Fair Value Measurement Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Domestic Equities	\$ 174,718,413	\$ 174,718,413	\$ -	\$ -
Global Equities	105,094,196	105,094,196	-	-
Fixed Income	53,751,345	53,751,345	-	-
Real Assets	15,414	15,414	-	-
Land Held for Investments	37,001,541	-	-	37,001,541
Total Investments by Fair Value Level	370,580,909	\$ 333,579,368	\$ -	\$ 37,001,541
Investments Measured at the Net Asset Value (NAV)				
Fixed Income	1,200			
Hedge Funds	937,322			
Private Investments	120,311,520			
Total Investments Measured at the NAV	121,250,042			
Fiduciary Fund Equity Interest	(19,198,013)			
Total Investments Measured at Fair Value	\$ 472,632,938			

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented in the following table:

<u>Investments Measured at the NAV</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Fixed Income:				
Global Bonds	\$ 1,200	-	Monthly	10 Days
Hedge Funds:				
Long/Short Equity	777,810	-	Illiquid	N/A
Event Driven/Open Mandate	159,512	-	Illiquid	N/A
Private Investments:				
Private Equity	104,163,161	55,336,251	Illiquid	N/A
Venture Capital	16,148,359	1,285,000	Illiquid	N/A
Total Investments Measured at the NAV	\$ 121,250,042	\$ 56,621,251		

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Net Asset Value

The investments held at net asset value reflect:

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

Long/Short Equity: This category includes investments in hedge funds that invest domestically and globally in both long and short common stocks across all market capitalizations. These investments offer a low correlation to traditional long-only equity benchmarks in order to achieve absolute return. Management of the hedge funds may opportunistically shift investments across sectors, geographies, and net market exposures.

Event Driven/Open Mandate: This category includes investments in hedge funds that invest in event-driven strategies including merger arbitrage, distressed debt, and convertible arbitrage to achieve returns.

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

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

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2025, the Foundation securities held in domestic fixed income were rated AAA through A-2 by Standard and Poor's.

At June 30, 2025, 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, 2025, approximately \$493,466,000 was held in these accounts. The Foundation believes that the number, diversity, and financial strength of the issuers mitigate the credit risks associated with all investments.

The Finance Corporation also maintains investment accounts with financial institutions that are not insured by the FDIC. These investments are made in accordance with the trust indenture. Money market fund shares are not guaranteed by the Federal government. Investments are reported at amortized cost of \$5,470,801 at June 30, 2025, 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, 2025, are held with Regions Trust 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, 2025, is 25 days while the WAL is 75 days.

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The Health Care Network reported investments in the JP Morgan money market at fair value of \$21,964,169 as of June 30, 2025. This money market fund seeks to provide current income consistent with liquidity and stability of principal by investing in a portfolio of debt securities issued or guaranteed by the U.S. government or related agencies. These investments include repurchase agreements fully collateralized by US Treasury and government securities. The Health Care Network's WAM at June 30, 2025 is 60 days or less and the WAL is 120 days or less.

The Health Care Network reported investments at fair value totaling \$1,118,164 at June 30, 2025, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities. The SPIA carried a credit rating of AA-f by Standard & Poors, and had an effective duration of 3.33 years with a fair value factor of 1.0030 as of June 30, 2025.

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, 2025, the University reported the following amounts as accounts receivable, net of allowance for doubtful accounts:

<u>Description</u>	<u>Amount</u>
Student Tuition and Fees	\$ 37,691,540
Contracts and Grants	28,023,398
Other	1,047,327
Total Accounts Receivable, Net	\$ 66,762,265

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 \$9,565,183 and \$273,365, respectively, at June 30, 2025.

No allowance has been accrued for leases receivable because University management considers these to be fully collectible.

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, 2025 the University recognized lease revenue of \$568,992 and interest of \$59,767.

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

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 473,556	\$ 28,087	\$ 501,643
2027	209,585	17,520	227,105
2028	138,824	11,960	150,784
2029	101,545	8,193	109,738
2030	82,464	5,163	87,627
2031 - 2035	109,911	4,152	114,063
Total	<u>\$ 1,115,885</u>	<u>\$ 75,075</u>	<u>\$ 1,190,960</u>

Discretely Presented Component Unit Lease Receivables

The University and Health Care Network are parties to a space leasing agreement for the Ambulatory Care Center with a term of 40 years, expiring in October 2035. For the year ended June 30, 2025, rent expense under this agreement amounted to \$1 per year.

Furthermore, certain space within this facility was subleased. The Health Care Network recognized lease revenue of \$540,063, interest revenue of \$153,514, and common area maintenance income of \$218,814, for a total \$912,391 of lease-related revenue for the year ended June 30, 2025. This sublease runs through 2035, and has an option to renew for an additional 10-year period. Future minimum rentals will be increased by the Bureau Labor Statistics Consumer Price Index ("CPI") on an annual basis.

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

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Common Area Maintenance</u>	<u>Total</u>
2026	\$ 350,957	\$ 140,786	\$ 218,814	\$ 710,557
2027	374,934	127,631	218,814	721,379
2028	388,525	114,000	218,814	721,339
2029	402,608	99,875	218,814	721,297
2030	417,202	85,237	218,814	721,253
2031 - 2035	2,208,691	188,117	1,039,367	3,436,175
Total	<u>\$ 4,142,917</u>	<u>\$ 755,646</u>	<u>\$ 2,133,437</u>	<u>\$ 7,032,000</u>

6. DUE FROM STATE

The amount due from State consists of \$30,653,899 of Public Education Capital Outlay, \$40,196,373 of Capital Improvement Fee Trust Fund, and \$154,315,219 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, 2025. One component unit is not presented (see Note 1). Additionally, component units' due from and due to amounts include receivables and payables between the various component units. Accordingly, amounts reported by the University as due from and to component units on the statement of net position may not agree with amounts reported by the component units as due from and to the University.

