

1996

Annual financial report for the fiscal year 1994-1995

Florida International University

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3
outstanding

students



working

Carmen Anderson

hard

Ernest Greene

to

Azra Medjedovic

excel



FLORIDA
INTERNATIONAL
UNIVERSITY

ANNUAL
FINANCIAL
REPORT

FISCAL YEAR
1994-95

STATE AND UNIVERSITY OFFICIALS

STATE BOARD OF EDUCATION

| | |
|-------------------|---|
| Lawton Chiles | <i>Governor</i> |
| Sandra B. Mortham | <i>Secretary of State</i> |
| Bob Butterworth | <i>Attorney General</i> |
| Bob Milligan | <i>Comptroller</i> |
| Bob Crawford | <i>Commissioner of Agriculture</i> |
| Frank Brogan | <i>Commissioner of Education</i> |
| Bill Nelson | <i>Insurance Commissioner and Treasurer</i> |

FLORIDA BOARD OF REGENTS AND CHANCELLOR

| | |
|------------------------|---|
| Jon C. Moyle | <i>Chairperson, West Palm Beach</i> |
| James F. Heekin, Jr | <i>Vice Chairman, Orlando</i> |
| Audrea I. Anderson | <i>Fort Myers</i> |
| Julian Bennett, Jr | <i>Panama City</i> |
| Frank Brogan | <i>Commissioner of Education, Tallahassee</i> |
| Paul L. Cejas | <i>Miami</i> |
| Charlton B. Daniel, Jr | <i>Gainesville</i> |
| Perla Hantman | <i>Miami Lakes</i> |
| Elizabeth G. Lindsay | <i>Sarasota</i> |
| Gwendolyn F. McLin | <i>Okaloosa</i> |
| Dennis M. Ross | <i>Tampa</i> |
| Steven J. Uhlfelder | <i>Tallahassee</i> |
| Welcom H. Watson | <i>Fort Lauderdale</i> |
| Jason J. Rosenberg | <i>Student Regent (UF)</i> |
| Charles B. Reed | <i>Chancellor, State University System</i> |

UNIVERSITY OFFICIALS

| | |
|---------------------|--|
| Modesto A. Maidique | <i>President</i> |
| James A. Mau | <i>Provost and Vice President, Academic Affairs</i> |
| Richard J. Correnti | <i>Vice President, Student Affairs</i> |
| Cynthia W. Curry | <i>Vice President, Business and Finance</i> |
| Paul D. Gallagher | <i>Vice President, University Advancement and Budget</i> |
| Mary L. Pankowski | <i>Vice President, North Miami and University Outreach</i> |

BUSINESS AND FINANCE

| | |
|-----------------|-----------------------------|
| James C. Ketzle | <i>Controller</i> |
| Andy Fornaguera | <i>Associate Controller</i> |
| Rosie Montequin | <i>Assistant Controller</i> |
| Gilda Ruiz | <i>Assistant Controller</i> |
| Eric Davidson | <i>Assistant Controller</i> |

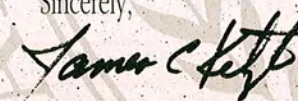
Dr. Modesto A. Maidique, President
Florida International University
University Park Campus
Miami, Florida 33199

Dear President Maidique:

We are pleased to submit the Annual Financial Report of Florida International University for the fiscal year ending June 30, 1995. The financial statements presented in this report have been prepared in accordance with generally accepted accounting principles, as delineated in the National Association of College and University Business Officers' publication College and University Business Administration.

The records used to prepare these financial statements have been audited by the State Auditor General prior to being provided to the Board of Regents for consolidation with the other universities in the State University System. The consolidated statements will be presented in the State-wide General Purpose Financial Statements issued by the State Comptroller's Office. The State-wide statements will be the subject of an opinion by the Florida Auditor General.

Sincerely,



James C. Ketzle
Controller



Cynthia W. Curry
Vice President for Business and Finance



FLORIDA
INTERNATIONAL
UNIVERSITY

ANNUAL
FINANCIAL
REPORT

FISCAL YEAR
1994-95

FLORIDA

INTERNATIONAL

UNIVERSITY

MUST BE DOING

SOMETHING RIGHT:

The goal of a university is to provide an outstanding educational experience for its students, to nurture their minds and enrich their souls. Judging by the major accomplishments of several members of our student body during the past year, Florida International University must be doing something right.

Carmen Anderson often walks FIU's main campus with a backpack bulging with books and her two youngest daughters by her side. She arranges her class schedule so that she can devote several hours each morning to home schooling four of her five children. And to help make ends meet, the 37-year-old runs a home export business.

Despite her hectic lifestyle, the international relations major has maintained a 3.95 GPA and is a finalist in the prestigious Harry S. Truman Scholarship Competition. The \$30,000 scholarship is awarded to college students preparing for graduate work in the public service field. At the national level, the Truman Scholarship is second in stature only to the Rhodes Scholarship.

A native of Argentina, Carmen moved to Brazil when she was 18. In her new homeland, she worked tirelessly assisting the poor and raising a family. Five years ago, Anderson moved to the U.S. and soon realized that in order to continue doing the kind of human rights advocacy work she loves to do, a college degree was imperative. FIU is helping her realize her dream.

As Vice President of the Student Government Association on the University Park Campus, Ernest Greene helps administer a \$4 million budget. Crunching numbers comes easy to Ernest, an accounting major and a member of the national accounting fraternity Beta Alpha Psi.

Originally from the Bahamas, Ernest came to FIU because of the university's expanding international reputation. His older brother, an FIU graduate, also encouraged him to attend. A top high school student, Ernest was awarded scholarships from both the Latin American and Caribbean Center and the National Association of Black Accountants.

When Ernest isn't hitting the books or working on student government projects, he is active in both the Caribbean Student Association and the Bahamian Student Association. In addition, he serves as a Student Ambassador. His outstanding leadership skills have earned him a spot in Who's Who Among Students in American Universities And Colleges for the past two years.

Chemistry major Azra Medjedovic recently became the first FIU student to be named to USA Today's prestigious All-USA College Academic First Team. Each year, the newspaper selects the top 20 students in the country for their outstanding intellectual achievement and leadership skills. Her team members included students from Harvard, Stanford and Princeton.

A Bosnian Muslim, Azra came to Miami in 1991 as a high school exchange student. During her stay, the war erupted in Bosnia making it unsafe for her to return home. After losing the few belongings she had due to Hurricane Andrew, Azra decided to come to FIU to study and was accepted into the honors program at the university.

In order to support herself while in college, she has worked as a secretary, math tutor and piano teacher. Despite all of her hardships, she is a straight A student and a fixture on the Dean's List. In recognition of her many accomplishments, Azra also was named as one of the Top 10 college women in the U.S. by Glamour magazine.

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Carmen Anderson, Truman Scholarship finalist, human rights advocate, working mother
Age: 37
Hometown: Rosario, Argentina
Major: International Relations
GPA: 3.95

Quote: "I want to be in a position where I can influence people to do the right thing. One day, I hope to work at United Nations or for the U.S. Government handling foreign affairs."



Ernest Greene, student government leader, collegiate who's who, student ambassador
Age: 23
Home town: Nassau, Bahamas
Major: Accounting
GPA: 3.4

Quote: "I didn't just go to college to go to class. I wanted to get involved in the life of the university. Meeting people from other countries and cultures has helped make me a more well rounded person."



Azra Medjedovic, USA Today Academic All-Star, poet, classical pianist
Age: 21
Home town: Tuzla, Bosnia
Major: Chemistry
GPA: 3.97

Quote: "It's a privilege to be honored on a national level for my academic work. My objective, however, was not about seeking recognition. I work for my own sense of purpose and identity and to fulfill my personal goals."

THE ANNUAL REPORT

THE UNIVERSITY

History

Florida International University was chartered by the Florida Legislature in 1965. It opened its doors in 1972 to 6,000 students, one of the largest entering classes in United States collegiate history. Today the University has a student enrollment of over 26,000 students. With strong undergraduate programs centered around a rigorous liberal arts core curriculum, the University offers more than 200 baccalaureate, master's and doctoral degree programs through its many Colleges and Schools.

Mission

The mission of the University is to serve the people of Southeast Florida, the state, the nation and the international community by imparting knowledge through excellent teaching, creating new knowledge through research and fostering creativity and its expression.

Facilities

Florida International University is an urban, multicampus, doctoral granting institution with two major campuses in Dade County and two academic centers in Broward County. University Park, the largest and oldest of the campuses, is located on 400 acres in residential southwest Miami. Seventeen major buildings have been erected on this campus at a cost exceeding \$93 million. Facilities include a major library, a student union, an administration building, a student housing complex and 8 academic buildings.

