

1994

Annual financial report for the fiscal year 1992-1993

Florida International University

Follow this and additional works at: https://digitalcommons.fiu.edu/controller_annualreports

Recommended Citation

Florida International University, "Annual financial report for the fiscal year 1992-1993" (1994). *FIU Annual Reports*. 20.
https://digitalcommons.fiu.edu/controller_annualreports/20

This work is brought to you for free and open access by the Special Collections and University Archives at FIU Digital Commons. It has been accepted for inclusion in FIU Annual Reports by an authorized administrator of FIU Digital Commons. For more information, please contact dcc@fiu.edu.



FLORIDA
INTERNATIONAL
UNIVERSITY

ANNUAL
FINANCIAL
REPORT

FISCAL YEAR
1992-93



FLORIDA
INTERNATIONAL
UNIVERSITY

ANNUAL
FINANCIAL
REPORT

FISCAL YEAR
1992-93

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, 1993. 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

Leonardo Rodriguez
Vice President for Business and Finance

TABLE OF CONTENTS

THE ANNUAL REPORT

2

cultivated bromeliad

FINANCIAL STATEMENTS

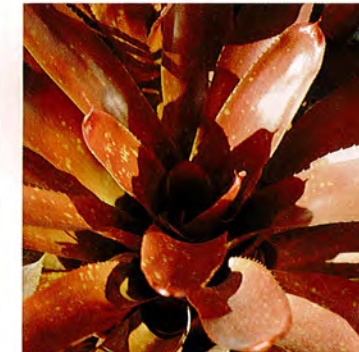
6

cycas circinalis, queen sago palm

NOTES TO THE FINANCIAL STATEMENTS

12

hibiscus variety, rosa-sinensis



THE ANNUAL REPORT

UNIVERSITY HISTORY

Florida International University was established by the Florida Legislature on June 22, 1965. Classes began in September 1972, with 6,000 students enrolled in upper-division undergraduate and graduate programs. The University operated on one campus located in the Southwest section of Miami. In 1981, the University added lower division programs for freshmen and sophomores, expanding its enrollment capacity. The University received authority to begin offering degree programs at the doctoral level in 1984.

Today the University maintains two campuses on opposite sides of the city and two major centers in Davie and Fort Lauderdale to serve Broward County. Enrollment exceeds 23,000 students.

HIGHLIGHTS

Shortly before the beginning of the fall semester the city of Miami was hit by Hurricane Andrew. Damages to the University exceeded \$5 million. A greater damage was caused by the loss of students as a result of the storm. As the fiscal year ended, most of the damage had been repaired and student enrollment was back to normal. Final settlement with the University insurers had not been reached as of the close of the year; however, it is expected that the University will recover most of the costs to repair the damages caused by the storm.

For the sixth consecutive year, **U.S. News and World Report** ranked the University as one of "America's Best Colleges" in its annual special report on U. S. Colleges and Universities. The University was also named as the eighth best regional university in the South.

FINANCIAL HIGHLIGHTS

Revenues

The financial support necessary for the University to accomplish its mission of instruction, public service and research was provided by the State Legislature through the appropriation of general revenues, student matriculation fees (Incidental Trust Fund) and

Lottery revenues. Appropriations for the 1992-93 fiscal year totaled \$117,778,400, representing an increase of 7% over the previous year.

Revenues from auxiliary operations amounting to \$17,861,100 rose by 11.6% over the previous year. Auxiliary operations are self supporting activities primarily intended to provide services to students, faculty, and staff. These services are essential to the educational program of the University and include activities such as student housing, central supply stores and duplicating centers.

Revenues of \$14,683,100 from sponsored programs were 6% higher than in fiscal year 1991-92. The sponsored programs included major grants from Federal and State agencies such as the Agency for International Development, National Institute of Health and the Department of Education.

Student Activity Fees, Athletic Fees and Health Fees collections totaled \$7,813,354 and were used to support the Student Government Association, Recreational Sports, Student Health Services and the Intercollegiate Athletic Program. This amount represents 18.6% of the fees collected from students. An additional \$1,433,524 (3.41% of fees collected) was used for student financial aid.