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8. CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2025, is shown in the following table:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Nondepreciable Capital Assets:				
Land	\$ 38,042,129	\$ -	\$ -	\$ 38,042,129
Works of Art and Historical Treasures	13,775,966	860,994	-	14,636,960
Construction in Progress	227,500,524	70,253,445	27,900,529	269,853,440
Total Nondepreciable Capital Assets	<u>\$ 279,318,619</u>	<u>\$ 71,114,439</u>	<u>\$ 27,900,529</u>	<u>\$ 322,532,529</u>
Depreciable Capital Assets:				
Buildings	\$ 1,400,557,960	\$ 27,094,228	\$ -	\$ 1,427,652,188
Infrastructure and Other Improvements	76,292,910	229,239	-	76,522,149
Furniture and Equipment	206,082,697	18,090,189	4,996,547	219,176,339
Library Resources	133,021,440	282,599	62,040	133,241,999
Leasehold Improvements	941,725	-	-	941,725
Computer Software	2,387,526	49,275	44,181	2,392,620
Amortizable Capital Assets:				
Right-to-Use Space Lease	42,628,849	-	2,998,839	39,630,010
Right-to-Use Equipment Lease	3,016,554	-	554,119	2,462,435
SBITA Assets	8,366,185	1,119,603	-	9,485,788
Total Depreciable/Amortizable Capital Assets	<u>1,873,295,846</u>	<u>46,865,133</u>	<u>8,655,726</u>	<u>1,911,505,253</u>
Less, Accumulated Depreciation:				
Buildings	561,675,894	34,846,400	-	596,522,294
Infrastructure and Other Improvements	35,670,908	4,122,247	-	39,793,155
Furniture and Equipment	140,143,600	14,097,621	4,901,284	149,339,937
Library Resources	124,367,069	2,570,551	62,040	126,875,580
Leasehold Improvements	751,195	12,702	-	763,897
Computer Software	2,091,680	132,842	44,180	2,180,342
Less, Accumulated Amortization:				
Right-to-Use Space Lease	16,337,739	5,311,055	1,671,588	19,977,206
Right-to-Use Equipment Lease	-	492,487	-	492,487
SBITA Assets	2,318,617	1,452,772	-	3,771,389
Total Accumulated Depreciation/Amortization	<u>883,356,702</u>	<u>63,038,677</u>	<u>6,679,092</u>	<u>939,716,287</u>
Total Depreciable/Amortizable Capital Assets, Net	<u>\$ 989,939,144</u>	<u>\$ (16,173,544)</u>	<u>\$ 1,976,634</u>	<u>\$ 971,788,966</u>

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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, 2025, to spend the funds.

Unearned revenue at June 30, 2025 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, 2025, the University reported the following amounts as current unearned revenue:

<u>Description</u>	<u>Amount</u>
State Capital Appropriations	\$ 37,066,199
Contracts and Grants	19,538,909
Admission Fees	1,746,281
Stadium Rental Income	1,304,083
Reservation System Fees	161,779
Land Use Fees	52,381
Athletic Revenues	5,488
Total Current Unearned Revenue	<u><u>\$ 59,875,120</u></u>

10. LONG-TERM LIABILITIES

Long-term liabilities of the University at June 30, 2025, include capital improvement debt payable, leases payable, subscription arrangements liability, compensated absences payable, other postemployment benefits payable, the long-term portion of unearned revenue, liability for self-insured claims, net pension liability, and other long-term liabilities.

Long-term liabilities activity for the fiscal year ended June 30, 2025, is shown below:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Capital Improvement Debt Payable	\$ 181,466,663	\$ -	\$ 8,701,528	\$ 172,765,135	\$ 8,281,528
Leases Payable	31,052,593	2,462,435	9,884,888	23,630,140	5,151,733
Subscription Arrangements Liability	6,360,513	1,119,603	1,542,209	5,937,907	2,277,429
Compensated Absences Payable	58,740,543	21,145,219	4,650,242	75,235,520	6,205,424
Other Postemployment Benefits Payable	280,627,857	248,490,312	221,616,941	307,501,228	8,746,881
Unearned Revenue	67,289,850	80,983,631	6,469,340	141,804,141	-
Liability for Self-Insured Claims	226,715	49,167	72,811	203,071	1,848
Net Pension Liability	332,414,875	118,547,590	143,012,326	307,950,139	287,706
Other Long-Term Liabilities	549,361	71,650	96,289	524,722	-
Total Long-Term Liabilities	<u><u>\$ 958,728,970</u></u>	<u><u>\$ 472,869,607</u></u>	<u><u>\$ 396,046,574</u></u>	<u><u>\$1,035,552,003</u></u>	<u><u>\$ 30,952,549</u></u>

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Capital Improvement Debt Payable

The University had the following capital improvement debt payable outstanding at June 30, 2025:

<u>Capital Improvement Debt Type and Series</u>	<u>Amount of Original Debt</u>	<u>Amount Outstanding (1)</u>	<u>Interest Rates (Percent)</u>	<u>Maturity Date To</u>
Student Housing Debt:				
2015A Student Apartments Refunding	\$ 29,105,000	\$ 15,775,521	3.00 - 3.625	2034
2020A Student Apartments	71,800,000	74,452,000	3.00 - 5.00	2050
2021A Student Apartments Refunding	<u>46,365,000</u>	<u>39,480,054</u>	2.00 - 5.00	2041
Total Student Housing Debt	<u>147,270,000</u>	<u>129,707,575</u>		
Parking Garage Debt:				
2019A Parking Garage Refunding	19,805,000	17,667,121	4.00 - 5.00	2039
2023A Parking Garage Refunding	<u>24,835,000</u>	<u>25,390,439</u>	4.00 - 5.00	2043
Total Parking Garage Debt	<u>44,640,000</u>	<u>43,057,560</u>		
Total Capital Improvement Debt	<u>\$ 191,910,000</u>	<u>\$ 172,765,135</u>		

Note: (1) Amount outstanding includes unamortized premiums and deferred losses on refunding issues.

The University has pledged a portion of future housing rental revenues, traffic and parking fees, and an assessed transportation fee per student to repay \$191,910,000 of capital improvement (housing and parking) revenue bonds issued by the Florida Board of Governors on behalf of the University. Proceeds from the bonds provided financing to construct parking garages and student housing facilities. The bonds are payable solely from housing rental income, parking fees, and assessed transportation fees per student and are payable through 2050. The University has committed to appropriate each year from the housing rental income, parking fees, and assessed transportation fees per student amounts sufficient to cover the principal and interest requirements on the debt. Total principal and interest remaining on the debt is \$213,979,156, and principal and interest paid for the current year totaled \$13,914,826. During the 2024-25 fiscal year, housing rental income totaled \$34,437,002, and parking fees totaled \$15,191,860, comprised of traffic and parking fees totaling \$4,820,075, and assessed transportation fees totaling \$10,371,785.