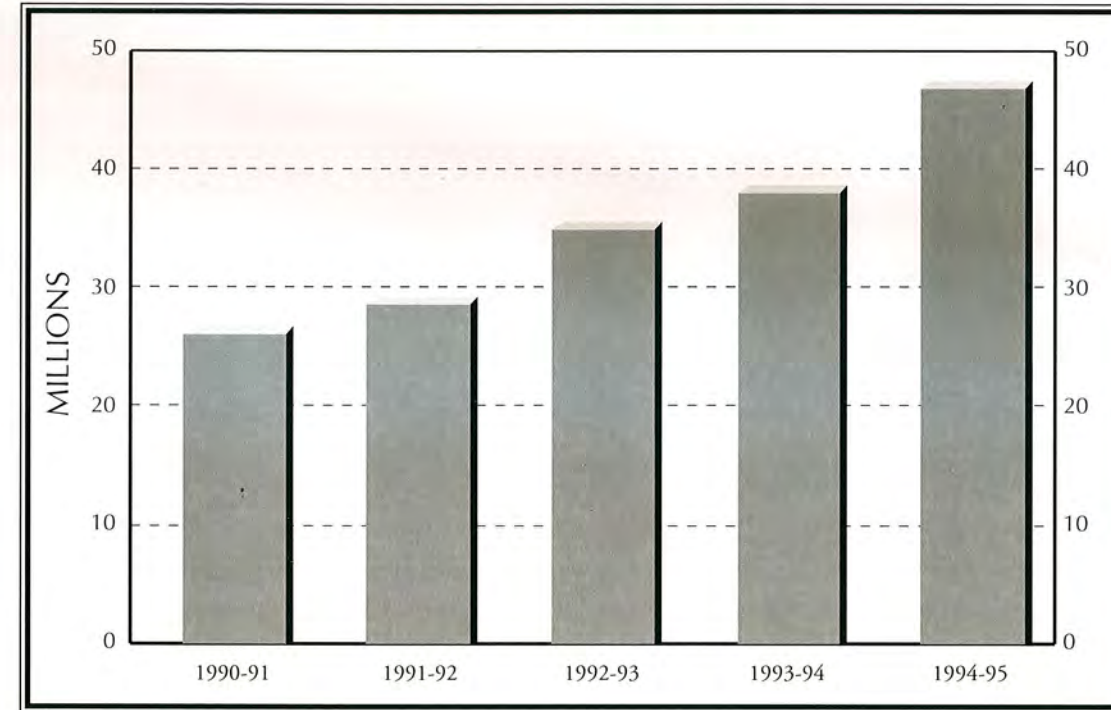
The North Campus is located on 200 acres of a natural mangrove preserve facing Biscayne Bay. The North Campus has 9 major buildings costing in excess of \$48 million. Facilities on this campus include an olympic swimming pool, state of the art equipment for students in the Hospitality Management program, a library and a residential community.

The University operates two academic centers in nearby Broward County. The University Tower in downtown Fort Lauderdale offers primarily graduate programs and the FIU Broward Center in Davie, located on the campus of Broward Community College, focuses on undergraduate programs.

STUDENT ENROLLMENT • FALL 1994

| | Undergraduate | Graduate | Total |
|------------------------|---------------|-------------|--------------|
| Arts & Sciences | 3978 | 544 | 4522 |
| Business | 2954 | 800 | 3754 |
| Education | 1254 | 1032 | 2286 |
| Engineering | 1161 | 344 | 1505 |
| Health | 436 | 179 | 615 |
| Hospitality Management | 596 | 169 | 765 |
| Journalism | 505 | 24 | 529 |
| Nursing | 426 | 120 | 546 |
| Public Affairs | 982 | 613 | 1595 |
| Special/Other | 8105 | 2279 | 10384 |
| Total | 20397 | 6104 | 26501 |

STUDENT FEES REVENUE



STUDENT HIGHLIGHTS

Profile

The University's location in a large cosmopolitan area, characterized by the diversity of its population, has attracted a student body rich in its mixture of people, languages and cultures. Approximately 6% of the student body is from abroad and about 53% attend the University part-time. A typical student at FIU is between the ages of 20 and 34, enrolled in an undergraduate program and most likely attending the University Park Campus. A large number of students are enrolled in evening classes.

Headcount

Enrollment for the Fall 1994 is outlined in the table on page 2 by College/School. Total enrollment of 26,501 reflects an increase of 11.2% over the prior year for the same period.

Fees

Income from student fees during the fiscal year 1994-95 totaled \$42,791,343. Fees charged to students for credit courses are based on a fee schedule approved by the Board of Regents annually.

During the academic year 1994-95 the per-credit hour fee was as follows:

| | Resident | Non-Resident |
|---------------|----------|--------------|
| Undergraduate | \$ 56.49 | \$219.90 |
| Graduate | \$108.41 | \$361.43 |

Athletic and Health fees of \$10 and \$30, respectively, were assessed on a per student basis. A portion of the student fees was used to support the Student Government Association, the athletic program, financial aid and student health programs.

Financial Aid

The University administered student financial aid programs funded from Federal, State and University sources. University funds used for this purpose were generated primarily through student fees, parking fines, lottery monies and interest earnings. During fiscal year 1994-95 the University disbursed financial aid totaling \$45,202,000 to over 11,600 students. The chart on page 4 provides a summary of financial aid disbursed to student during the past five fiscal years.

FINANCIAL AID DISPURSEMENTS • FIVE YEAR ANALYSIS

(IN THOUSANDS)

| | 94-95 | 93-94 | 92-93 | 91-92 | 90-91 |
|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Federal | \$32,897 | \$26,564 | \$21,064 | \$14,917 | \$11,453 |
| State | \$5,164 | \$4,371 | \$3,861 | \$3,485 | \$2,663 |
| Institutional | \$6,632 | \$3,805 | \$3,396 | \$3,151 | \$3,963 |
| Private | \$432 | \$440 | \$437 | \$345 | \$334 |
| Other | \$77 | \$3 | \$2 | \$3 | \$4 |
| Total | \$45,202 | \$35,183 | \$28,760 | \$21,901 | \$18,417 |

FINANCIAL HIGHLIGHTS

The major sources of funding were generated from State appropriations, contracts and grants, auxiliary operations and student fees. The State appropriation for the University is made by the Legislature through a process involving a request from the University through the Board of Regents and recommendations from the Office of the Governor. During fiscal year 1994-95, the University received appropriations of \$84,152,221 from general revenue. An additional \$19 million was received from the Educational Enhancement Trust Fund, representing revenues derived from the State operated lottery system.

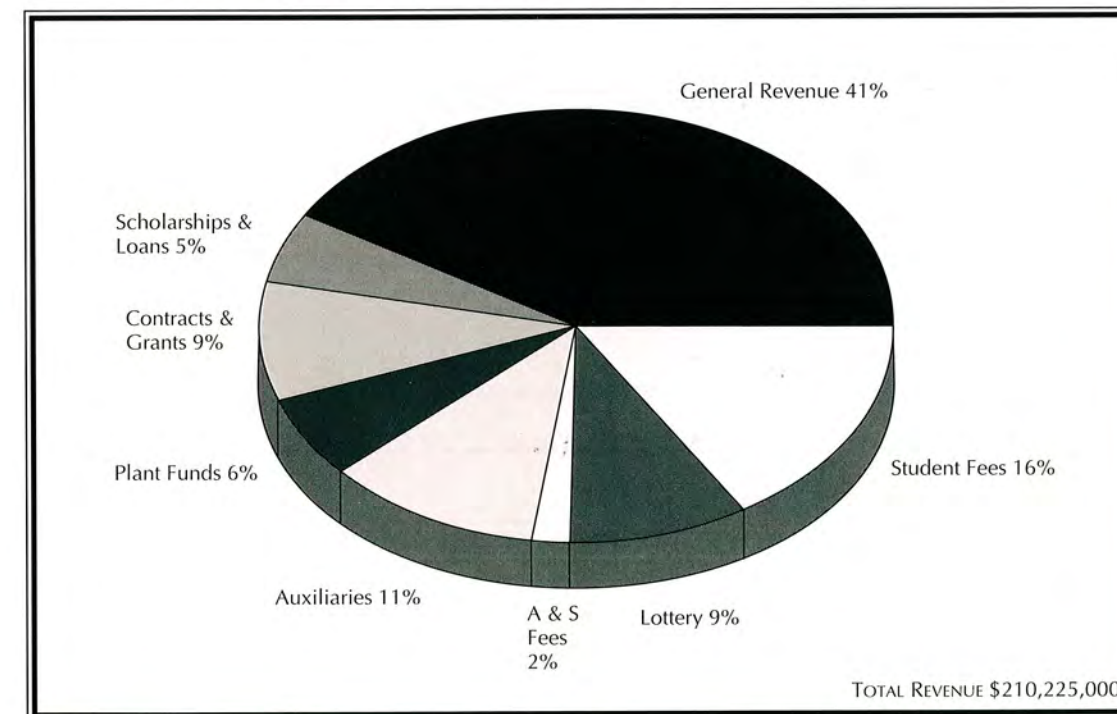
Auxiliary enterprises continued to grow during the year. These enterprises consist of self supported activities operated for the benefit of students, faculty and staff. The major auxiliaries operated by the University are Student Housing, Central Stores, the Health Clinic, Computer Services and Duplicating Services. Continuing

Education activities are also reported as auxiliary enterprises. Income from auxiliary operations during the fiscal year 1994-95 totaled \$22,952,000 while expenditures incurred to support these activities were \$20,267,000. The excess revenue over expenditures of \$2,685,000 represents an increase of 12.2% over the previous year.

