

**FIU ATHLETICS FINANCE CORPORATION
(A DIRECT SUPPORT ORGANIZATION)**

FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

FIU ATHLETICS FINANCE CORPORATION
(A DIRECT SUPPORT ORGANIZATION)
TABLE OF CONTENTS
JUNE 30, 2025 AND 2024

| | <u>Page Number(s)</u> |
|--|---------------------------|
| Independent Auditors' Report | 1 – 3 |
| Required Supplementary Information | |
| Management's Discussion and Analysis | 4 – 11 |
| Financial Statements | |
| Statements of Net Position | 12 |
| Statements of Revenues, Expenses and Changes in Net Position | 13 |
| Statements of Cash Flows | 14 |
| Notes to Financial Statements | 15 – 23 |
| Supplementary Information | |
| Supplemental Schedule | 24 – 25 |
| Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 26 – 27 |

INDEPENDENT AUDITORS' REPORT

Board of Directors,
FIU Athletics Finance Corporation:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of FIU Athletics Finance Corporation (the Corporation), a direct support organization and component unit of Florida International University, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of June 30, 2025 and 2024, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

The Corporation's 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 Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' report that includes our opinion. 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 GAS 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 GAS, 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 Corporation'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 Corporation'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

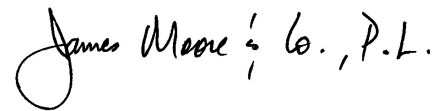
Accounting principles generally accepted in the United States of America require that management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information as listed in the table of contents, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2025, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Corporation's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Gainesville, Florida
October 22, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

**FIU ATHLETICS FINANCE CORPORATION
(A DIRECT SUPPORT ORGANIZATION)
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 2025 AND 2024**

Management’s discussion and analysis (MD&A) provides an overview of the financial position and activities of FIU Athletics Finance Corporation (the “AFC”) for the fiscal years ended June 30, 2025, 2024 and 2023, and should be read in conjunction with the financial statements and notes thereto. The MD&A, financial statements, and notes thereto are the responsibility of management.

The AFC is presented as a discrete component unit of Florida International University (the “University” or “FIU”) and is certified as a direct support organization (“DSO”). The AFC was organized to facilitate the financing of projects related to the FIU football stadium as well as manage and operate the facilities.

FINANCIAL HIGHLIGHTS

The AFC’s assets increased by 1.7% as compared to the prior year primarily due to an increase in investments offset by a decrease in prepaid rent.

The AFC entered into a loan agreement in the current year in which proceeds were to issue new debt and were used to pay for the swap termination fee and other refinancing costs. Therefore, there were no deferred outflows of resources nor deferred inflow of resources at June 30, 2025.

The AFC’s liabilities decreased by 2.1% as compared to the prior year due to the payment of principal on the bonds payable offset by an increase in due to Florida International University.

As a result, the AFC’s net position, which represents the excess of total assets and deferred outflows of resources over total liabilities and deferred inflows of resources, increased by \$914 thousand.

The AFC’s operating revenues increased 12.2% as compared to prior year primarily driven by new stadium naming rights revenue offset with lower game guarantee revenue in the current year.

The AFC’s operating expenses increased 2.8% as compared to prior year. Major components of operating expenses include amortization of prepaid rent, professional services, and security services.

OVERVIEW OF FINANCIAL STATEMENTS

The AFC’s financial report includes three basic sets of financial statements: the statements of net position; the statements of revenues, expenses, and changes in net position; and the statements of cash flows. The overview presented below highlights the significant financial activities that occurred during the past three years and describes changes in financial activity from the prior year.

FIU ATHLETICS FINANCE CORPORATION
(A DIRECT SUPPORT ORGANIZATION)
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 2025 AND 2024
(Continued)

THE STATEMENTS OF NET POSITION

The statements of net position reflect the assets, deferred outflows of resources, liabilities and deferred inflows of resources of the AFC, using the accrual basis of accounting, and present the financial position of the AFC at a specified time. Assets together with deferred outflows, less liabilities with deferred inflows, equals net position, which is one indicator of the AFC’s current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the AFC’s financial condition.

The following summarizes the AFC’s total net position for fiscal years ended:

| | <u>2025</u> | <u>June 30, 2024</u> | <u>2023</u> |
|---------------------------------------|-----------------------|--------------------------|-----------------------|
| Assets | | | |
| Current assets | \$ 6,112,239 | \$ 4,643,470 | \$ 5,221,612 |
| Noncurrent assets | 12,168,663 | 13,337,968 | 14,496,905 |
| Total assets | <u>18,280,902</u> | <u>17,981,438</u> | <u>19,718,517</u> |
| Deferred outflows of resources | <u>-</u> | <u>131,400</u> | <u>146,418</u> |
| Liabilities | | | |
| Current liabilities | 4,535,714 | 3,099,406 | 3,102,486 |
| Noncurrent liabilities | 17,052,841 | 18,941,316 | 20,976,525 |
| Total liabilities | <u>21,588,555</u> | <u>22,040,722</u> | <u>24,079,011</u> |
| Deferred inflows of resources | <u>-</u> | <u>293,319</u> | <u>179,954</u> |
| Total net position | <u>\$ (3,307,653)</u> | <u>\$ (4,221,203)</u> | <u>\$ (4,394,030)</u> |

FIU ATHLETICS FINANCE CORPORATION
(A DIRECT SUPPORT ORGANIZATION)
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 2025 AND 2024
(Continued)

TOTAL ASSETS

The following summarizes the AFC’s total assets for fiscal years ended:

| | June 30, | | |
|---|----------------------|----------------------|----------------------|
| | 2025 | 2024 | 2023 |
| Cash | \$ 232,433 | \$ 227,415 | \$ 919,354 |
| Investments | 2,322,047 | 1,001,208 | 448,420 |
| Suites and ticket sales receivable | 201,440 | 197,160 | 144,320 |
| Due from Florida International University | 2,035,662 | 1,896,888 | 2,389,742 |
| Prepaid rent and other | 10,340,566 | 11,644,791 | 12,947,851 |
| Restricted investments | 3,148,754 | 3,013,976 | 2,868,830 |
| Total assets | \$ 18,280,902 | \$ 17,981,438 | \$ 19,718,517 |

Total assets as of June 30, 2025 increased \$299,464 or 1.7%, as compared to prior year. Investments and due from Florida International University increased in the current year. Prepaid rent decreased due to the recognition of annual rent expense in the current year.