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Annual requirements to amortize all capital improvement debt outstanding as of June 30, 2025, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 7,380,000	\$ 5,724,825	\$ 13,104,825
2027	7,715,000	5,385,925	13,100,925
2028	8,065,000	5,031,175	13,096,175
2029	7,080,000	4,657,831	11,737,831
2030	7,415,000	4,332,619	11,747,619
2031-2035	40,000,000	16,676,231	56,676,231
2036-2040	37,325,000	9,785,150	47,110,150
2041-2045	23,165,000	4,599,500	27,764,500
2046-2050	<u>17,990,000</u>	<u>1,650,900</u>	<u>19,640,900</u>
Subtotal	156,135,000	57,844,156	213,979,156
Net Premiums and Losses on Bond Refundings	<u>16,630,135</u>	<u>-</u>	<u>16,630,135</u>
Total	<u>\$ 172,765,135</u>	<u>\$ 57,844,156</u>	<u>\$ 230,609,291</u>

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:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 5,151,733	\$ 751,305	\$ 5,903,038
2027	2,511,382	622,760	3,134,142
2028	1,393,468	564,370	1,957,838
2029	1,472,291	515,786	1,988,077
2030	1,019,279	471,200	1,490,479
2031 - 2035	6,194,239	1,712,725	7,906,964
2036 - 2040	<u>5,887,748</u>	<u>451,351</u>	<u>6,339,099</u>
Total	<u>\$ 23,630,140</u>	<u>\$ 5,089,497</u>	<u>\$ 28,719,637</u>

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Subscription Arrangements Liability

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

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

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 2,277,429	\$ 130,700	\$ 2,408,129
2027	1,340,543	82,383	1,422,926
2028	1,368,313	44,772	1,413,085
2029	340,675	20,453	361,128
2030	360,478	11,484	371,962
2031	250,469	2,415	252,884
Total	<u>\$ 5,937,907</u>	<u>\$ 292,207</u>	<u>\$ 6,230,114</u>

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, 2025, the estimated liability for compensated absences, which includes the University's share of the Florida Retirement System and FICA contributions, totaled \$75,235,520. The current portion of the compensated absences liability, \$6,205,424, 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.

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General Information about the OPEB Plan

Plan Description. The Division of State Group Insurance's Other Postemployment Benefits Plan (OPEB Plan) is a multiple-employer defined benefit plan administered by the State of Florida. Pursuant to the provisions of Section 112.0801, Florida Statutes, all employees who retire from the University are eligible to participate in the State Group Health Insurance Program. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. A retiree means any officer or employee who retires under a State retirement system or State optional annuity or retirement program or is placed on disability retirement and who begins receiving retirement benefits immediately after retirement from employment. In addition, any officer or employee who retires under the Florida Retirement System Investment Plan is considered a "retiree" if he or she meets the age and service requirements to qualify for normal retirement or has attained the age of 59.5 years and has the years of service required for vesting. The University subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because retiree healthcare costs are generally greater than active employee healthcare costs. No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75. The OPEB Plan contribution requirements and benefit terms necessary for the funding of the OPEB Plan each year is on a pay-as-you-go basis as established by the Governor's recommended budget and the General Appropriations Act. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible.

Benefits Provided. The OPEB Plan provides healthcare benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above.

Proportionate Share of the Total OPEB Liability

The University's proportionate share of the total OPEB liability of \$307,501,228 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2024. At June 30, 2024, the University's proportionate share, determined by its proportion of total benefit payments made, was 3.01 percent, which decreased 0.34 percent from its proportionate share measured as of June 30, 2023.

Actuarial Assumptions and Other Inputs. The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40 percent
Salary Increases	Varies by FRS class
Discount Rate	4.21 percent
Healthcare Cost Trend Rates	7.86 percent for 2025, decreasing to an ultimate rate of 4 percent for 2075 and years later for all employees in the Preferred Provider Option (PPO) Plan.
PPO Plan	
HMO Plan	7.68 percent for 2025, decreasing to an ultimate rate of 4 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, and disability incidence used in the July 1, 2024, valuation were updated based on those used in the actuarial valuation of the FRS Plan conducted by Milliman as of July 1, 2023, adopted by the FRS.

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The following changes have been made since the prior valuation:

- Retirement Eligibility for Special Risk employees hired on or after July 1, 2011, is now age 55 with eight years of service or attainment of 25 years of service regardless of age (previously age 60 with eight years of service, or 30 years of service regardless of age).
- The maximum DROP participation period has been extended from 60 months (five years) to 96 months (eight years).
- The maximum DROP participation age and service requirements have been removed.
- Retirement rates and DROP entry rates were updated in conjunction with these changes.
- The discount rate was changed from 4.13% for the reporting period ended June 30, 2024, to 4.21% for the reporting period ending June 30, 2025.
- Also reflected as assumption changes are: updated health care costs and premiums based on Plan experience, updated claims aging rates, updated health care cost trends based on projected Plan experience, and an updated DROP participation period assumption to 48 months (four years) for those who have elected DROP.

Sensitivity of the University's Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate. The following presents the University's proportionate share of the total OPEB liability, as well as what the University's proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.21 percent) or 1 percentage point higher (5.21 percent) than the current rate:

	<u>1% Decrease (3.21%)</u>	<u>Current Discount Rate (4.21%)</u>	<u>1% Increase (5.21%)</u>
University's proportionate share of the total OPEB liability	\$ 370,390,707	\$ 307,501,228	\$ 258,012,038

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:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
University's proportionate share of the total OPEB liability	\$ 251,115,251	\$ 307,501,228	\$ 383,024,833

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

For the fiscal year ended June 30, 2025, the University recognized OPEB expense of \$1,941,395. At June 30, 2025, the University reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 22,705,892
Changes of assumptions or other inputs	45,333,493	85,994,491
Changes in proportion and differences between University benefit payments and proportionate share of benefit payments	24,962,694	29,157,560
Transactions subsequent to the measurement date	8,746,881	-
Total	<u>\$ 79,043,068</u>	<u>\$ 137,857,943</u>

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Of the total amount reported as deferred outflows of resources related to OPEB, \$8,746,881 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ (14,505,753)
2027	(10,841,718)
2028	(14,679,769)
2029	(14,679,769)
2030	(12,937,639)
Thereafter	<u>82,892</u>
Total	<u><u>\$ (67,561,756)</u></u>

Unearned Revenue

Long-term unearned revenue at June 30, 2025, 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, 2025, the University reported the following amounts as long-term unearned revenue:

<u>Description</u>	<u>Amount</u>
State Capital Appropriations	\$ 117,742,092
National Institute of Health Grant	13,500,000
Stadium Rental Income	9,019,909
Land Use Fees	<u>1,542,140</u>
Total Unearned Revenue	<u><u>\$ 141,804,141</u></u>

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, 2025, the University's proportionate share of the net pension liabilities totaled \$307,950,139.