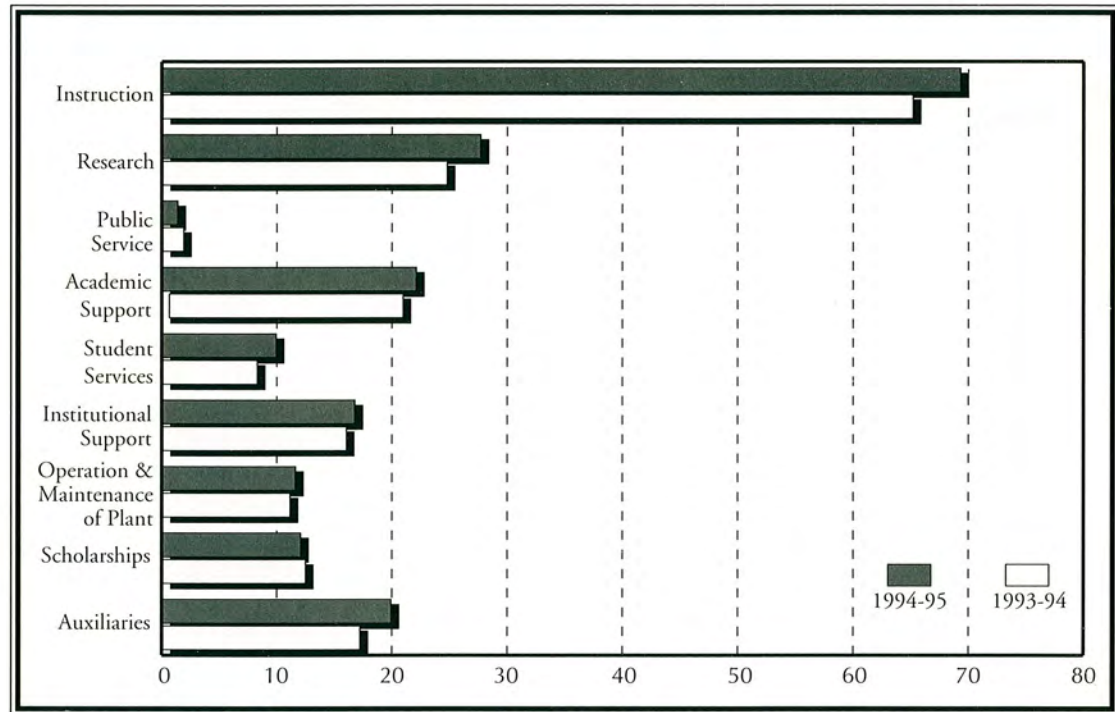
Idle cash not needed for short term operations was invested through the State Treasury. At June 30, 1995, investments totaled \$29,697,481. Interest earned on investments during the fiscal year amounted to \$1,641,047.

Current funds expenditures totaled \$190,870,739 representing an increase of 7.8% over the prior year. All expenditures were subject to audit by the Office of the Auditor General. In most instances expenditures were also audited by the State Comptroller prior to payment.

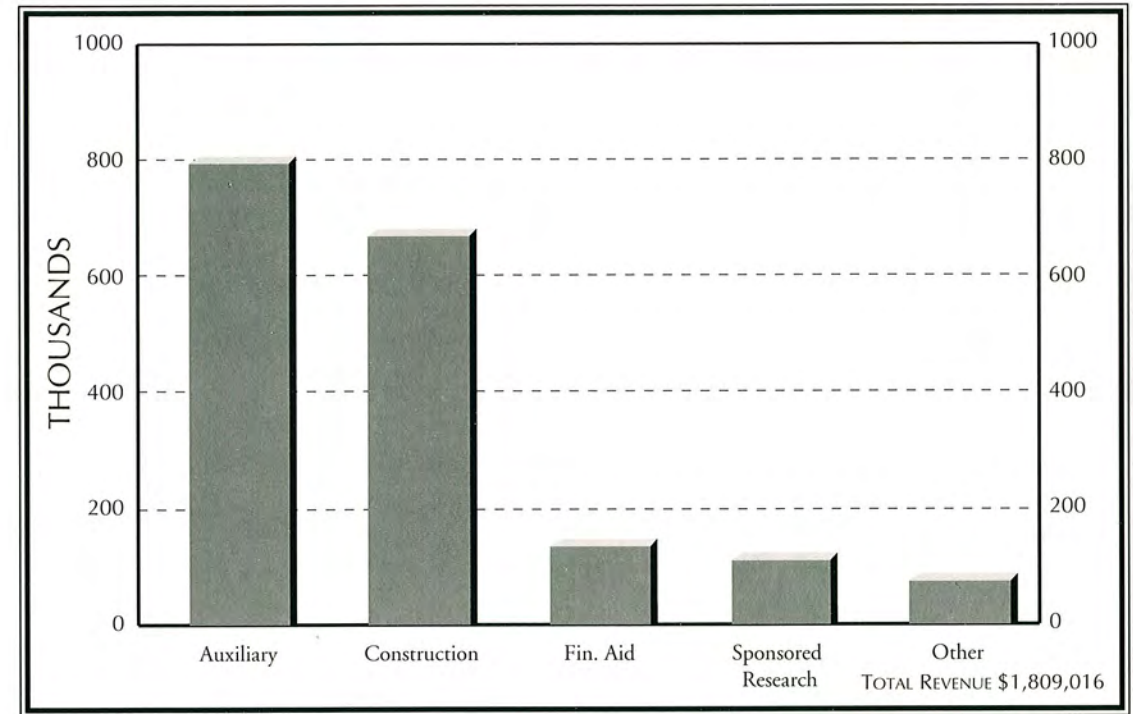
SOURCES OF REVENUE • FISCAL YEAR 1994-95



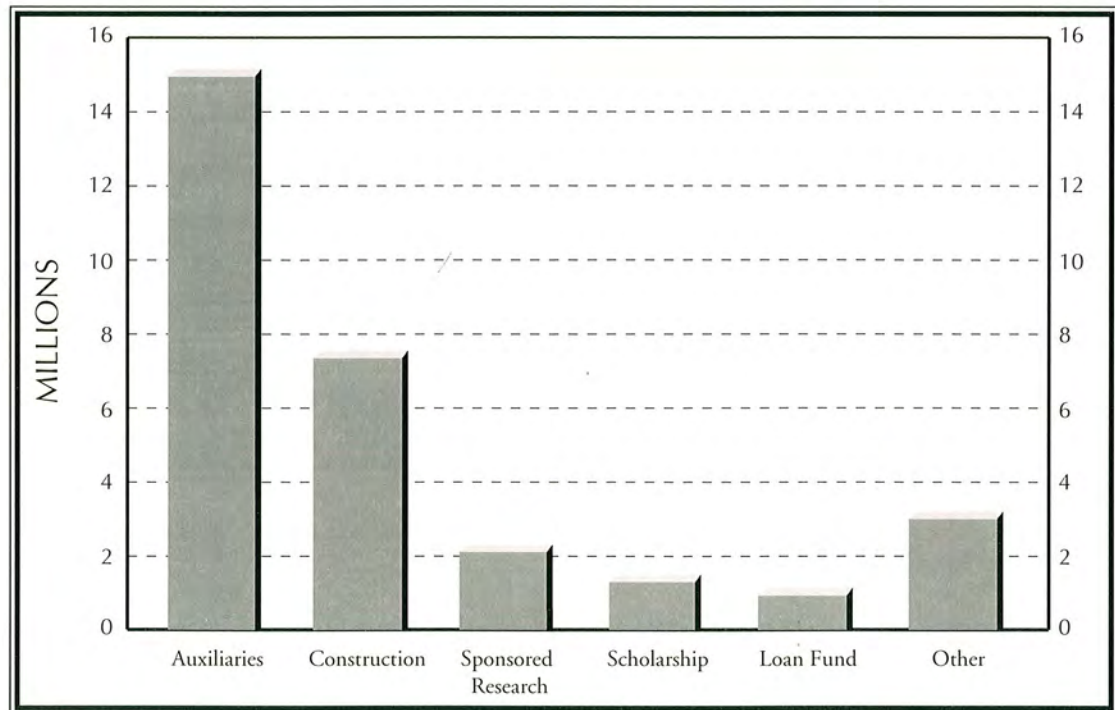
CURRENT FUNDS EXPENDITURES • BY CATEGORY OF EXPENDITURE