TOTAL DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The following summarizes the AFC’s total deferred outflows and inflows of resources for fiscal years ended:

| | June 30, | | |
|--|-----------------|-------------------|-------------------|
| | 2025 | 2024 | 2023 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred amount on debt refundings | \$ - | \$ 131,400 | \$ 146,418 |
| Total deferred outflows of resources | \$ - | \$ 131,400 | \$ 146,418 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Accumulated increase in fair value of hedging derivatives | \$ - | \$ 293,319 | \$ 179,954 |
| Total deferred inflows of resources | \$ - | \$ 293,319 | \$ 179,954 |

FIU ATHLETICS FINANCE CORPORATION
(A DIRECT SUPPORT ORGANIZATION)
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 2025 AND 2024
(Continued)

TOTAL DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (CONTINUED)

The AFC utilized interest rate swap contracts to mitigate interest rate risk. The change in the fair value of the interest rate swap is directly attributable to changes in interest rates. The deferred outflows and inflows of resources reflect the corresponding increase/decrease in the fair value of hedging derivatives, in alignment with the hedge accounting guidelines stipulated in GASB Statement No. 53. During fiscal year ended June 30, 2025, the interest rate swap was terminated, and as a result, the related deferred outflows and inflows of resources were fully eliminated. As of June 30, 2024, the deferred outflows and inflows of resources totaled \$131,400 and \$293,319, respectively.

TOTAL LIABILITIES

The following summarizes the AFC’s total liabilities for fiscal years ended:

| | June 30, | | |
|---|----------------------|----------------------|----------------------|
| | 2025 | 2024 | 2023 |
| Accounts payable | \$ 120,814 | \$ 104,970 | \$ 35,233 |
| Accrued interest payable | 12,749 | 71,356 | 27,367 |
| Due to Florida International University | 3,017,477 | 1,707,362 | 1,952,257 |
| Due to Florida International University Foundation Inc. | 13,020 | - | - |
| Bonds payable | 5,345,000 | 19,360,000 | 21,090,000 |
| Notes payable | 12,840,700 | - | - |
| Unearned revenue | 238,795 | 242,960 | 209,870 |
| Derivative liability - interest rate swap | - | 554,074 | 764,284 |
| Total liabilities | \$ 21,588,555 | \$ 22,040,722 | \$ 24,079,011 |

Total liabilities as of June 30, 2025 decreased \$452,167, or 2.1%, as compared to prior year. This change is mainly attributable to the payment of principal on the bonds payable offset by an increase in due to Florida International University and notes payable in the current year.

On November 1, 2024, the AFC refinanced their bonds payable and entered into a loan agreement with a taxable fixed interest. As part of this refinance, the AFC paid the swap termination fee. The new loan agreement is reflected as notes payable in the statements of net position.

FIU ATHLETICS FINANCE CORPORATION
(A DIRECT SUPPORT ORGANIZATION)
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 2025 AND 2024
(Continued)

NET POSITION

The following summarizes the AFC’s total position for fiscal years ended:

| | June 30, | | |
|---------------------------|-----------------|----------------|----------------|
| | 2025 | 2024 | 2023 |
| Unrestricted | \$ (3,307,653) | \$ (4,221,203) | \$ (4,394,030) |
| Total net position | \$ (3,307,653) | \$ (4,221,203) | \$ (4,394,030) |

Net position represents the residual interest in the AFC’s assets and deferred outflow of resources after deducting liabilities and deferred inflow of resources. Total net position as of June 30, 2025 increased by \$913,550, or 21.6%, as compared to prior year. The increase in net position is mainly attributable to higher operating revenues.

Net position is reported in one classification: unrestricted. Unrestricted net position reflects assets that are not restricted for any purpose and are available for current operations.

For more detailed information, see the statements of net position on page 12 of the financial statements.

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

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

The following summarizes the AFC’s changes in net position for the fiscal years ended:

| | June 30, | | |
|---|-----------------|----------------|----------------|
| | 2025 | 2024 | 2023 |
| Operating revenues | \$ 6,820,596 | \$ 6,080,638 | \$ 5,552,506 |
| Operating expenses | 3,135,459 | 3,049,207 | 2,907,800 |
| Operating income | 3,685,137 | 3,031,431 | 2,644,706 |
| Net nonoperating expenses | (621,104) | (647,080) | (654,062) |
| Transfers to Florida International University | (2,150,483) | (2,211,524) | (2,388,010) |
| Change in net position | 913,550 | 172,827 | (397,366) |
| Net position - beginning of year | (4,221,203) | (4,394,030) | (3,996,664) |
| Net position - end of year | \$ (3,307,653) | \$ (4,221,203) | \$ (4,394,030) |

FIU ATHLETICS FINANCE CORPORATION
(A DIRECT SUPPORT ORGANIZATION)
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 2025 AND 2024
(Continued)

OPERATING REVENUES

The AFC was organized to facilitate the financing of projects related to the FIU football stadium as well as manage and operate the facilities. Operating revenues generally result from exchange transactions associated with managing and operating the stadium.

The following summarizes the operating revenues by source that were used to fund operating activities for the fiscal years ended:

| | June 30, | | |
|---------------------------------|---------------------|---------------------|---------------------|
| | 2025 | 2024 | 2023 |
| Athletic support | \$ 1,250,473 | \$ 1,206,080 | \$ 1,176,607 |
| NCAA conference payments | 1,208,483 | 1,411,527 | 1,088,010 |
| Stadium naming rights | 1,094,000 | - | - |
| Game guarantees | 800,000 | 1,750,000 | 350,000 |
| Event revenues | 704,117 | 292,939 | 464,660 |
| Sponsorship revenues | 540,000 | 455,500 | 450,000 |
| Other operating revenues | 1,223,523 | 964,592 | 2,023,229 |
| Total operating revenues | \$ 6,820,596 | \$ 6,080,638 | \$ 5,552,506 |

Total operating revenues increased \$739,958, or 12.2%, as compared to prior year. Operating revenues are primarily made up of athletic support, NCAA conference payments and stadium naming rights.