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.

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11. DISCRETELY PRESENTED COMPONENT UNITS DEBT ISSUES

Bonds Payable – FIU Athletics Finance Corporation

On December 1, 2009, the Finance Corporation issued \$30,000,000 of Miami-Dade County Industrial Development Authority Revenue Bonds Series 2009A and \$5,310,000 of Miami-Dade County Industrial Development Authority Taxable Revenue Bonds Series 2009B.

These bonds were issued and secured under and pursuant to the Trust Indenture. Repayments of the bonds will be payable from pledged revenues, which are all operating and nonoperating revenues. Principal payments for the bonds began March 1, 2010. Interest payments are made on a quarterly basis.

On December 21, 2016, the Finance Corporation entered into four amendments to the trust indenture between Miami-Dade Authority and the Trustee which authorized the reissuance of the Series 2009A Bonds through the issuance of four separate series of bonds. The first amendment authorizes the reissuance of \$9,000,000 Series 2009A-1 Bond. The interest rate on the Series 2009A-1 Bonds shall be at a rate equal to 2.8 percent per annum. The second, third, and fourth amendments authorized the reissuance of separate series of the Series 2009A Bonds in a principal amount of \$8,400,000 (Series 2009A-2), \$8,400,000 (Series 2009A-3) and \$4,200,000 (Series 2009A-4), respectively. The interest rates on these Series 2009A bonds shall be at a rate equal to the sum of 63.7 percent of the three-month SOFR plus 1.52 percent (1.40 percent plus 0.12 percent SOFR adjustment). The term SOFR adjustment is based on the difference between the LIBOR rate and the SOFR rate at the time of conversion and is used to ensure that the variable component of the loan continues to be synthetically fixed at the agreed upon rate.

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

On November 1, 2024, the Athletics Finance Corporation refinanced the outstanding Miami-Dade County Industrial Development Authority Revenue Bonds Series 2009A-2, Series 2009A-3 and Series 2009A-4 (Refunded Bonds) and paid the swap termination fee related to the Refunded Bonds and other costs associated with refinance. The net proceeds from the Refunding Bonds were \$13,435,000. The Athletics Finance Corporation entered into a promissory note agreement for \$14,167,800 with Regions Commercial Equipment Finance LLC with a taxable fixed interest of 5.6 percent and a maturity date of March 1, 2032 (2024 Note). Principal payments for the note began on March 1, 2025. Interest payments are made on a quarterly basis.

The 2024 Note and the Revenue Bond Series 2009A-1 are both secured by operating and nonoperating revenues. The 2024 Note is reported as notes payable and the Revenue Bond Series 2009A-1 is reported as bonds payable in the statement of net position.

Total principal due on the notes payable and bonds payable at June 30, 2025, was \$12,840,700 and \$5,345,000, respectively.

The Finance Corporation has funded a debt service reserve fund in accordance with the bond indenture requirement of maintaining an amount equal to the maximum allowable debt service on the bond in the current and any future fiscal year. This debt service reserve fund currently totals \$3,148,754 and is included in restricted investments.

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The aggregate maturities of these bonds as of June 30, 2025, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 600,000	\$ 151,739	\$ 751,739
2027	630,000	134,705	764,705
2028	665,000	117,140	782,140
2029	675,000	97,942	772,942
2030	705,000	78,779	783,779
2031-2032	<u>2,070,000</u>	<u>96,056</u>	<u>2,166,056</u>
Total	<u>\$ 5,345,000</u>	<u>\$ 676,361</u>	<u>\$ 6,021,361</u>

The aggregate maturities of this note as of June 30, 2025, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,385,100	\$ 699,688	\$ 2,084,788
2027	1,443,100	621,310	2,064,410
2028	1,506,300	539,612	2,045,912
2029	1,580,200	454,224	2,034,424
2030	1,648,700	364,774	2,013,474
2031-2032	<u>5,277,300</u>	<u>420,715</u>	<u>5,698,015</u>
Total	<u>\$ 12,840,700</u>	<u>\$ 3,100,323</u>	<u>\$ 15,941,023</u>

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.

As mentioned above, in November 2024, the Finance Corporation entered into a loan agreement with Regions Commercial Equipment Finance LLC which facilitated the refinancing of the outstanding Miami-Dade County Industrial Development Authority Revenue Bonds. The proceeds from the loan were used to pay the swap termination fee in the amount of \$613,000 and other costs associated with the refinancing in the amount of \$119,800.

Since the interest rate swap was terminated, there is a zero balance reflected as deferred inflows of resources at June 30, 2025, in addition, there is no credit risk or basis risk.

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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 \$36,413,925 for the fiscal year ended June 30, 2025.

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 55 or at any age after 25 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 96 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.

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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:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
<i>Regular Class members initially enrolled before July 1, 2011</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<i>Regular Class members initially enrolled on or after July 1, 2011</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Senior Management Service Class</i>	2.00
<i>Special Risk Class</i>	3.00

As provided in Section 121.101, Florida Statutes, if the member was initially enrolled in the Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member was initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

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

Contribution rates during the 2024-25 fiscal year were:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
Florida Retirement System, Regular	3.00	13.63
Florida Retirement System, Senior Management Service	3.00	34.52
Florida Retirement System, Special Risk	3.00	32.79
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	21.13
Florida Retirement System, Reemployed Retiree	(2)	(2)

Notes: (1) Employer rates include 2.00 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 \$34,778,850 for the fiscal year ended June 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2025, the University reported a liability of \$225,288,991 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The University's proportionate share of the net pension liability was based on the University's 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the University's proportionate share was 0.582372290 percent, which was a decrease of 0.034693261 from its proportionate share measured as of June 30, 2023.