EARNINGS FROM INVESTMENTS • FISCAL YEAR 1994-95



INVESTMENTS • AS OF JUNE 30, 1995



FINANCIAL STATEMENTS

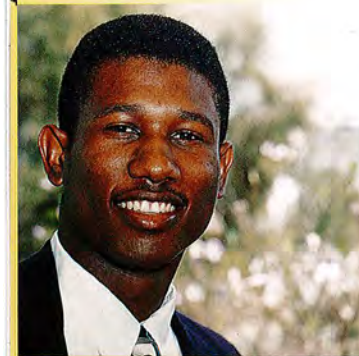
BALANCE SHEETS AS OF JUNE 30, 1995 WITH COMPARATIVE TOTALS FOR 1994

FINANCIAL

FINANCIAL

| | CURRENT FUNDS | | LOAN FUND | ENDOWMENT FUND | PLANT FUNDS | | | | AGENCY FUND | UNIVERSITY TOTALS | | DIRECT SUPPORT ORGANIZATION |
|---|----------------------|---------------------|---------------------|------------------|----------------------|-----------------------|----------------------------|-----------------------|---------------------|-----------------------|-----------------------|-----------------------------|
| | UNRESTRICTED | RESTRICTED | | | UNEXPENDED | RENEWAL & REPLACEMENT | RETIREMENT OF INDEBTEDNESS | INVESTMENT IN PLANT | | TOTALS 1995 | TOTALS 1994 | |
| ASSETS | | | | | | | | | | | | |
| Cash | \$ 9,289,208 | \$ -34,734 | \$ 58,304 | \$ | \$ 8,038,459 | \$ 14,498 | \$ | \$ | \$ 321,165 | \$ 17,686,900 | \$ 8,038,714 | \$ 966,741 |
| Deposits | | | | | | | 8,273,326 | | | 8,273,326 | 8,779,757 | |
| Investments | 16,781,917 | 3,689,266 | 912,098 | 50,272 | 7,398,401 | | | | 865,527 | 29,697,481 | 32,960,805 | 12,217,177 |
| Net Receivables | 2,240,339 | 3,590,377 | 3,461,939 | 294 | 36,040,295 | | | | 131,459 | 45,464,703 | 65,195,218 | |
| Inventories | 496,073 | | | | | | | | | 496,073 | 433,584 | |
| Due From Other Funds | 1,323,566 | 100,000 | | 2367 | | | | | 309,566 | 1,735,499 | 464,718 | |
| Due From Other State Agencies | 5,807,209 | | | | 18,244,962 | | | | | 24,052,171 | 17,536,577 | |
| Deferred Charges | 149,699 | | | | | | | | | 190,618 | 151,453 | |
| Land & Land Improvements | | | | | | | | | | 23,535,423 | 22,675,162 | 2,501 |
| Buildings | | | | | | | | | | 148,362,902 | 148,019,838 | 569,374 |
| Equipment | | | | | | | | | | 47,788,770 | 43,472,458 | |
| Library Books | | | | | | | | | | 34,722,634 | 31,527,079 | |
| Construction-in-Progress | | | | | | | | | | 39,501,237 | 9,206,648 | |
| Total Assets | \$ 36,088,011 | \$ 7,344,909 | \$ 4,432,341 | \$ 52,933 | \$ 69,722,117 | \$ 14,498 | \$ 8,273,326 | \$ 293,951,885 | \$ 1,627,717 | \$ 421,507,737 | \$ 388,462,011 | \$ 13,755,793 |
| LIABILITIES | | | | | | | | | | | | |
| Accounts Payable | \$ 1,404,286 | \$ 268,109 | \$ | \$ | \$ 2,534,959 | \$ | \$ | \$ | \$ | \$ 4,207,354 | \$ 4,391,405 | |
| Accrued Liabilities | 3,017,045 | 725,245 | | | | | | | | 3,742,290 | 3,558,171 | |
| Due to Other Funds | 1,423,001 | 2,367 | 309,564 | 566 | | | | | | 1,735,498 | 464,718 | |
| Due to Other State Agencies | 100,000 | | | | | | | | 105,123 | 205,123 | 122,305 | |
| Due to Depositors | 294,265 | | | | | | | | 1,522,594 | 1,816,859 | 1,601,716 | 63,943 |
| Compensated Absences Liability | 11,588,850 | | | | | | | | | 11,588,850 | 11,215,325 | |
| Long Term Debt | | | | | 7,702,200 | | | 42,395,634 | | 50,097,834 | 43,209,298 | 484,196 |
| Total Liabilities | \$ 17,827,447 | \$ 995,721 | \$ 309,564 | \$ 566 | \$ 10,237,159 | \$ 0 | \$ 0 | \$ 42,395,634 | \$ 1,627,717 | \$ 73,393,808 | \$ 64,562,938 | \$ 548,139 |
| FUND BALANCE | | | | | | | | | | | | |
| Future Amount to be Financed | \$ -11,588,850 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ -11,588,850 | \$ -11,215,325 | |
| Reserve for Encumbrances | 3,989,023 | \$ 2,538,863 | | | 39,782,228 | 14,498 | | | | \$ 46,324,612 | 32,498,756 | |
| Unallocated Fund Balance | 10,297,275 | | | | | | | | | 10,297,275 | 8,751,270 | |
| Allocated Fund Balance | 15,563,116 | 3,810,325 | 902,687 | 52,367 | 19,702,730 | | 8,273,326 | | | 48,304,551 | 74,020,740 | |
| Refundable Government Grants | | | 3,220,090 | | | | | | | 3,220,090 | 3,561,342 | |
| Investment in Plant | | | | | | | | 251,556,251 | | 251,556,251 | 216,282,290 | |
| Component Unit Fund Balance | | | | | | | | | | | | \$ 13,207,654 |
| Total Fund Balance | \$ 18,260,564 | \$ 6,349,188 | \$ 4,122,777 | \$ 52,367 | \$ 59,484,958 | \$ 14,498 | \$ 8,273,326 | \$ 251,556,251 | \$ 0 | \$ 348,113,929 | \$ 323,899,073 | \$ 13,207,654 |
| Total Liabilities and Fund Balance | \$ 36,088,011 | \$ 7,344,909 | \$ 4,432,341 | \$ 52,933 | \$ 69,722,117 | \$ 14,498 | \$ 8,273,326 | \$ 293,951,885 | \$ 1,627,717 | \$ 421,507,737 | \$ 388,462,011 | \$ 13,755,793 |

See accompanying summary of significant accounting policies and notes to the financial statements



FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN FUND BALANCES

FOR YEAR ENDED JUNE 30, 1995 WITH COMPARATIVE TOTALS FOR 1994

FINANCIAL



STATEMENTS

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| | CURRENT FUNDS | | LOAN FUND | ENDOWMENT FUND |
|--|-----------------------|----------------------|---------------------|-------------------|
| | UNRESTRICTED | RESTRICTED | | |
| REVENUES AND OTHER ADDITIONS | | | | |
| Unrestricted Current Fund Revenues | \$ 146,872,358 | \$ | \$ | \$ |
| Auxiliary Enterprises Revenue | 22,951,877 | | | |
| State Appropriations - Restricted | | | | |
| Governmental Grants and Contracts - Restricted | | 5,071,482 | | |
| Priv Gifts, Grants & Contracts - Restricted | | 2,996,824 | | |
| Federal Grants and Contracts - Restricted | | 19,574,016 | | |
| Investment Income - Restricted | | 217,030 | 48,072 | 2,367 |
| Federal Government Advances | | | | |
| Interest on Loans Receivable | | | 129,363 | |
| Resources Received From Univ/BOR | 205,181 | | | |
| Acquisition of Plant Facilities | | | | |
| Expended for Plant Facilities | | | | |
| Retirement of Indebtedness | | | | |
| Other Revenue and Additions | | | | |
| TOTAL | \$ 170,029,416 | \$ 27,859,352 | \$ 177,435 | \$ 2,367 |
| EXPENDITURES AND OTHER DEDUCTIONS | | | | |
| Educational and General Expenditures | \$ 142,712,543 | \$ 27,891,057 | | |
| Auxiliary Enterprises | 20,267,140 | | | |
| Indirect Costs Recovered | | | | |
| Refunded to Grantors | | 30,178 | 2,000 | |
| Loan Cancellations & Rec Write-Offs | | | 2,909 | |
| Administrative and Collections Cost | | | 11,691 | |
| Resources Remitted to BOR/Univ | 47,804 | | | |
| Expended for Plant Facilities | | | | |
| Retirement of Indebtedness | | | | |
| Interest on Indebtedness | | | | |
| Disposal of Plant Facilities | | | | |
| Other Expenditures & Deductions | | | 3,796 | |
| TOTAL | \$ 163,027,487 | \$ 27,921,235 | \$ 20,396 | \$ 0 |
| TRANSFERS-ADDITIONS (DEDUCTIONS) | | | | |
| Interfund Transfers | \$ -3,525,891 | \$ -317 | \$ 52,026 | \$ -249 |
| Net Increase (Decrease) | 3,476,038 | -62,200 | 209,065 | 2,118 |
| Fund Balance at Beginning of Year | 14,784,526 | 6,411,388 | 3,913,712 | 50,249 |
| Fund Balance Adjustments | | | | |
| Fund Balance at End of Year | \$ 18,260,564 | \$ 6,349,188 | \$ 4,122,777 | \$ 52,367 |