The increase in operating revenues is primarily attributable to a new, 10-year football stadium naming rights and sponsorship agreement recognizing \$1,094,000 of stadium naming rights revenue in the current year. Athletic support from student fees slightly increased due to higher than anticipated student credit hour enrollment. There was also an increase in event revenues due to an increase in stadium rentals in the current year. These increases were offset by a decrease in NCAA Conference USA football-related distributions and game guarantee revenues received during the current year.

Other operating revenues increased \$258,930, or 26.8%, as compared to the prior year. Other operating revenues are comprised of rental income, suite revenues, ticket sales, general concession and vending commissions, merchandise royalties and contributions.

For more detailed information, see the supplemental schedules in the supplemental information section of the financial statements.

FIU ATHLETICS FINANCE CORPORATION
(A DIRECT SUPPORT ORGANIZATION)
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 2025 AND 2024
(Continued)

OPERATING EXPENSES

The AFC categorizes expenses as operating or nonoperating. Operating expenses represent expenses related to the ongoing activities of the AFC. The majority of the AFC’s expenses are operating expenses as defined by GASB. GASB gives financial reporting entities the choice of reporting operating expenses in the functional or natural classifications. The AFC has chosen to report operating expenses by their natural classifications on the statements of revenues, expenses, and changes in net position.

The following summarizes the operating expenses for the fiscal years ended:

| | June 30, | | |
|---------------------------------|---------------------|---------------------|---------------------|
| | 2025 | 2024 | 2023 |
| Amortization of prepaid rent | \$ 1,304,083 | \$ 1,304,083 | \$ 1,304,083 |
| General operations | 942,041 | 975,559 | 797,276 |
| Football operations | 571,976 | 540,593 | 546,079 |
| Event operations | 317,359 | 228,972 | 260,362 |
| Total operating expenses | \$ 3,135,459 | \$ 3,049,207 | \$ 2,907,800 |

Total operating expenses increased \$86,252, or 2.8%, as compared to prior year. Operating expenses are comprised of amortization of prepaid rent, general, football, and event operations.

The largest component of operating expenses is the amortization of prepaid rent. Under the ground sublease agreement between the AFC and the University, the AFC prepaid the rental of the stadium to the University. The AFC amortizes the prepaid rent on a straight-line basis over the life of the sublease.

General operations include expenses related to the up-keep and maintenance of the stadium. Expenses in this category include utilities, materials and supplies, professional services, and repairs and maintenance. General operations expenses were slightly lower when compared to prior year due to various repairs and maintenance upgrades done to enhance the stadium completed in the prior year.

Football operations include direct expenses related to home football games. AFC had six home games in the current year. The increase in football operations is attributable to an increase in the areas of security and custodial expenses. Overall, football operations expenses were slightly higher in the current fiscal year as compared to the prior year due to these home game expenses.

Event operations include all direct expenses related to any special events, which are defined as non-FIU home football games. These special events can include sporting events, meetings, or conferences. The increase in event operations is due to more external events held at the stadium in the current year, including a high-profile music concert.

For more detailed information, see the supplemental schedules in the supplemental information section of the financial statements.

FIU ATHLETICS FINANCE CORPORATION
(A DIRECT SUPPORT ORGANIZATION)
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 2025 AND 2024
(Continued)

NONOPERATING REVENUES AND EXPENSES

Nonoperating revenues and expenses consist of interest income and interest expense. The following summarizes the AFC’s nonoperating revenues and expenses for the fiscal years ended:

| | June 30, | | |
|-------------------------------------|---------------------|---------------------|---------------------|
| | 2025 | 2024 | 2023 |
| Interest income | \$ 224,192 | \$ 223,405 | \$ 169,288 |
| Interest expense and fiscal charges | (845,296) | (870,485) | (823,350) |
| Net nonoperating expenses | \$ (621,104) | \$ (647,080) | \$ (654,062) |

Total net nonoperating expenses were level when compared to the prior year.

TRANSFERS TO FLORIDA INTERNATIONAL UNIVERSITY

During the fiscal years ended June 30, 2025 and 2024, transfers to Florida International University represented \$2,150,483 and \$2,211,524, respectively. These transfers are reflected in the statement of revenues, expenses and changes in net position and represent surplus funds returned to the University.

DEBT ADMINISTRATION

On November 1, 2024, the AFC entered into a loan agreement with Regions Bank to facilitate the refinancing of the AFC’s outstanding Miami-Dade County Industrial Development Authority Revenue Bonds. The proceeds from this refinance were used to pay the swap termination fee and other costs associated with the refinance. As a result of this transaction, there was a decrease of \$14,015,000, or 72.4%, in bonds payable and an increase of \$12,840,700, or 100.0%, in notes payable.

Additional information about the AFC’s bonds and notes payable is presented in notes to the financial statements.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The University has pledged a significant portion of football game guarantee revenues, Conference USA distribution revenues, and a percentage of student athletic fees to the Athletic Finance Corporation. Such pledges are dependent on conference re-alignment, television agreements in place, student enrollment, and the ability to obtain high dollar football guarantees which are generally scheduled many years in advance.

REQUESTS FOR INFORMATION

These financial statements are designed to provide a general overview of the Athletics Finance Corporation’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Controller, FIU Athletics Finance Corporation, 11200 S.W. 8th Street, MARC Building, 5th Floor, Miami, Florida 33199.