For the year ended June 30, 2025, the University recognized pension expense of \$31,991,310. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 22,760,236	\$ -
Change of Assumptions	30,877,916	-
Net Difference Between Projected and Actual Earnings on FRS Plan Investments	-	14,973,878
Changes in Proportion and Differences Between University FRS Contributions and Proportionate Share of FRS Contributions	4,032,253	16,085,162
University FRS Contributions Subsequent to the Measurement Date	<u>34,778,850</u>	<u>-</u>
Total	<u>\$ 92,449,255</u>	<u>\$ 31,059,040</u>

The deferred outflows of resources related to pensions totaling \$34,778,850, 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, 2026.

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

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ (6,248,173)
2027	34,652,078
2028	(651,323)
2029	(2,558,311)
2030	<u>1,417,094</u>
Total	<u><u>\$ 26,611,365</u></u>

Actuarial Assumptions. The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.50 percent, average, including inflation
Investment rate of return	6.70 percent, net of pension plan investment expense, including inflation

Salary increases were changed from 3.25 percent in the previous valuation to 3.50 percent in the current valuation.

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021. This is a change from the previous valuation in which the mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023.

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:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1 %	3.3 %	3.3 %	1.1 %
Fixed Income	29 %	5.7 %	5.6 %	3.9 %
Global Equity	45 %	8.6 %	7 %	18.2 %
Real Estate (Property)	12 %	8.1 %	6.8 %	16.6 %
Private Equity	11 %	12.4 %	8.8 %	28.4 %
Strategic Investments	<u>2 %</u>	6.6 %	6.2 %	8.7 %
Total	<u><u>100 %</u></u>			
Assumed Inflation - Mean			2.4 %	1.5 %

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

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Discount Rate. The discount rate used to measure the total pension liability was 6.70 percent. The Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2024 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 6.70 percent, as well as what the University’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.70 percent) or 1 percentage point higher (7.70 percent) than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
University's Proportionate Share of the Net Pension Liability	\$ 396,275,446	\$ 225,288,991	\$ 82,051,567

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, 2025, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2025, the contribution rate was two 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 \$5,121,925 for the fiscal year ended June 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2025, the University reported a liability of \$82,661,148 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, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The University’s proportionate share of the net pension liability was based on the University’s 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the University’s proportionate share was 0.551038434 percent, which was an increase of 0.006161134 from its proportionate share measured as of June 30, 2023.

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For the fiscal year ended June 30, 2025, the University recognized pension expense of \$4,422,615. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 798,149	\$ 158,722
Change of Assumptions	1,462,908	9,786,020
Net Difference Between Projected and Actual Earnings on HIS Plan Investments	-	29,896
Changes in Proportion and Differences Between University HIS Contributions and Proportionate Share of HIS Contributions	2,656,731	-
University HIS Contributions Subsequent to the Measurement Date	<u>5,121,925</u>	<u>-</u>
Total	<u>\$ 10,039,713</u>	<u>\$ 9,974,638</u>

The deferred outflows of resources totaling \$5,121,925 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, 2026.

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

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ (355,883)
2027	(895,987)
2028	(1,776,002)
2029	(1,200,374)
2030	(638,116)
Thereafter	<u>(190,488)</u>
Total	<u>\$ (5,056,850)</u>

Actuarial Assumptions. The total pension liability at July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.50 percent, average, including inflation
Municipal Bond Rate	3.93 percent

Salary increases were changed from 3.25 percent in the previous valuation to 3.50 in the current valuation.

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021. This is a change from the previous valuation in which the 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.

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Discount Rate. The discount rate used to measure the total pension liability was 3.93 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 2024 valuation was updated from 3.65 percent to 3.93 percent.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 3.93 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93 percent) or 1 percentage point higher (4.93 percent) than the current rate:

	<u>1% Decrease (2.93%)</u>	<u>Current Discount Rate (3.93%)</u>	<u>1% Increase (4.93%)</u>
University's Proportionate Share of the Net Pension Liability	\$ 94,099,093	\$ 82,661,148	\$ 73,165,805

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 2024-25 fiscal year were as follows:

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

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For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the FRS Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2025, 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 \$15,062,401 for the fiscal year ended June 30, 2025.

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, 4.84 percent to cover the unfunded actuarial liability of the FRS pension plan, and 0.01 percent to cover administrative costs for a total of 9.99 percent, and employees contribute three percent of the employee's salary. Additionally, the employee may contribute, by payroll deduction, an amount not to exceed the percentage contributed by the University to the participant's annuity account. The contributions are invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement.

The University's contributions to the Program totaled \$26,973,156 and employee contributions totaled \$12,889,964 for the 2024-25 fiscal year.

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15. CONSTRUCTION COMMITMENTS

The University's major construction commitments at June 30, 2025, were as follows:

<u>Project Description</u>	<u>Total Commitment</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
Herbert Wertheim College of Medicine Academic Health Sciences/Clinical Facility	\$ 105,000,000	\$ 1,643,911	\$ 103,356,089
Engineering Building II	33,499,854	977,603	32,522,251
Graham Center Expansion	31,733,926	220,510	31,513,416
Auxiliary Minor Projects	111,911,415	82,190,622	29,720,793
Deferred Building Maintenance	30,691,242	14,108,937	16,582,305
Nondenominational Chapel	25,886,388	17,616,775	8,269,613
Residential Dining Facility	7,882,674	240,845	7,641,829
University Student Housing	10,103,663	3,050,781	7,052,882
City of Miami Beach Bond/ Wolfsonian Expansion	5,530,290	194,936	5,335,354
MMC Aquatic Center	<u>5,000,000</u>	<u>-</u>	<u>5,000,000</u>
Subtotal	367,239,452	120,244,920	246,994,532
Projects with Balance Committed Under \$3 Million	<u>171,363,513</u>	<u>149,608,520</u>	<u>21,754,993</u>
Total	<u>\$ 538,602,965</u>	<u>\$ 269,853,440</u>	<u>\$ 268,749,525</u>

16. RELATED PARTY TRANSACTIONS

FIU Athletics Finance Corporation

The University and the Finance Corporation entered into two 25-year ground sublease agreements dated April 1, 2007, rendering the rights to the Finance Corporation to issue a series of capital improvement bonds of which a portion of the proceeds, along with contributions from the University, was used to finance a stadium improvement project located on University premises. Under this agreement, the Finance Corporation prepaid to the University, for rental of the premises, the sum of \$31,937,211.