See accompanying summary of significant accounting policies and notes to the financial statements

| UNEXPENDED | PLANT FUNDS | | | UNIVERSITY TOTALS | | DIRECT SUPPORT ORGANIZATION |
|---------------|--------------------------|-------------------------------|------------------------|-------------------|----------------|--------------------------------|
| | RENEWAL & REPLACEMENT | RETIREMENT OF INDEBTEDNESS | INVESTMENT IN PLANT | TOTALS 1995 | TOTALS 1994 | |
| \$ | \$ | \$ | \$ | \$ 146,872,358 | \$ 131,781,572 | \$ |
| | | | | 22,951,877 | 19,435,911 | |
| 10,924,914 | | | | 10,924,914 | 28,653,944 | |
| | | | | 5,071,482 | 3,785,631 | |
| | | | | 2,996,824 | 4,033,737 | 2,326,114 |
| 507,654 | | 159,840 | | 19,574,016 | 19,734,865 | |
| | | | | 934,963 | 747,541 | -283,784 |
| | | | | | 1,607 | |
| | | | | 129,363 | 104,342 | |
| | | | | 205,181 | | |
| | | | | | 27,240,705 | |
| | | | | 39,969,924 | | |
| | | | | 813,665 | 813,665 | 144,302 |
| | | | | | 757,281 | |
| | | | | | 144,302 | 210,695 |
| \$ 11,432,568 | \$ 0 | \$ 159,840 | \$ 40,783,589 | \$ 250,444,567 | \$ 236,421,438 | \$ 2,253,025 |
| | | | | \$ 170,603,600 | \$ 159,605,234 | |
| | | | | 20,267,140 | 17,042,638 | |
| | | | | | 12,098 | |
| | | | | 32,178 | 29,066 | |
| | | | | 2,909 | | |
| | | | | 11,691 | 83,330 | |
| | | | | 47,804 | 6,771 | |
| 33,179,415 | | | | 33,179,415 | 11,364,163 | |
| | | | | 170,672 | 145,000 | |
| | | | | 795,697 | 1,325,074 | |
| | | | | 960,142 | 2,267,132 | |
| 143,144 | | 7,402 | | 158,462 | 693,025 | 2,755,455 |
| \$ 33,322,559 | \$ 0 | \$ 973,771 | \$ 964,262 | \$ 226,229,710 | \$ 192,573,531 | \$ 2,755,455 |
| \$ 7,712,297 | \$ | \$ 307,500 | \$ -4,545,366 | \$ 0 | \$ 0 | |
| -14,177,694 | 0 | -506,431 | 35,273,961 | 24,214,857 | 43,847,907 | -502,430 |
| 73,662,652 | 14,498 | 8,779,757 | 216,282,290 | 323,899,072 | 282,660,823 | 13,710,084 |
| | | | | | -2,609,657 | |
| \$ 59,484,958 | \$ 14,498 | \$ 8,273,326 | \$ 251,556,251 | \$ 348,113,929 | \$ 323,899,073 | \$ 13,207,654 |

FINANCIAL



STATEMENTS

11

FINANCIAL STATEMENTS

STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND OTHER CHANGES
FOR THE FISCAL YEAR ENDED JUNE 30, 1995 WITH COMPARATIVE TOTALS FOR 1994

| | CURRENT FUNDS UNRESTRICTED | CURRENT FUNDS RESTRICTED | TOTAL 1995 | TOTAL 1994 |
|---|-------------------------------|-----------------------------|-----------------------|-----------------------|
| REVENUES: | | | | |
| Educational and General: | | | | |
| Student Tuition and Fees | \$ 42,791,343 | \$ | \$ 42,791,343 | \$ 44,689,919 |
| Governmental Appropriations - State | 102,452,465 | | 102,452,465 | 85,702,478 |
| Grants, Contracts, and Gifts - Govt. | | 8,197,398 | 8,197,398 | 6,993,924 |
| Federal Contracts and Grants | | 16,669,854 | 16,669,854 | 15,848,174 |
| Grants, Contracts and Gifts - Private | | 3,008,741 | 3,008,741 | 3,078,672 |
| Other Resources: | | | | |
| Investment Income | 79,643 | | 79,643 | 81,312 |
| Other | 1,548,907 | 15,063 | 1,563,970 | 1,470,994 |
| Total Educational & General Revenues | \$ 146,872,358 | \$ 27,891,056 | \$ 174,763,414 | \$ 157,865,473 |
| Auxiliary Enterprises: | | | | |
| Sales & Services - Operations | \$ 16,187,788 | \$ | \$ 16,187,788 | \$ 13,493,793 |
| Student Fees | 5,969,678 | | 5,969,678 | 5,312,599 |
| Investment Income | 794,411 | | 794,411 | 629,519 |
| Total Auxiliary Income | \$ 22,951,877 | \$ 0 | \$ 22,951,877 | \$ 19,435,911 |
| Total Current Revenues | \$ 169,824,235 | \$ 27,891,056 | \$ 197,715,291 | \$ 177,301,384 |
| EXPENDITURES: | | | | |
| Educational & General: | | | | |
| Instruction | \$ 65,177,430 | \$ 4,379,929 | \$ 69,557,359 | \$ 64,590,566 |
| Research | 14,438,562 | 12,504,096 | 26,942,658 | 24,729,063 |
| Public Service | 363,759 | 954,615 | 1,318,374 | 1,395,937 |
| Academic Support | 22,360,123 | 58,945 | 22,419,068 | 20,995,145 |
| Student Services | 9,054,687 | 1,037,430 | 10,092,117 | 8,085,357 |
| Institutional Support | 16,404,675 | 315,296 | 16,719,971 | 16,292,983 |
| Operations & Maintenance of Plant | 11,256,276 | 240,999 | 11,497,275 | 11,309,628 |
| Scholarships & Fellowships | 3,657,032 | 8,399,746 | 12,056,778 | 12,206,555 |
| Total Educational and General | \$ 142,712,544 | \$ 27,891,056 | \$ 170,603,600 | \$ 159,605,234 |
| Auxiliary Enterprises: | | | | |
| Expenditures | \$ 20,267,140 | \$ | \$ 20,267,140 | \$ 17,042,638 |
| Mandatory Transfers For: | | | | 375,338 |
| Principal and Interest | | | | |
| Total Auxiliary Enterprises | \$ 20,267,140 | \$ 0 | \$ 20,267,140 | \$ 17,417,976 |
| Total Expenditures | \$ 162,979,684 | \$ 27,891,056 | \$ 190,870,740 | \$ 177,023,210 |
| Other Transfers & Additions/(Deductions) | | | | |
| Excess of Restricted Receipts Over Transfers to Revenue | | \$ -31,705 | \$ -31,705 | \$904,141 |
| Refunded to Grantors | | -30,178 | -30,178 | -21,403 |
| Interfund Transfers | -3,525,891 | -317 | -3,526,208 | -235,107 |
| Resources Received From Univ/BOR | 205,181 | | 205,181 | |
| Resources Remitted to BOR/Univ | -47,804 | | -47,804 | -6,771 |
| Total Other Transfers & Additions | \$ -3,368,514 | \$ -62,200 | \$ -3,430,714 | \$ 640,860 |
| Net Increase/(Decrease) in Fund Balance | \$ 3,476,037 | \$ -62,200 | \$ 3,413,837 | \$ 919,034 |

See accompanying summary of significant accounting policies and notes to the financial statements

FINANCIAL

FINANCIAL

STATEMENTS

STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1995

The significant accounting policies followed by Florida International University are described below to enhance the usefulness of the financial statements.