BASIC FINANCIAL STATEMENTS

FIU ATHLETICS FINANCE CORPORATION
(A DIRECT SUPPORT ORGANIZATION)
STATEMENTS OF NET POSITION
JUNE 30, 2025 AND 2024

| | 2025 | 2024 |
|---|-----------------------|-----------------------|
| <u>ASSETS</u> | | |
| Current assets | | |
| Cash | \$ 232,433 | \$ 227,415 |
| Investments | 2,322,047 | 1,001,208 |
| Suites and ticket sales receivable | 201,440 | 197,160 |
| Due from Florida International University | 2,035,662 | 1,896,888 |
| Prepaid rent and other | 1,320,657 | 1,320,799 |
| Total current assets | 6,112,239 | 4,643,470 |
| Noncurrent assets | | |
| Restricted investments | 3,148,754 | 3,013,976 |
| Prepaid rent | 9,019,909 | 10,323,992 |
| Total noncurrent assets | 12,168,663 | 13,337,968 |
| Total assets | 18,280,902 | 17,981,438 |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | | |
| Deferred amount on debt refundings | - | 131,400 |
| Total deferred outflows of resources | - | 131,400 |
| <u>LIABILITIES</u> | | |
| Current liabilities | | |
| Accounts payable | 120,814 | 104,970 |
| Accrued interest payable | 12,749 | 71,356 |
| Due to Florida International University, current portion | 2,165,236 | 855,120 |
| Due to Florida International University Foundation, Inc. | 13,020 | - |
| Notes payable, current portion | 1,385,100 | - |
| Bonds payable, current portion | 600,000 | 1,825,000 |
| Unearned revenue | 238,795 | 242,960 |
| Total current liabilities | 4,535,714 | 3,099,406 |
| Noncurrent liabilities | | |
| Due to Florida International University | 852,241 | 852,242 |
| Derivative liability - interest rate swap | - | 554,074 |
| Notes payable, less current portion | 11,455,600 | - |
| Bonds payable, less current portion | 4,745,000 | 17,535,000 |
| Total noncurrent liabilities | 17,052,841 | 18,941,316 |
| Total liabilities | 21,588,555 | 22,040,722 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | |
| Accumulated increase in fair value of hedging derivatives | - | 293,319 |
| Total deferred inflows of resources | - | 293,319 |
| <u>NET POSITION</u> | | |
| Net position | | |
| Unrestricted | (3,307,653) | (4,221,203) |
| Total net position | \$ (3,307,653) | \$ (4,221,203) |

The accompanying notes to the financial statements
are an integral part of these statements.

FIU ATHLETICS FINANCE CORPORATION
(A DIRECT SUPPORT ORGANIZATION)
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

| | 2025 | 2024 |
|--|-----------------------|-----------------------|
| Operating revenues | | |
| Athletic support | \$ 1,250,473 | \$ 1,206,080 |
| NCAA conference payments | 1,208,483 | 1,411,527 |
| Stadium naming rights | 1,094,000 | - |
| Game guarantees | 800,000 | 1,750,000 |
| Event revenues | 704,117 | 292,939 |
| Sponsorship revenues | 540,000 | 455,500 |
| Rental income | 445,710 | 247,687 |
| Suite revenues | 347,160 | 297,900 |
| Ticket sales | 284,547 | 299,995 |
| General concessions and vending commissions | 73,089 | 70,391 |
| Merchandise royalties | 73,017 | 48,619 |
| Total operating revenues | 6,820,596 | 6,080,638 |
| Operating expenses | | |
| Amortization of prepaid rent | 1,304,083 | 1,304,083 |
| Professional services | 449,074 | 509,326 |
| Security services | 351,097 | 308,122 |
| Custodial and janitorial | 318,822 | 283,485 |
| Utilities | 244,281 | 223,138 |
| Materials and supplies | 297,999 | 190,585 |
| Repairs and maintenance | 144,007 | 189,995 |
| Rental of equipment | 20,460 | 27,916 |
| Banking fees | 5,575 | 12,496 |
| Other operating expenses | 61 | 61 |
| Total operating expenses | 3,135,459 | 3,049,207 |
| Operating income | 3,685,137 | 3,031,431 |
| Nonoperating (expenses) | | |
| Interest income | 224,192 | 223,405 |
| Interest expense and fiscal charges | (845,296) | (870,485) |
| Total nonoperating expenses | (621,104) | (647,080) |
| Transfers to Florida International University | (2,150,483) | (2,211,524) |
| Change in net position | 913,550 | 172,827 |
| Net position, beginning of year | (4,221,203) | (4,394,030) |
| Net position, end of year | \$ (3,307,653) | \$ (4,221,203) |

The accompanying notes to the financial statements
are an integral part of these statements.

FIU ATHLETICS FINANCE CORPORATION
(A DIRECT SUPPORT ORGANIZATION)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

| | 2025 | 2024 |
|---|---------------------|---------------------|
| Cash flows provided by operating activities | | |
| Operating receipts | \$ 6,673,377 | \$ 6,553,743 |
| Payments to Florida International University | (417,987) | (162,369) |
| Payments to vendors | (74,410) | (1,757,912) |
| Net cash provided by operating activities | 6,180,980 | 4,633,462 |
| Cash flows used in capital and related financing activities | | |
| Transfers to Florida International University | (2,150,483) | (2,211,523) |
| Principal payments on notes payable | (1,327,100) | - |
| Principal payments on bonds payable | (580,000) | (1,730,000) |
| Interest paid | (887,097) | (908,323) |
| Net cash used in capital and related financing activities | (4,944,680) | (4,849,846) |
| Cash flows provided by (used in) investing activities | | |
| Proceeds from sale and maturity of investments | 7,998,590 | 8,929,766 |
| Purchase of investments | (9,454,206) | (9,627,703) |
| Interest income received | 224,334 | 222,382 |
| Net cash (used in) investing activities | (1,231,282) | (475,556) |
| Net decrease in cash and cash equivalents | 5,018 | (691,938) |
| Cash and cash equivalents, beginning of year | 227,415 | 919,354 |
| Cash and cash equivalents, end of year | <u>\$ 232,433</u> | <u>\$ 227,415</u> |
| Reconciliation of operating income to net cash provided by operating activities: | | |
| Operating income | \$ 3,685,137 | \$ 3,031,431 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Change in assets and liabilities: | | |
| (Increase) decrease in: | | |
| Suites and ticket sales receivable | (4,280) | (52,840) |
| Prepaid rent and other | 1,304,083 | 1,304,083 |
| Due from Florida International University | (138,774) | 492,854 |
| Increase (decrease) in: | | |
| Accounts payable | 15,844 | 69,738 |
| Unearned revenue | (4,165) | 33,090 |
| Due to Florida International University Foundation, Inc. | 13,020 | - |
| Due to Florida International University | 1,310,115 | (244,894) |
| Total adjustments | 2,495,843 | 1,602,031 |
| Net cash provided by operating activities | <u>\$ 6,180,980</u> | <u>\$ 4,633,462</u> |
| Non-cash investing and financing activities | | |
| Change in fair value of hedging derivatives | \$ 293,319 | \$ (113,365) |
| Change in deferred amount on debt refunding | \$ 131,400 | \$ 15,017 |
| Amortization of derivative liability | \$ 847,394 | \$ 96,845 |
| Swap termination fee and debt issuance costs paid from loan proceeds | \$ 732,800 | \$ - |

The accompanying notes to the financial statements
are an integral part of these statements.