The following schedule by years represents management's best estimate of future minimum rental expense that will be recognized for these sublease agreements:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ 1,304,083
2027	1,304,083
2028	1,304,083
2029	1,304,083
2030	1,304,083
2031-2033	<u>3,803,577</u>
Total Minimum Payments Required	<u>\$ 10,323,992</u>

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Health Care Network

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

For the year ended June 30, 2025, total revenues earned under the terms of the agreement were as follows:

<u>Description</u>	<u>Amount</u>
Research Support	\$ 5,050,000
Academic Mission Support	5,000,000
Reimbursements for Net Operating Losses Related to Ambulatory Care Center	3,741,374
Reimbursements for GME	1,631,953
Reimbursements for PSAs	1,242,103
Reimbursements for Neuropathology Lab	595,981
Administrative Overhead Revenue	250,142
Total Revenues Earned Under Baptist Agreement	\$ 17,511,553

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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 2024-25 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 2024-25 fiscal year for utilities, repairs, and maintenance expenses for buildings used by the Wolfsonian.

FLORIDA INTERNATIONAL UNIVERSITY

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18. RISK MANAGEMENT PROGRAMS

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Pursuant to Section 1001.72(2), Florida Statutes, the University participates in State self-insurance programs providing insurance for property and casualty, workers’ compensation, general liability, fleet automotive liability, Federal Civil Rights, and employment discrimination liability. During the 2024-25 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 \$62.5 million for named windstorm and flood through February 14, 2025, and increased to \$75.25 million starting February 15, 2025. For perils other than named windstorm and flood, losses in excess of \$2 million per occurrence were commercially insured up to \$237.5 million through February 14, 2025, and increased to \$350 million starting February 15, 2025; 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 2023-24 and 2024-25 fiscal years are presented in the following table:

<u>Fiscal Year Ended</u>	<u>Claims Liabilities Beginning of Year</u>	<u>Current Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Claims Liabilities End of Year</u>
June 30, 2024	\$ 222,187	\$ 42,391	\$ (37,863)	\$ 226,715
June 30, 2025	226,715	25,522	(49,166)	203,071

FLORIDA INTERNATIONAL UNIVERSITY

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NOTES TO FINANCIAL STATEMENTS

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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	\$ 408,800,949
Research	211,763,202
Public Services	15,005,365
Academic Support	127,668,325
Student Services	81,983,370
Institutional Support	116,184,782
Operation and Maintenance of Plant	66,172,199
Scholarships, Fellowships, and Waivers	183,202,435
Depreciation	63,038,677
Auxiliary Enterprises	73,918,710
Total Operating Expenses	\$ 1,347,738,014

FLORIDA INTERNATIONAL UNIVERSITY

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NOTES TO FINANCIAL STATEMENTS

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20. SEGMENT INFORMATION

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

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

Condensed Statement of Net Position

	<u>Housing Facilities</u>	<u>Parking Facilities</u>
Assets		
Current Assets	\$ 37,415,471	\$ 15,179,543
Capital Assets, Net	206,126,060	85,217,907
Other Noncurrent Assets	<u>48,145</u>	<u>1,323,351</u>
Total Assets	<u>243,589,676</u>	<u>101,720,801</u>
Liabilities		
Current Liabilities	10,039,287	2,100,567
Noncurrent Liabilities	<u>123,755,175</u>	<u>41,404,854</u>
Total Liabilities	<u>133,794,462</u>	<u>43,505,421</u>
Net Position		
Net Investment in Capital Assets	76,418,488	42,199,144
Restricted - Expendable	91,888	1,323,380
Unrestricted	<u>33,284,838</u>	<u>14,692,856</u>
Total Net Position	<u>\$ 109,795,214</u>	<u>\$ 58,215,380</u>

FLORIDA INTERNATIONAL UNIVERSITY

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

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

	<u>Housing Facilities</u>	<u>Parking Facilities</u>
Operating Revenues	\$ 34,437,002	\$ 15,191,860
Depreciation Expense	(6,585,083)	(3,599,764)
Other Operating Expenses	<u>(18,209,799)</u>	<u>(10,104,385)</u>
Operating Income	<u>9,642,120</u>	<u>1,487,711</u>
Nonoperating Revenues (Expenses):		
Nonoperating Revenue	6,908,291	2,808,732
Interest Expense	<u>(3,659,024)</u>	<u>(1,554,273)</u>
Net Nonoperating Revenue/Expenses	<u>3,249,267</u>	<u>1,254,459</u>
Income Before Transfers	12,891,387	2,742,170
Net Transfers	<u>99,469</u>	<u>(53,315)</u>
Increase in Net Position	12,990,856	2,688,855
Net Position, Beginning of Year	<u>96,804,358</u>	<u>55,526,525</u>
Net Position, End of Year	<u>\$ 109,795,214</u>	<u>\$ 58,215,380</u>

Condensed Statement of Cash Flows

	<u>Housing Facilities</u>	<u>Parking Facilities</u>
Net Cash Provided (Used) by:		
Operating Activities	\$ 16,214,182	\$ 4,623,502
Noncapital Financing Activities	51,979	-
Capital and Related Financing Activities	(17,474,813)	(5,050,814)
Investing Activities	<u>3,460,527</u>	<u>(16,298)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,251,875	(443,610)
Cash and Cash Equivalents, Beginning of Year	<u>5,439,335</u>	<u>3,668,493</u>
Cash and Cash Equivalents, End of Year	<u>\$ 7,691,210</u>	<u>\$ 3,224,883</u>