A. REPORTING ENTITY

Although the university is considered a separate entity for financial reporting purposes, it is a part of the State University System and accordingly is governed, regulated, and coordinated by the Department of Education, Board of Regents, subject to the general supervision of the State Board of Education. The President is responsible for the management of the university, but is under the general direction and control of the Chancellor of the State University System, who has ultimate responsibility for administering the policies prescribed by the Board of Regents.

The financial operations and financial position of the University's "direct support organization," as provided for in Section 240.299 Florida Statutes, and Board of Regents Rule 6C-9.011, are considered component units of the University and are included in the financial statements of the University by discrete presentation. This is a separate, not-for-profit corporation organized and operated exclusively to assist the university to achieve excellence by providing supplemental resources from private gifts and bequests, and valuable education support services. This organization is authorized to receive, hold, invest and administer property and to make expenditures to or for the benefit of the university.

An annual post audit of the organization's financial statements is conducted by an independent certified public accountant. The annual report is submitted to the Auditor General and the Board of Regents for review. This not-for-profit corporation and its purpose is explained below:

Florida International University Foundation, Inc. is a nonprofit corporation and its purpose is to encourage, solicit, receive and administer gifts and requests of property and funds for the advancement of Florida International University.

B. BASIS OF ACCOUNTING

The University's fiscal and accounting operations were essentially structured around the recommendations of the National Association of College and University Business Officers, constituting generally accepted accounting principles, as published under the title of COLLEGE AND UNIVERSITY BUSINESS ADMINISTRATION. Financial Statements were prepared in accordance with instructions provided by the Board of Regents.

Financial statements have been prepared on the accrual basis of accounting; however, depreciation of fixed assets is not recognized. The Reserve for Encumbrances portion of the Fund Balance is a representation of purchase commitments for which the merchandise or services have not been received. Notes receivable from students are reported in the Loan Fund at net value.

The Statement of Current Funds Revenues, Expenditures and Other Changes is a statement of financial activities of current funds related to the current reporting period. It does not purport to present the results of operations or the net income or loss for the period as would a statement of income or a statement of revenues and expenses.

To the extent that current funds are used to finance plant assets, the amounts provided are accounted for as: (1) expenditures, in the case of normal replacement of movable equipment and library books; (2) mandatory transfers, in the case of required provisions for debt amortization, interest, and equipment renewal and replacement; and (3) as transfers of a non-mandatory nature for all other cases.

Physical plant and equipment are recorded at cost at the date of acquisition or at appraised value at the date received in the case of gifts or purchases from the State Division of Surplus Property. Some items of equipment purchased from the Division of Surplus Property have title restrictions.

C. FUND ACCOUNTING

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the University, the financial records and accounts are maintained in accordance with the principles of "fund accounting." This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with the activities or objectives specified. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been

combined into fund groups. Accordingly, all financial transactions have been recorded and reported by one of the following fund groups.

1. **Current Funds** - This fund group includes those economic resources of the university which are expendable for operational purposes in performing the primary objectives of the university. Resources restricted by donors or other outside agencies for specific current operating purposes are reported as Restricted Current Funds.
2. **Loan Funds** - This fund group consists of loans to students and of resources available for such purposes. The terms of the loan agreements usually specify that the money operate on a revolving basis, i.e., repayment of principal and interest are loaned to eligible students.
3. **Endowment Funds** - These are funds with respect to which the donors or outside agencies have stipulated, as a condition of the gift, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income which may either be expended or added to principal.

Quasi-endowment funds (funds functioning as endowment) are funds which the governing board of an institution has determined are to be retained and invested. These quasiendowment funds are usually set aside to fulfill the same purpose as endowment funds and therefore, are accounted for in the same manner as endowment funds.



4. **Plant Funds** - This fund represents four separate self-balancing fund subgroups for which separate accountability and reporting is required. These fund subgroups are as follows:

(A) **Unexpended Plant Funds** account for the unexpended resources received directly by the university from various sources to finance the acquisition of long-lived plant assets and the associated liabilities.

(B) **Renewal and Replacement Plant Funds** provide for the renewal and replacement of plant fund assets as distinguished from additions and improvements to plant.

(C) **Retirement of Indebtedness Funds** account for the accumulation of resources received directly by the university for interest and principal payments and other debt service charges, including contributions for sinking funds relating to plant fund indebtedness.

(D) **Investment in Plant** includes all long-lasting assets in the service of the university except for the long-lasting assets held as investments in Endowment Funds, as well as all associated liabilities. This account includes all construction in progress.

5. **Agency Funds** - This fund group consists of funds held by the university as custodian or fiscal agent for others.

6. **Component Units** - This fund group consists of organizations for which the university is accountable or for which the nature and significance of their relationship with the university are such that exclusion would cause the financial statements to be misleading or incomplete.

D. OTHER SIGNIFICANT ACCOUNTING POLICIES

Other significant accounting policies are set forth in the financial statements and notes thereto.

E. NOTES TO THE FINANCIAL STATEMENTS

1. INVESTMENTS

Investments were made through the State Treasury and the State Board of Administration in accordance with the provisions of Section 215.515 and 215.49, Florida Statutes. Investments consisted of the instruments listed in Section 18.10, Florida Statutes. The investments are recorded at cost; however, the difference between market value and the cost of investments is negligible.

2. ALLOWANCE FOR DOUBTFUL RECEIVABLES

The amount of allowance for doubtful accounts and notes receivable at June 30, 1995 is estimated to be \$2,264,764.74. This amount was determined from aging schedules based on type, age, collection experience of the University as well as other pertinent data. Delinquent notes receivables where the Federal "due diligence" requirements have been fulfilled and all "in house" efforts have been exhausted, are considered doubtful. The reserves consist of the following:

| Fund Group | |
|---------------|-----------------------|
| Current Funds | \$1,123,906.40 |
| Loan Fund | 1,068,123.13 |
| Agency Fund | 72,735.21 |
| Total | \$2,264,764.74 |

3. INVENTORIES

Inventories are recorded by the following method(s):

| Inventory | Method |
|--------------------|--------------------|
| Central Stores | Average Cost |
| Duplicating Center | Last Invoice Price |
| Computer Stores | Last Invoice Price |

4. LONG-TERM DEBT

The university's long-term indebtedness is reported in the Investment in Plant Fund, Unexpended Plant Fund and Retirement of Indebtedness Fund and is classified according to the following type of indebtedness:

A. Revenue Certificates and Bonds Payable

Bonds and revenue certificates were issued to construct university facilities in the State University System, including parking garages, student housing, academic and student service facilities. Bonds and revenue certificates outstanding, which include both term and serial bonds, are secured by a

pledge of housing rental revenues, traffic and parking fees and various student fee assessments. The building fee and capital improvement fee collected as a part of tuition and remitted to the Board of Regents is used to retire the revenue certificates for the academic and student service facilities.

During the fiscal year 1994-95 the University issued \$7,780,000 bonds through the Division of Bond Finance of the State of Florida. The bonds were issued for the purpose of paying a portion of the cost of constructing and equipping a parking facility on the main campus of Florida International University, purchasing a municipal bond insurance policy and a debt service reserve fund surety bond and paying certain costs associated with the issuance of the bonds. The principal and interest of the bonds are secured by and payable from revenues derived solely from the Parking System Revenues, after deducting the administrative and current expenses. Principal and interest payment for these revenue certificates and bonds are as follows:

A summary of pertinent information related to the university's indebtedness resulting from the issuance of certificates and bonds is as follows:

| Bond Issue | Amount of Issue | Total Retired/Refunded | Amount Outstanding | | | Int Rate | Date of Mat |
|--------------|------------------------|------------------------|------------------------|---------------------|------------------------|----------|-------------|
| | | | Principal | Discount | Interest | | |
| 1986 | \$ 5,861,010.00 | \$5,322,436.78 | \$ 533,614.56 | \$ 4,958.66 | \$ 38,947.00 | 7.1% | 1996 |
| 1991 | 5,250,099.58 | 797,060.57 | 4,342,750.88 | 110,288.13 | 4,535,704.49 | 5.8 | 2016 |
| 1993 | 9,211,192.73 | 376,099.57 | 8,716,491.56 | 118,601.60 | 4,598,646.76 | 4.5 | 2016 |
| | \$20,322,302.31 | \$6,495,596.92 | \$13,592,857.00 | \$233,848.39 | \$ 9,173,298.25 | | |
| 1995 | \$ 7,780,000.00 | \$ 0.00 | \$ 7,702,200.00 | \$ 77,800.00 | \$ 5,358,609.98 | 4.7 | 2016 |
| TOTAL | \$28,102,302.31 | \$6,495,596.92 | \$21,295,057.00 | \$311,648.39 | \$14,531,908.23 | | |