FIU ATHLETICS FINANCE CORPORATION
(A DIRECT SUPPORT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(1) **Summary of Significant Accounting Policies:**

The following is a summary of the more significant accounting policies and practices of the FIU Athletics Finance Corporation (the “Athletics Finance Corporation” or the “Organization”), which affect significant elements of the accompanying financial statements:

(a) **Reporting entity**—The Athletics Finance Corporation is a Florida not-for-profit corporation and a direct support organization and component unit of Florida International University (“FIU” or the “University”) and was organized in the State of Florida on November 20, 2006.

The Athletics Finance Corporation is a tax-exempt organization as defined by Section 501(c)(3) of the Internal Revenue Code. The Athletics Finance Corporation provides direct support to FIU in matters pertaining to the financing of the FIU Football Stadium and subsequently managing and operating the facility and has been designated by the FIU Board of Trustees as a University Direct Support Organization pursuant to §1004.28, Florida Statutes.

(b) **Basis of presentation**—The financial statements of the Athletics Finance Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Athletics Finance Corporation reports under the GASB standards because it meets the criteria regarding the popular election of officers or appointment of a controlling majority of the members of the Organization’s governing body by one or more state or local governments. Therefore, the Athletics Finance Corporation is reported as a governmental entity.

In accordance with GASB Statement No. 34, *Basic Financial Statements and Management’s Discussion and Analysis – For State and Local Governments*, the Athletics Finance Corporation met the criteria to use enterprise fund accounting and financial reporting. Accordingly, the financial statements are reported using the economic resources measurement focus and accrual basis of accounting, which recognizes revenue when earned and expenses are recorded when a liability is incurred, regardless of timing of the related cash flow.

(c) **Use of estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management’s knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

(d) **Cash**—Amounts reported as cash consist of cash on hand.

(e) **Investments**—Amounts reported as investments consist of investments in money market funds. In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, money market funds are recorded at amortized cost, which is generally equivalent to fair value, and are not categorized in the fair value hierarchy. Investments 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.

FIU ATHLETICS FINANCE CORPORATION
(A DIRECT SUPPORT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(1) **Summary of Significant Accounting Policies:** (Continued)

(f) **Derivative financial instruments and fair value measurements**—The Athletics Finance Corporation entered into an interest rate swap agreement to reduce its exposure to market risks from changing interest rates. The interest rate swap was terminated in November 2024.

(g) **Income taxes**—The Organization is a not-for-profit corporation, as described in Section 501(c)(3) of the Internal Revenue Code and as such is subject to federal income taxes only on unrelated business income. There were no income taxes resulting from unrelated business income during the years ended June 30, 2025 and 2024.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management has analyzed the tax positions taken and has concluded that as of June 30, 2025, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. If the Organization were to incur an income tax liability in the future, interest and penalties would be reported as income taxes. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Athletics Finance Corporation's income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

(h) **Prepaid rent**—Pursuant to two (2) ground sublease agreements, the Organization prepaid a portion of their rent obligation to the University. The prepaid lease payments will be amortized on a straight line basis over the life of the sublease.

(i) **Operating revenue and expenses**—The Athletics Finance Corporation's statements of revenues, expenses, and changes in net position distinguish between operating and nonoperating revenue and expenses. Operating revenue results from exchange transactions associated with managing and operating the FIU Football Stadium, which is the Athletics Finance Corporation's principal activity. Other sources of revenue, including investment earnings, are reported as nonoperating revenue. Operating expenses include all expenses incurred to manage and operate the FIU Football Stadium, other than external financing costs.

(j) **Flow assumption for restricted assets**—If both restricted and unrestricted assets are available for use for a certain purpose, it is the Athletics Finance Corporation's policy to use restricted assets first, and then use unrestricted assets as needed.

(k) **Leasehold improvements**—These assets are capitalized and recorded at historical cost at the date of acquisition. Depreciation is computed on the straight-line basis over the estimated useful life (5 years).

(l) **Revenue recognition**—Revenues from sponsorship naming rights are recognized ratably over the term of the sponsorship agreement. Premium seating and commission revenues are recognized as revenue at the time the event takes place.

FIU ATHLETICS FINANCE CORPORATION
(A DIRECT SUPPORT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(1) **Summary of Significant Accounting Policies:** (Continued)

(m) **Pronouncements issued**—The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. The Organization has not currently determined what, if any, impact the implementation of the following will have on the Organization’s financial statements.

GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of GASB 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an entity’s accountability. The provisions in GASB 103 are effective for fiscal years beginning after June 15, 2025.

GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. GASB 103 seeks to provide users of government financial statements with essential information about certain types of capital assets. The provisions in GASB 104 are effective for periods beginning after June 15, 2025.

(2) **Concentration of Credit Risk:**

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

(a) **Deposits**—In addition to insurance provided by the Federal Depository Insurance Corporation(FDIC), all 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 (includes cash) are insured or collateralized.

(b) **Investments**—In addition, the Athletics Finance Corporation maintains investment accounts with financial institutions that are not insured by the FDIC. Fund shares are not guaranteed by the U.S. government. Current and future portfolio holdings are subject to risk.

At June 30, 2025 and 2024, \$5,470,801 and \$4,015,184, respectively, were held in these accounts. The Athletics Finance Corporation believes that the number, diversity and financial strength of the issuers mitigate the credit risks associated with all investments.