FLORIDA INTERNATIONAL UNIVERSITY

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

21. DISCRETELY PRESENTED COMPONENT UNITS

The University has five 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 four 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.	Florida International University Children's Alliance for Research and Education, Inc.	Total
Assets					
Current Assets	\$ 36,068,144	\$ 6,112,239	\$ 32,353,520	\$ 4,134,585	\$ 78,668,488
Capital Assets, Net	7,386,435	-	1,510,113	-	8,896,548
Other Noncurrent Assets	494,234,567	12,168,663	3,791,960	-	510,195,190
Total Assets	537,689,146	18,280,902	37,655,593	4,134,585	597,760,226
Liabilities					
Current Liabilities	5,869,273	4,535,714	4,144,040	322,523	14,871,550
Noncurrent Liabilities	10,392,116	17,052,841	53,635	-	27,498,592
Total Liabilities	16,261,389	21,588,555	4,197,675	322,523	42,370,142
Deferred Inflows of Resources	294,905	-	3,888,813	-	4,183,718
Net Position					
Net Investment in Capital Assets	6,960,076	-	1,510,113	-	8,470,189
Restricted Nonexpendable	219,872,372	-	-	-	219,872,372
Restricted Expendable	204,562,413	-	9,622,749	-	214,185,162
Unrestricted	89,737,991	(3,307,653)	18,436,243	3,812,062	108,678,643
Total Net Position	\$ 521,132,852	\$ (3,307,653)	\$ 29,569,105	\$ 3,812,062	\$ 551,206,366

FLORIDA INTERNATIONAL UNIVERSITY

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

**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.	Florida International University Children's Alliance for Research and Education, Inc.	Total
Operating Revenues	\$ 33,729,203	\$ 6,820,596	\$ 21,480,334	\$ -	\$ 62,030,133
Depreciation Expense	(167,186)	-	(11,397)	-	(178,583)
Operating Expenses	<u>(64,755,643)</u>	<u>(3,135,459)</u>	<u>(11,083,537)</u>	<u>(1,202,286)</u>	<u>(80,176,925)</u>
Operating (Loss) Income	<u>(31,193,626)</u>	<u>3,685,137</u>	<u>10,385,400</u>	<u>(1,202,286)</u>	<u>(18,325,375)</u>
Net Nonoperating Revenues (Expenses)					
Investment Income	66,713,909	224,192	906,813	14,348	67,859,262
Interest Expense	(205,833)	(845,296)	-	-	(1,051,129)
Other Nonoperating Revenues (Expenses)	<u>15,129,986</u>	<u>(2,150,483)</u>	<u>105,406</u>	<u>5,000,000</u>	<u>18,084,909</u>
Net Nonoperating Revenues/(Expenses)	<u>81,638,062</u>	<u>(2,771,587)</u>	<u>1,012,219</u>	<u>5,014,348</u>	<u>84,893,042</u>
Increase in Net Position	50,444,436	913,550	11,397,619	3,812,062	66,567,667
Net Position, Beginning of Year	<u>470,688,416</u>	<u>(4,221,203)</u>	<u>18,171,486</u>	<u>-</u>	<u>484,638,699</u>
Net Position, End of Year	<u>\$ 521,132,852</u>	<u>\$ (3,307,653)</u>	<u>\$ 29,569,105</u>	<u>\$ 3,812,062</u>	<u>\$ 551,206,366</u>

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

	<u>2024 (1)</u>	<u>2023 (1)</u>	<u>2022 (1)</u>	<u>2021 (1)</u>	<u>2020 (1)</u>
University's Proportion of the Total Other Postemployment Benefits Liability	3.01 %	3.35 %	3.35 %	3.40 %	3.43 %
University's Proportionate Share of the Total Other Postemployment Benefits Liability	\$307,501,228	\$280,627,857	\$262,426,832	\$358,187,113	\$352,563,977
University's Covered Payroll	\$519,352,930	\$468,730,623	\$459,617,718	\$449,423,678	\$441,956,666
University's Proportionate Share of the Total Other Postemployment Benefits Liability as a Percentage of its Covered Payroll	59.21 %	59.87 %	57.10 %	79.70 %	79.77 %

(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, 2025, 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 2025, the following changes have been made:

- The extension of maximum DROP participation from 60 months (five years) to 96 months (eight years) for all groups and the removal of the DROP entry window.
- Eligibility was updated, previously members became eligible at 60 with eight years of credited service or with 30 years of Credited Service. Eligibility is now age 55 with eight years of credited service or with 25 years of Credited Service.
- In conjunction with the plan changes above retirement rates and DROP entry rates were updated in alignment with the actuarial valuation of the FRS conducted by Milliman as of July 1, 2023.
- The assumed claims and premiums reflect the actual claims information that was provided as well as the premiums that are actually being charged to participants. The recent claims experience and changes in demographics of the population resulted in pharmacy claims costs higher than projected and lower premium rates than expected, resulting in an increase in liabilities.
- Age-related claims were updated to use aging factors developed in a new study, which more accurately account for the way in which claims cost vary with age.
- Medical trend assumptions were updated to rates consistent with the August 2024 Report on Financial Outlook of the Plan and actuarial judgment. This resulted in a small increase in the liability.
- The discount rate was updated to the mandated discount rate based on a 20-year S&P Municipal Bond Index as of the measurement date, increasing from 4.13% to 4.21%. Refer to Note 10 to the financial statements for further detail.

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

	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>
University's Proportion of the Total Other Postemployment Benefits Liability	3.18 %	2.57 %	2.57 %
University's Proportionate Share of the Total Other Postemployment Benefits Liability	\$402,994,810	\$271,175,000	\$277,334,000
University's Covered Payroll	\$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	94.47 %	67.31 %	71.42 %

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

	2024 (1)	2023 (1)	2022 (1)	2021 (1)	2020 (1)
University's Proportion of the FRS Net Pension Liability	0.58%	0.62%	0.65%	0.63%	0.62%
University's Proportionate Share of the FRS Net Pension Liability	\$225,288,991	\$245,881,092	\$243,533,889	\$ 47,237,454	\$270,111,316
University's Covered Payroll (2)	\$492,188,455	\$468,730,623	\$459,617,718	\$449,423,678	\$441,956,666
University's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	45.77 %	52.46 %	52.99 %	10.51 %	61.12 %
FRS Plan Fiduciary Net Pension as a Percentage of the FRS Total Pension Liability	83.70 %	82.38 %	82.89 %	96.40 %	78.85 %

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, State university system optional retirement program members, and members in DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes.

Notes to Required Supplementary Information:

Change of Assumptions. In 2024, salary increases including inflation increased from 3.25 percent to 3.5 percent and the mortality assumptions were updated.