INVESTMENT IN PLANT FUND:

| Year Ending | Principal | Interest | Total |
|-----------------|------------------------|------------------------|------------------------|
| 1996 | \$ 824,539.10 | \$ 773,144.22 | \$ 1,597,683.32 |
| 1997 | 657,470.12 | 719,304.13 | 1,376,774.25 |
| 1998 | 451,322.32 | 687,813.61 | 1,139,135.93 |
| 1999 | 479,711.89 | 665,940.54 | 1,145,652.43 |
| 2000 | 501,699.86 | 644,102.93 | 1,145,802.79 |
| Later Years | 10,911,962.10 | 5,682,992.82 | \$16,594,954.92 |
| Subtotal | \$13,826,705.39 | \$ 9,173,298.25 | \$23,000,003.64 |
| Less: | | | |
| Bond Disc | \$ (233,848.39) | \$ | \$ (233,848.39) |
| Total | \$13,592,857.00 | \$ 9,173,298.25 | \$22,766,155.25 |

UNEXPENDED PLANT FUND:

| | | | |
|------------------------|------------------------|------------------------|------------------------|
| 1996 | \$ 0.00 | \$ 426,766.23 | \$ 426,766.23 |
| 1997 | 230,000.00 | 393,937.50 | 623,937.50 |
| 1998 | 245,000.00 | 383,127.50 | 628,127.50 |
| 1999 | 255,000.00 | 371,612.50 | 626,612.50 |
| 2000 | 265,000.00 | 359,627.50 | 624,627.50 |
| Later Years | 6,785,000.00 | \$ 3,423,538.75 | \$10,208,538.75 |
| Subtotal | \$ 7,780,000.00 | \$ 5,358,609.98 | \$13,138,609.98 |
| Less: | | | |
| Bond Disc | \$ (77,800.00) | \$ | \$ (77,800.00) |
| Total | \$ 7,702,200.00 | \$ 5,358,609.98 | \$13,060,809.98 |
| TOTAL ALL FUNDS | \$21,295,057.00 | \$14,531,908.23 | \$35,826,965.23 |

B. Certificates of Participation

In 1986, the State Comptroller entered into a consolidated equipment financing program whereby tax-exempt certificates of participation were issued. The purpose of the program is to acquire equipment and refinance equipment previously purchased by the state at lower financing costs than would otherwise be obtained. As of June 30, 1995 the University did not have any outstanding commitments under the Consolidated Equipment Financing Program.

C. Installment Purchase Contracts and Capital Leases

As of the end of the fiscal year 1994-95 the University did not have any outstanding capital leases.

D. Other Long-Term Debt

During the fiscal year 1993-94 the Dade County Educational Facilities Authority issued its \$29,345,000 Dade County Educational Facilities Authority Revenue and Revenue Refunding Bonds, Series 1993 (Florida International University Project). Proceeds from the sale of the bonds were loaned to the University under a Loan Agreement dated as of October 15, 1993 and used with other moneys available to 1) current refund, defease and redeem the outstanding Dade County Educational Facilities Authority Dormitory Bonds, Series 1984, 2) advance refund and defease the outstanding Dade County Educational Facilities Authority Revenue Bonds, Series 1991, 3) reimburse to the Florida International University Foundation, Inc. an advance made in connection with the acquisition of the dormitories at University Park, 4) acquire, construct and equip additional

dormitories, and 5) pay certain expenses incurred in connection with the issuance of the Series 1993 Bonds. The University will make loan payments to a Trustee in amounts sufficient to pay when due the principal and interest on the Series 1993 Bonds. Principal and interest payments are as follows:

| Year Ending | Principal | Interest | Total |
|---------------|------------------------|------------------------|-------------------------|
| 1996 | \$ 615,000.00 | \$ 1,371,255.00 | \$ 1,986,255.00 |
| 1997 | 835,000.00 | 1,346,802.50 | 2,181,802.50 |
| 1998 | 865,000.00 | 1,315,971.25 | 2,180,971.25 |
| 1999 | 895,000.00 | 1,282,300.00 | 2,177,300.00 |
| 2000 | 930,000.00 | 1,246,247.50 | 2,176,247.50 |
| Later Years | \$ 25,180,000.00 | 12,189,870.00 | 37,369,870.00 |
| Total | \$29,320,000.00 | \$18,752,446.25 | \$ 48,072,446.25 |
| Less: | | | |
| Bond Discount | (517,223.77) | | \$ (517,223.77) |
| | \$28,802,776.23 | \$18,752,446.25 | \$ 47,555,222.48 |

5. COMPENSATED ABSENCES LIABILITY

Employees earn the right to be compensated during absences for annual leave (vacation) and sick leave pursuant to Section 6C-5.305, Florida Administrative Code; and pursuant to bargaining agreements between the Board of Regents and the United Faculty of Florida. Leave earned is accrued to the credit of the employee and records are kept on each employee's unpaid (unused) leave balance. GASB Statement No. 16 requires that the university accrue a liability in the Current Funds for employees' right to receive compensation for future absences when certain conditions are whereas State appropriations fund only the portion of accrued leave that is used or paid in the current fiscal year.



Although the liability is expected to be funded primarily from future appropriations, generally accepted accounting principles do not permit the recording of a receivable in anticipation of future appropriations. Consequently, the recording of the liability for compensated absences without the corresponding recognition of such future resources, results in the appearance of a reduced ability to meet current obligations. At June 30, 1995, the estimated liability for annual and sick leave is \$6,257,979 and \$5,330,871 respectively. The university's Unrestricted Current Fund Balance of \$18,260,564 at June 30, 1995 would have been \$29,849,414 had such liability for compensated absences not been applied against it.

6. INSURANCE - RISK EXPOSURE

In accordance with a program for central insurance purchases adopted by the Florida Cabinet in 1969, the Department of General Services has been granted authority to purchase insurance on behalf of all state agencies. This authority was granted with the enactment of Section 287.022, Florida Statutes. Other actions by the Legislature have resulted in the

development of State self-insurance funds providing hazard insurance for property and casualty insurance for state employees workers' compensation, general liability, fleet automotive liability. The university participates in these programs. Property losses in excess of \$4 million are commercially insured up to \$300 million per loss event. Payments on tort claims are limited to \$100,000 per person and \$200,000 per occurrence as set by Section 768.28, Florida Statutes. Premiums are calculated on the cash needs of the program and are based on the amount of risk exposure for each state agency. There have been no significant reductions in insurance coverage from the prior year coverage. Settlements have not exceeded insurance coverage during the past three years.

7. OPERATING LEASES

The university did not have any outstanding operating leases as of June 30, 1995.

8. CONSTRUCTION COMMITMENTS

The major construction commitments of the university for those projects for which the estimated cost is \$1 million or more at fiscal year end are as follows:

| Project # | Project Name | Total Est. Cost At Yr End | Amount Expended At Yr End | Amount Unspent At Yr End |
|-----------|---------------------|---------------------------|---------------------------|--------------------------|
| BR800 | Hospitality Mgt | \$ 2,684,107 | \$ 265,938 | \$ 2,418,169 |
| BR804 | Campus Support | 8,795,500 | 290,138 | 8,505,362 |
| BR805 | O.E. Renovation | 4,170,095 | 115,153 | 4,054,942 |
| BR808 | Graham Center Add. | 7,651,291 | 3,896,334 | 3,754,957 |
| BR809 | Student Dormitories | 10,342,064 | 3,564,155 | 6,777,909 |

| Project # | Project Name | Total Est. Cost At Yr End | Amount Expended At Yr End | Amount Unspent At Yr End |
|--------------|-----------------------|---------------------------|---------------------------|--------------------------|
| BR811 | Chemistry & Physics | 1,600,000 | 968,340 | 631,660 |
| BR861 | Physical Science | 15,941,245 | 15,905,946 | 35,299 |
| BR866 | U.H Remodeling | 10,262,285 | 10,258,592 | 3,693 |
| BR875 | Business Building | 6,788,000 | 6,782,065 | 5,935 |
| BR881 | Library Addition | 28,742,000 | 5,658,225 | 23,083,775 |
| BR887 | Art Complex | 11,456,000 | 7,264,191 | 4,191,809 |
| BR888 | Joint Center | 2,157,400 | 2,129,359 | 28,041 |
| BR892 | Nautilus Fitness Ctr | 1,570,000 | 1,234,341 | 335,659 |
| BR894 | Stadium Complex | 2,010,450 | 1,326,060 | 684,390 |
| BR896 | Student Center Add NM | 5,800,613 | 372,919 | 5,427,694 |
| BR897 | Conference Center | 7,746,760 | 5,049,395 | 2,697,365 |
| BR898 | Office & IFS Ed | 6,974,534 | 5,321,502 | 1,653,032 |
| Total | | \$134,692,344 | \$ 70,402,653 | \$ 64,289,691 |

9. STATE RETIREMENT PLANS

A. Florida Retirement System

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature established the Florida Retirement System to provide a retirement and survivor benefit program for participating public employees. Most employees working in regularly established positions of the University are covered by the Florida Retirement System, a State-administered cost-sharing multiple-employer public employee defined benefit retirement plan. Participating employers include all State depart-

ments, counties, district school boards, and community colleges. Many municipalities and special districts have elected to be participating employers. Generally, regular employees' retirement pension benefits vest after 10 years of service and members are eligible for normal retirement benefits at age 62 with 10 years of service or at any age after 30 years of service which may include up to 4 years of credit for military service.