FIU ATHLETICS FINANCE CORPORATION
(A DIRECT SUPPORT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(3) **Investments:**

Investments are made in accordance with the Trust Indenture dated as of December 1, 2009 (the “trust indenture”). The Organization invests in the Fidelity Institutional Money Market Government Portfolio – Class III Fund (Fidelity Money Market Fund). This is a money market fund seeking to provide current income consistent with stability of principal by investing in a portfolio of short-term, U.S. treasury and government securities. These investments include repurchase agreements collateralized fully by U.S. Treasury and government securities. The Fund limits its investment to those that would enable it to qualify as a permissible investment for federally chartered credit unions. Investments are made in accordance with the trust indenture between the Miami-Dade County Industrial Development Authority and Regions Bank, as trustee. This transaction is further described in Note 5. The investments were reported at amortized cost of \$5,470,801 and \$4,015,184 as of June 30, 2025 and 2024, respectively, which is generally the equivalent of fair value.

(a) **Credit risk**—Credit risk is the risk that an issuer of securities in which the Fund invests may default on the payment of interest or principal on the securities when due, which would cause the Fund to lose money. At June 30, 2025 and 2024, the money market mutual fund investments were rated AAAM by Standard & Poor’s.

(b) **Concentration credit risk**—All of the investments at June 30, 2025 and 2024 are held with Regions Trust and are invested in money market funds. According to the bond indenture, the Organization 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.

(c) **Interest rate risk**—A portfolio’s weighted average days to maturity (WAM) reflects the average maturity in days based on 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 Fidelity Money Market Fund prices of fixed-income securities generally fall when interest rates rise. Interest rate changes have a greater effect on the price of fixed-income securities with longer maturities. The money market mutual fund WAM at June 30, 2025 and 2024 was 25 and 30 days, respectively, while the weighted average life (WAL) was 75 and 79 days at June 30, 2025 and 2024, respectively.

**FIU ATHLETICS FINANCE CORPORATION
(A DIRECT SUPPORT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

(4) Long-term Debt:

Debt activity for the years ended June 30, 2025 and 2024, is as follows:

| | <u>Balance July 1, 2024</u> | <u>Additions</u> | <u>Deletions</u> | <u>Payments</u> | <u>Balance June 30, 2025</u> | <u>Due Within One Year</u> |
|-------------------------------|---------------------------------|----------------------|------------------------|---------------------|----------------------------------|--------------------------------|
| 2024 Note | \$ - | \$ 14,167,800 | \$ - | \$ 1,327,100 | \$ 12,840,700 | \$ 1,385,100 |
| Revenue Bond (Series 2009A-1) | 19,360,000 | 732,800 | (14,167,800) | 580,000 | 5,345,000 | 600,000 |
| | <u>\$ 19,360,000</u> | <u>\$ 14,900,600</u> | <u>\$ (14,167,800)</u> | <u>\$ 1,907,100</u> | <u>\$ 18,185,700</u> | <u>\$ 1,985,100</u> |
| | <u>Balance July 1, 2023</u> | <u>Additions</u> | <u>Additions</u> | <u>Payments</u> | <u>Balance June 30, 2024</u> | <u>Due Within One Year</u> |
| 2024 Note | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Revenue Bond (Series 2009A-1) | <u>\$ 21,090,000</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,730,000</u> | <u>\$ 19,360,000</u> | <u>\$ 1,825,000</u> |
| | <u>\$ 21,090,000</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,730,000</u> | <u>\$ 19,360,000</u> | <u>\$ 1,825,000</u> |

On December 1, 2009, the Athletics 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 a 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 Athletics 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 authorized the reissuance of \$9,000,000 Series 2009A-1 Bond. The interest rate on the Series 2009A-1 Bonds (fixed component) shall be at a rate equal to 2.8% per annum. The second, third and fourth amendments (variable component) 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% of three-month SOFR plus 1.52% (1.40% plus 0.12% term SOFR adjustment). The term SOFR adjustment is based on the difference between the LIBOR rate and the SOFR rate at the time of the conversion and is used to ensure that the variable component of the loan continues to be synthetically fixed at the agreed upon rate.

FIU ATHLETICS FINANCE CORPORATION
(A DIRECT SUPPORT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(4) **Long-term Debt:** (Continued)

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 5.0%.

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% 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 statements of net position.

Total principal on the notes payable and bonds payable at June 30, 2025 was \$12,840,700 and \$5,345,000, respectively. The total principal on the bonds payable at June 30, 2024 was \$19,360,000.

The Athletics 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 totaled \$3,148,754 and \$3,013,976 as of June 30, 2025 and 2024, respectively, and is presented in restricted investments.

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

| For the Year Ending | Total | | |
|----------------------------|---------------------|-------------------|-------------------------------|
| June 30, | Principal | Interest | Principal and Interest |
| 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 | 2,070,000 | 96,056 | 2,166,056 |
| Total | <u>\$ 5,345,000</u> | <u>\$ 676,361</u> | <u>\$ 6,021,361</u> |

**FIU ATHLETICS FINANCE CORPORATION
(A DIRECT SUPPORT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

(4) **Long-term Debt:** (Continued)

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

| For the Year Ending June 30, | Principal | Interest | Total Principal and Interest |
|---|----------------------|---------------------|---|
| 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 | 5,277,300 | 420,715 | 5,698,015 |
| Total | <u>\$ 12,840,700</u> | <u>\$ 3,100,323</u> | <u>\$ 15,941,023</u> |

(5) **Derivative Financial Instruments:**

(a) **Objectives**—As a means to lower its borrowing costs and increase its savings, the Organization entered into an interest rate swap agreement in connection with its \$30,000,000 2009A Miami-Dade County Industrial Development Authority Revenue Bond issuance (Refunding Bonds). The intention of the swap agreement was to synthetically fix the interest rate on the bonds to 5.0%.

(b) **Terms**—On December 22, 2009, Athletics Finance Corporation entered into an interest rate swap agreement to hedge the floating rate on \$21,000,000 of the principal amount of the Series 2009A Bonds. This represents the fixed portion of the tax-exempt bonds payable mentioned in Note 4 above. Under the swap agreement, the Athletics Finance Corporation agrees to pay a fixed rate of 3.48% and receive a variable rate equal to 63.7% of three-month SOFR. The swap agreement has a maturity date of March 1, 2033. In November 2024, the AFC 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.