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

	2019 (1)	2018 (1)	2017 (1)	2016 (1)	2015 (1)
University's Proportion of the FRS Net Pension Liability	0.64%	0.62%	0.58%	0.58%	0.57%
University's Proportionate Share of the FRS Net Pension Liability	\$219,045,078	\$186,930,731	\$172,260,097	\$145,845,435	\$73,303,925
University's Covered Payroll (2)	\$426,565,567	\$402,854,082	\$388,298,438	\$370,763,486	\$355,458,891
University's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	51.35 %	46.40 %	44.36 %	39.34 %	20.62 %
FRS Plan Fiduciary Net Pension as a Percentage of the FRS Total Pension Liability	82.61 %	84.26 %	83.89 %	84.88 %	92.00 %

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

	<u>2025 (1)</u>	<u>2024 (1)</u>	<u>2023 (1)</u>	<u>2022 (1)</u>	<u>2021 (1)</u>
Contractually Required FRS Contribution	\$ 34,778,850	\$ 32,977,607	\$ 29,684,822	\$ 27,929,542	\$ 23,822,815
FRS Contributions in Relation to the Contractually Required Contribution	<u>(34,778,850)</u>	<u>(32,977,607)</u>	<u>(29,684,822)</u>	<u>(27,929,542)</u>	<u>(23,822,815)</u>
FRS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's Covered Payroll (2)	\$ 519,352,930	\$ 492,188,455	\$ 468,730,623	\$ 459,617,718	\$ 449,423,678
FRS Contributions as a Percentage of Covered Payroll	6.70 %	6.70 %	6.33 %	6.08 %	5.30 %

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, State university system optional retirement program members, and members in DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes.

Notes to Required Supplementary Information:

Change of Assumptions. In 2024, salary increases including inflation increased from 3.25 percent to 3.5 percent and the mortality assumptions were updated.

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

	2020 (1)	2019 (1)	2018 (1)	2017 (1)	2016 (1)
Contractually Required FRS Contribution	\$ 20,706,730	\$ 19,721,988	\$ 17,686,866	\$ 15,160,433	\$ 14,085,792
FRS Contributions in Relation to the Contractually Required Contribution	<u>(20,706,730)</u>	<u>(19,721,988)</u>	<u>(17,686,866)</u>	<u>(15,160,433)</u>	<u>(14,085,792)</u>
FRS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's Covered Payroll (2)	\$441,956,666	\$426,565,567	\$402,854,082	\$388,298,438	\$370,763,486
FRS Contributions as a Percentage of Covered Payroll	4.69 %	4.62 %	4.39 %	3.90 %	3.80 %

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

	2024 (1)	2023 (1)	2022 (1)	2021 (1)	2020 (1)
University's Proportion of the HIS Net Pension Liability	0.55%	0.54%	0.53%	0.53%	0.52%
University's Proportionate Share of the HIS Net Pension Liability	\$ 82,661,148	\$ 86,533,783	\$ 56,610,696	\$ 65,172,184	\$ 63,843,336
University's Covered Payroll (2)	\$212,059,929	\$188,602,098	\$188,456,096	\$182,271,803	\$178,126,318
University's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	38.98 %	45.88 %	30.04 %	35.76 %	35.84 %
HIS Plan Fiduciary Net Pension as a Percentage of the HIS Total Pension Liability	4.80 %	4.12 %	4.81 %	3.56 %	3.00 %

- (1) The amounts presented for each fiscal year were determined as of June 30.
- (2) Covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

Notes to Required Supplementary Information:

Change of Assumptions. In 2024, the municipal rate used to determine total pension liability increased from 3.65 percent to 3.93 percent and the demographic and coverage election assumptions were updated.

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

	2019 (1)	2018 (1)	2017 (1)	2016 (1)	2015 (1)
University's Proportion of the HIS Net Pension Liability	0.52%	0.50%	0.49%	0.48%	0.47%
University's Proportionate Share of the HIS Net Pension Liability	\$ 58,182,613	\$ 53,094,937	\$ 52,274,414	\$ 56,235,698	\$ 48,191,110
University's Covered Payroll (2)	\$ 168,199,711	\$ 156,730,885	\$ 168,353,927	\$ 147,667,524	\$ 140,089,301
University's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	34.59 %	33.88 %	31.05 %	38.08 %	34.40 %
HIS Plan Fiduciary Net Pension as a Percentage of the HIS Total Pension Liability	2.63 %	2.15 %	1.64 %	0.97 %	0.50 %

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

	2025 (1)	2024 (1)	2023 (1)	2022 (1)	2021 (1)
Contractually Required HIS Contribution	\$ 5,121,925	\$ 4,665,254	\$ 3,584,299	\$ 3,234,096	\$ 3,122,998
HIS Contributions in Relation to the Required HIS Contribution	<u>(5,121,925)</u>	<u>(4,665,254)</u>	<u>(3,584,299)</u>	<u>(3,234,096)</u>	<u>(3,122,998)</u>
HIS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's Covered Payroll (2)	\$247,759,426	\$212,059,929	\$188,602,098	\$188,456,096	\$182,271,803
HIS Contributions as a Percentage of Covered Payroll	2.07 %	2.20 %	1.90 %	1.72 %	1.71 %

(1) The amounts presented for each fiscal year were determined as of June 30.

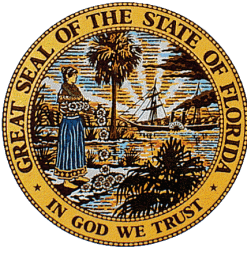
(2) Covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

Notes to Required Supplementary Information:

Change of Assumptions. In 2024, the municipal rate used to determine total pension liability increased from 3.65 percent to 3.93 percent and the demographic and coverage election assumptions were updated.

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

	<u>2020 (1)</u>	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>
Contractually Required HIS Contribution	\$ 3,013,138	\$ 2,887,500	\$ 2,720,447	\$ 2,587,349	\$ 2,473,222
HIS Contributions in Relation to the Required HIS Contribution	<u>(3,013,138)</u>	<u>(2,887,500)</u>	<u>(2,720,447)</u>	<u>(2,587,349)</u>	<u>(2,473,222)</u>
HIS Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's Covered Payroll (2)	\$178,126,318	\$168,199,711	\$156,730,885	\$168,353,927	\$147,667,524
HIS Contributions as a Percentage of Covered Payroll	1.69 %	1.72 %	1.74 %	1.54 %	1.67 %



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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



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

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Florida International University, a component unit of the State of Florida, and its aggregate discretely presented component units as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated February 27, 2026, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the University's financial statements will not be prevented, or detected and corrected, on

a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
February 27, 2026
Audit Report No. 2026-118





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ANNUAL REPORT 2024-2025