Employers pay all contributions for regular class employees. For the 1994-95 fiscal year, the rate assessed against regular



class employee payrolls amounted to 17.66% from July 1, 1994 through December 31, 1994 and 17.57% from January 1, 1995 through June 30, 1995. The University's liability for any unfunded pension benefit obligation is limited to the payment of the required contribution at the rates established by law on future payrolls of the University.

The University's 1994-95 fiscal year payroll (including matching) for all employees totaled \$132,520,620.35 including \$51,694,598 paid to employees who were members of the Florida Retirement System. Required contributions made to the Florida Retirement System in the 1994-95 fiscal year totaled \$9,105,736 including \$15,996 from employee contributions, which represents 18.10 and .03 percent, respectively, of covered payroll.

Additional information on the Florida Retirement System, including the ten-year historical trend information and the total unfunded pension benefit obligation is presented in the annual financial report of the Florida Retirement System.

During the 1994-95 fiscal year and as of June 30, 1995, the Florida Retirement System held no securities issued by the University.

B. Optional Retirement Program

Pursuant to Section 121.35, Florida Statutes, the Florida Legislature created an Optional Retirement Program for eligible State University System faculty and administrators. The program, which became effective July 1,

1984, was expanded in 1988 to include the State University System Executive Service. The program is designed to aid the University system in recruiting employees by offering more portability to those employees who are not expected to remain in the Florida Retirement System for 10 or more years.

The Optional Retirement 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 are allowed to make an irrevocable election to participate in the Optional Retirement Program rather than the Florida Retirement System, and purchase retirement and death benefits through contracts provided by certain insurance carriers. The employing university contributes on behalf of the participant the same percentage of the participant's salary as would have been contributed to the Florida Retirement System. A portion of the total contribution is transferred to the Florida Retirement System Trust Fund to help amortize the unfunded actuarial accrued liability of the Florida Retirement System, and an additional small amount remains in the Optional Retirement Program Trust Fund for program administrative costs. The remaining contribution is invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement. The participant may contribute by salary reduction an amount not to exceed the percentage contributed by the University to his annuity account. There were 753 University partici-

pants during the 1994-95 fiscal year. Required contributions made to the Optional Retirement Program in the 1994-95 fiscal year totaled \$7,749,489 including \$1,402,717 from employee contributions, which represents 16.99 and 3.75 percent, respectively, of covered payroll, which totaled \$43,995,584.

During the fiscal year and as of June 30, 1995, the Optional Retirement Program held no securities issued by the University.

10. OTHER POSTEMPLOYMENT BENEFITS

To assist retirees of all State-administered retirement systems in paying health insurance costs, the Florida Legislature established the Retiree Health Insurance Subsidy (HIS). During fiscal year 1994-95, the HIS program was funded by required contributions consisting of .48% assessed against the payroll for all active employees covered in State-administered retirement systems.

Eligible retirees, spouses, or financial dependents under any State-administered retirement system must provide proof of health insurance coverage which can include Medicare. During the fiscal year 1994-95, participants received an extra \$3 per month for each year of creditable service completed at the time of retirement. If contributions fail to provide full subsidy benefits to all participants, the subsidy payments may be reduced or canceled.

11. STUDENT FEES AND OTHER COLLECTIONS

A. Incidental Fees

Incidental Trust Fund collections are remitted directly to the

State Treasurer on behalf of the Board of Regents. Subsequently, these incidental collections are returned to the university by State appropriation. Pursuant to generally accepted accounting principles, the total of budgeted incidental revenues has been offset against total State appropriations reported for the Unrestricted Current Funds. The revenue categories of the actual collections and the budgeted requirement are as follows:

| | Actual Collections | Budgeted Requirement | Excess (Deficit) |
|----------------------------------|-------------------------|-------------------------|---------------------|
| Student Tuition and Fees: | | | |
| Matriculation | \$ 25,378,347.35 | \$ 25,634,094.00 | (255,746.65) |
| Out of State | 8,335,123.72 | 8,543,780.00 | (208,656.28) |
| Application | 356,455.74 | 300,141.00 | 56,314.74 |
| Late Registration | 96,737.72 | 126,717.00 | (29,979.28) |
| Total | \$ 34,166,664.53 | \$ 34,604,732.00 | (438,067.47) |
| Research Overhead | | | |
| | \$ 26,035.00 | \$ 26,035.00 | \$ 0.00 |
| Redistribution of Excess | | | |
| | \$ 205,181.00 | \$ 0.00 | \$ 205,181.00 |
| Prorate to Appropriations | | | |
| | \$ 0.00 | \$ (197,106.00) | \$ 197,106.00 |
| Other Revenues: | | | |
| Library Fines | \$ 79,878.39 | \$ 59,542.00 | \$ 20,336.39 |
| Miscellaneous | 68,276.31 | 5,028.00 | 63,248.31 |
| Total Other Revenues | \$ 148,154.70 | \$ 64,570.00 | \$ 83,584.70 |
| Totals | \$ 34,546,035.23 | \$ 34,498,231.00 | \$ 47,804.23 |



B. Fee Waivers

In accordance with generally accepted accounting principles, student tuition and fee revenues, and scholarships and fellowships expenditures reported in the Unrestricted Current Fund on the Statement of Current Funds Revenues, Expenditure and Other Changes have been adjusted to include the value of tuition and fee waivers. Fees waived are as follows:

| | |
|--------------------------|-----------------------|
| Matriculation Fees | \$ 747,290.96 |
| Out-of-State Fees | 1,410,206.95 |
| Total Fees Waived | \$2,157,497.91 |

C. Retained Fees

The following student fees were assessed and retained by the university and reported as revenue in the appropriate fund:

| | |
|---------------------------|------------------------|
| Athletic Fee | \$ 3,696,328.31 |
| Activity & Service Fee | 3,726,086.11 |
| Student Financial Aid Fee | 1,676,688.53 |
| Health Fee | 1,733,371.04 |
| Total | \$10,832,473.99 |

D. Capital Improvement and Building Fees

In addition to the above, the following student fees were assessed and collected and remitted directly to the State Treasurer on behalf of the Board of Regents. Accordingly these fees were recognized as revenue by the Board of Regents and not the university.

| Fee | Beginning Balance | Collected | Remitted | A/R Adj | Balance Due |
|---------------------|---------------------|------------------------|------------------------|------------------|-------------------|
| Capital Improvement | \$ 11,434.11 | \$ 1,403,743.59 | \$ 1,403,138.44 | 41,847.51 | \$ 53,886.77 |
| Building Fee | 10,870.89 | 1,334,774.16 | 1,334,198.81 | 39,790.34 | 51,236.58 |
| Total | \$ 22,305.00 | \$ 2,738,517.75 | \$ 2,737,337.25 | 81,637.85 | 105,123.35 |

12. PRIOR PERIOD ADJUSTMENTS

Fund balance adjustments were made only when amounts were considered material, or if there was a change in accounting practices. Reference APB #9 and #20 and FASB-16. All other non-material adjustments were reported through current year operations. During fiscal year 1994-95 there were no material adjustments to fund balance.

13. INTERDEPARTMENTAL AUXILIARY SALES

Interdepartmental transactions of Auxiliary Service Departments and other Institutional Departments have been accounted for as reductions of expenditures and not revenues of the Auxiliary Service Departments.

14. FUNCTIONAL DISTRIBUTION OF EXPENDITURES

The Educational and General expenditures on Exhibit C are

determined by applying the primary PCS or activity code set forth by the Board of Regents to the total expenditures for each department.

15. OTHER FOOTNOTES

A. Cash Balance - Local Bank Account

The University maintains in local bank accounts monies received for financial aid, student activities, concessions, and other activities. In the accounting records, these monies are accounted for separately and reported in the various fund groups. At June 30, 1995 the Current Restricted Fund showed a deficit cash balance of \$627,634.69. The deficit cash balance reflected in the books was created as a result of amounts due from financial aid in transit at the end of the fiscal year.