(c) **Fair value**—The Athletics Finance Corporation swap had a derivative liability of \$0 and \$554,074 at June 30, 2025 and 2024, respectively, as reported in the statements of net position. The negative fair value was determined using a mark-to-market value and represents the closing mid-market values. It was classified in Level 2 of the fair value hierarchy at June 30, 2024.

As of June 30, 2025 and 2024, the fair value of the Series 2007A ineffective interest rate swap was \$0 and \$847,394, respectively. This interest rate swap was terminated when the bonds were refunded in November 2024. Therefore, there is no associated fair value of the ineffective Series 2007A interest rate swap.

**FIU ATHLETICS FINANCE CORPORATION
(A DIRECT SUPPORT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

(5) **Derivative Financial Instruments:** (Continued)

The synthetic instrument method evaluates the effectiveness by quantitative approach by combining the hedgeable item and the potential hedging derivative instrument to simulate a third synthetic instrument. A potential hedging derivative instrument is effective if its total variable cash flows substantially offset the variable cash flows of the hedgeable item. The Organization determined that it met the criteria of the synthetic instrument method during the period the Athletic Finance Corporation had the interest rate swap. Since the interest rate swap was terminated in November 2024, there is a zero balance reflected as deferred inflows of resources at June 30, 2025. The amount reflected as fair value of the effective interest rate swap at June 30, 2024 was \$293,319. This accounting treatment reflects the changes in fair values of the hedging derivative instrument, in alignment with the hedge accounting guidelines stipulated in GASB Statement No. 53.

(d) **Credit risk**—As of June 30, 2025, the Athletics Finance Corporation was not exposed to credit risk because the interest rate swap was terminated.

(e) **Basis risk**—Basis risk arises when different indexes are used in connection with a derivative. Since the interest rate swap was terminated, there is no basis risk.

(6) **Unearned Revenues:**

The Athletics Finance Corporation and the University have pledged future revenues in order to meet certain minimum bond requirements under the issue of bond-related debt to finance the stadium project. Operating revenues may include athletics fees collected by the University, fund raising revenues, contributions, conference payments and naming rights revenues. Nonoperating revenues include capital gifts and investment revenues related to any of the above. Operating revenues related to the sale of football stadium suites and club seats have been deferred. Revenues are unavailable until the year they are earned. Suite sales will be recognized annually based on their corresponding contracts.

The following schedule presents sales commitments under suite agreements and ticket sales that expire on June 30, 2030:

| For the Year Ending | |
|----------------------------|-------------------|
| June 30, | Amount |
| 2026 | \$ 238,795 |
| 2027 | 48,460 |
| 2028 | 36,300 |
| 2029 | 36,300 |
| 2030 | 11,980 |
| Total | <u>\$ 371,835</u> |

(7) **Related Party Transactions:**

(a) **Related party revenues**—In accordance with the Memorandum of Understanding dated March 5, 2010; the University manages stadium-related activities, collects revenues on behalf of the Athletics Finance Corporation, and remits revenues timely as required under the existing trust indenture. For the years ended June 30, 2025 and 2024, the Athletics Finance Corporation received revenue for athletic support, NCAA conference payments, stadium naming rights, game guarantees, ticket sales, sponsorship revenues, suite revenue, contributions, rental income, and other operating revenues.

FIU ATHLETICS FINANCE CORPORATION
(A DIRECT SUPPORT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(7) **Related Party Transactions:** (Continued)

The total of these revenues was \$6,820,596 and \$6,080,638 in 2025 and 2024, respectively. As of June 30, 2025 and 2024, the Athletics Finance Corporation had amounts due from Florida International University related to these revenues of \$2,035,662 and \$1,896,888, respectively.

(b) **Lease commitments**—Florida International University and the FIU Athletics Finance Corporation entered into two 25-year ground sublease agreements dated April 1, 2007 rendering the rights to the FIU Athletics Finance Corporation to issue a series of capital improvement bonds of which a portion of the proceeds, along with contributions from the University, was to finance a stadium improvement project located on University premises. Under this agreement the FIU Athletics Finance Corporation shall prepay to the University for rental of the premises in 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:

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

| Reconciliation of the Statement of Net Position to the Lease Commitment | 2025 | 2024 |
|--|----------------------|----------------------|
| Current prepaid rent | \$ 1,304,083 | \$ 1,304,083 |
| Noncurrent prepaid rent | 9,019,909 | 10,323,992 |
| Total prepaid rent | <u>10,323,992</u> | <u>11,628,075</u> |
| Other assets | 16,574 | 16,716 |
| Total prepaid rent and other | <u>\$ 10,340,566</u> | <u>\$ 11,644,791</u> |

As of June 30, 2025 and 2024, construction draws amounting to \$31,937,211 have been paid by the University to various contractors. The prepaid rent has been amortized by \$1,304,083 in both years.

(c) **Transfers to Florida International University**—As of June 30, 2025 and 2024, transfers to Florida International University totaled \$2,150,483 and \$2,211,524, respectively. These transfers are reflected in the statements of revenues, expenses and changes in net position and represent surplus funds returned to the University pursuant to Section 6.04 (b) (viii) of the Trust Indenture dated December 1, 2009.

SUPPLEMENTARY INFORMATION

FIU ATHLETICS FINANCE CORPORATION
(A DIRECT SUPPORT ORGANIZATION)
SUPPLEMENTAL SCHEDULE
FOR THE YEARS ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024)

| | General AFC | Football Operations | Event Operations | 2025 | 2024 |
|--|------------------------|--------------------------------|-----------------------------|--------------------|--------------------|
| Operating revenues | | | | | |
| Athletic support | \$ 1,250,473 | \$ - | \$ - | \$ 1,250,473 | \$ 1,206,080 |
| NCAA conference payments | 1,208,483 | - | - | 1,208,483 | 1,411,527 |
| Stadium naming rights | 1,094,000 | - | - | 1,094,000 | - |
| Game guarantees | 800,000 | - | - | 800,000 | 1,750,000 |
| Event revenues | - | - | 704,117 | 704,117 | 292,939 |
| Sponsorship revenues | 540,000 | - | - | 540,000 | 455,500 |
| Rental income | - | - | 445,710 | 445,710 | 247,687 |
| Suite revenues | - | 347,160 | - | 347,160 | 297,900 |
| Ticket sales | - | 284,547 | - | 284,547 | 299,995 |
| General concessions and vending commissions | - | 69,813 | 3,276 | 73,089 | 70,391 |
| Merchandise royalties | 73,017 | - | - | 73,017 | 48,619 |
| Total operating revenues | <u>4,965,973</u> | <u>701,520</u> | <u>1,153,103</u> | <u>6,820,596</u> | <u>6,080,638</u> |
| Operating expenses | | | | | |
| Amortization of prepaid rent | 1,304,083 | - | - | 1,304,083 | 1,304,083 |
| Professional services | 238,853 | 153,543 | 56,678 | 449,074 | 509,326 |
| Security services | - | 198,653 | 152,444 | 351,097 | 308,122 |
| Custodial and janitorial | 165,558 | 47,864 | 105,400 | 318,822 | 283,485 |
| Utilities | 244,281 | - | - | 244,281 | 223,138 |
| Materials and supplies | 135,850 | 161,681 | 468 | 297,999 | 190,585 |
| Repairs and maintenance | 144,007 | - | - | 144,007 | 189,995 |
| Rental of equipment | 7,856 | 10,235 | 2,369 | 20,460 | 27,916 |
| Banking fees | 5,575 | - | - | 5,575 | 12,496 |
| Other operating expenses | 61 | - | - | 61 | 61 |
| Total operating expenses | <u>2,246,124</u> | <u>571,976</u> | <u>317,359</u> | <u>3,135,459</u> | <u>3,049,207</u> |
| Operating income | <u>2,719,849</u> | <u>129,544</u> | <u>835,744</u> | <u>3,685,137</u> | <u>3,031,431</u> |
| Nonoperating revenues (expenses) | | | | | |
| Interest income | 224,192 | - | - | 224,192 | 223,405 |
| Interest expenses and fiscal charges | (845,296) | - | - | (845,296) | (870,485) |
| Total nonoperating expenses | <u>(621,104)</u> | <u>-</u> | <u>-</u> | <u>(621,104)</u> | <u>(647,080)</u> |
| Transfers to Florida International University | <u>(2,150,483)</u> | <u>-</u> | <u>-</u> | <u>(2,150,483)</u> | <u>(2,211,524)</u> |
| Change in net position | <u>\$ (51,738)</u> | <u>\$ 129,544</u> | <u>\$ 835,744</u> | <u>\$ 913,550</u> | <u>\$ 172,827</u> |

The accompanying notes to the financial statements
are an integral part of these statements.

FIU ATHLETICS FINANCE CORPORATION
(A DIRECT SUPPORT ORGANIZATION)
SUPPLEMENTAL SCHEDULE
FOR THE YEARS ENDED JUNE 30, 2024

| | <u>General AFC</u> | <u>Football Operations</u> | <u>Event Operations</u> | <u>2024</u> |
|--|------------------------|--------------------------------|-----------------------------|-------------------|
| Operating revenues | | | | |
| Game guarantees | \$ 1,750,000 | \$ - | \$ - | \$ 1,750,000 |
| NCAA conference payments | 1,411,527 | - | - | 1,411,527 |
| Athletic support | 1,206,080 | - | - | 1,206,080 |
| Sponsorship revenues | 455,500 | - | - | 455,500 |
| Ticket sales | - | 299,995 | - | 299,995 |
| Suite revenues | - | 297,900 | - | 297,900 |
| Event revenues | - | - | 292,939 | 292,939 |
| Rental income | - | - | 247,687 | 247,687 |
| General concessions and vending commissions | - | 67,358 | 3,033 | 70,391 |
| Merchandise royalties | 48,619 | - | - | 48,619 |
| Total operating revenues | <u>4,871,726</u> | <u>665,253</u> | <u>543,659</u> | <u>6,080,638</u> |
| Operating expenses | | | | |
| Amortization of prepaid rent | 1,304,083 | - | - | 1,304,083 |
| Professional services | 271,149 | 172,986 | 65,191 | 509,326 |
| Security services | - | 220,287 | 87,835 | 308,122 |
| Custodial and janitorial | 164,258 | 44,372 | 74,855 | 283,485 |
| Utilities | 223,138 | - | - | 223,138 |
| Materials and supplies | 105,372 | 85,213 | - | 190,585 |
| Repairs and maintenance | 189,995 | - | - | 189,995 |
| Rental of equipment | 9,090 | 17,735 | 1,091 | 27,916 |
| Banking fees | 12,496 | - | - | 12,496 |
| Other operating expenses | 61 | - | - | 61 |
| Total operating expenses | <u>2,279,642</u> | <u>540,593</u> | <u>228,972</u> | <u>3,049,207</u> |
| Operating income | <u>2,592,084</u> | <u>124,660</u> | <u>314,687</u> | <u>3,031,431</u> |
| Nonoperating revenues (expenses) | | | | |
| Interest income | 223,405 | - | - | 223,405 |
| Interest expenses and fiscal charges | (870,485) | - | - | (870,485) |
| Total nonoperating expenses | <u>(647,080)</u> | <u>-</u> | <u>-</u> | <u>(647,080)</u> |
| Transfers to Florida International University | (2,211,524) | - | - | (2,211,524) |
| Change in net position | <u>\$ (266,520)</u> | <u>\$ 124,660</u> | <u>\$ 314,687</u> | <u>\$ 172,827</u> |

The accompanying notes to the financial statements
are an integral part of these statements.

REPORTING SECTION

INDEPENDENT AUDITORS' 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

Board of Directors,
FIU Athletics Finance Corporation:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of FIU Athletics Finance Corporation (the Corporation), a direct support organization and component unit of Florida International University, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated October 22, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 entity'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.

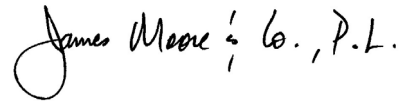
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James Moore & Co., P.L.

Gainesville, Florida
October 22, 2025