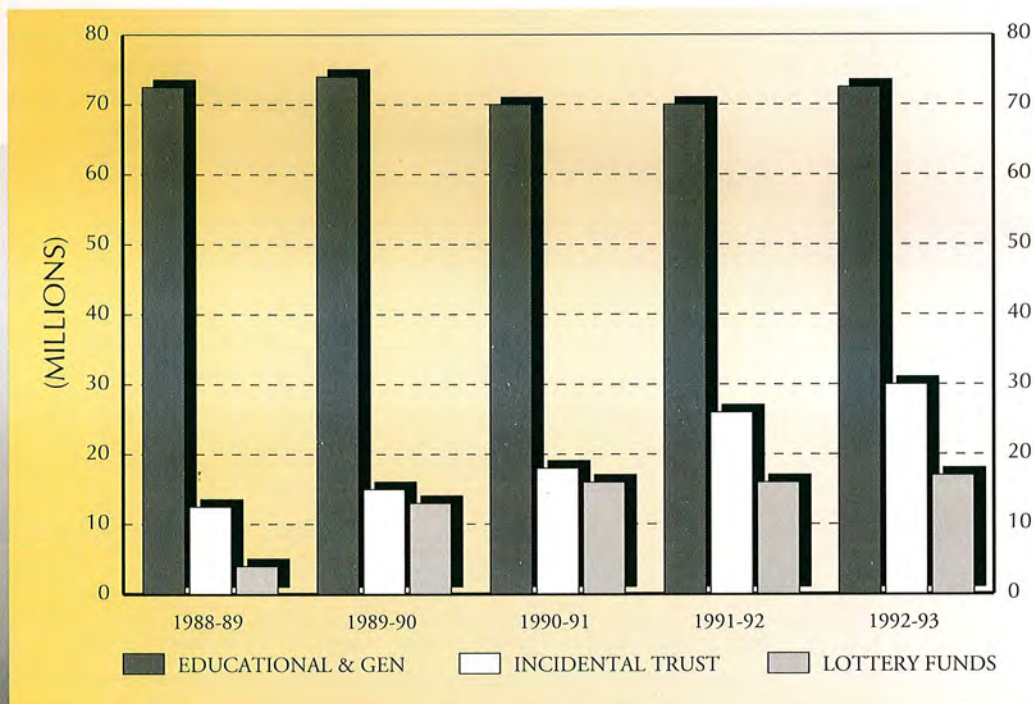
Expenditures

Current funds expenditures of \$162,148,832 were incurred during the fiscal year to support current operations, representing an increase of 10.6% over prior year expenditures. Included in these expenditures are mandatory transfers of \$1,821,409 to meet debt service requirements of bonds issued for the refinancing of dormitories at the North Miami Campus.

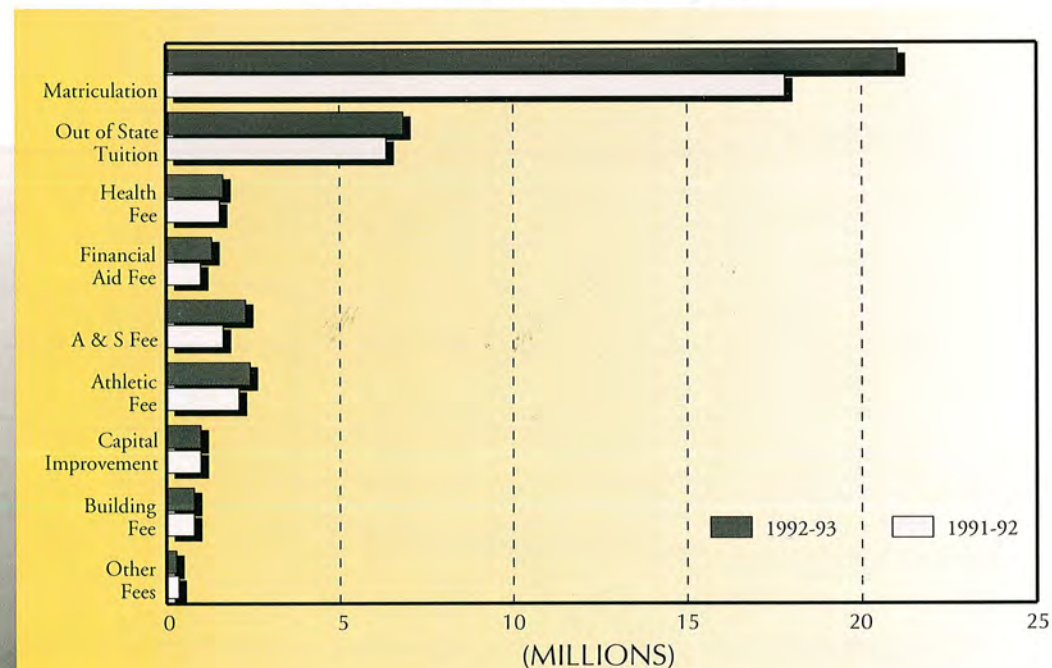
Expenditures of General Revenue funds appropriated by the Legislature during fiscal year 1992-93 totaled \$115,253,000. Of this amount, \$84,445,000 was spent for salaries and fringe benefits.

Expenditures relating to Auxiliary Enterprises and Sponsored Programs totaled \$13,107,349 and \$16,128,525 respectively.

GENERAL REVENUE ANALYSIS • FIVE YEAR SUMMARY



STUDENT FEE COLLECTIONS





During the fiscal year the University spent \$4,842,859 for the construction and remodeling of buildings on campus. These funds are allocated by the Board of Regents from Public Education Capital Outlay Funds (PECO) and Capital Improvement Trust Funds (CITF) available to the Board.

Expenditures of the University are subject to the laws, rules and regulations of the State of Florida.

Assets

Assets at June 30, 1993 totaled \$335 million. Capital assets totaling \$240 million represent 72% of total assets.

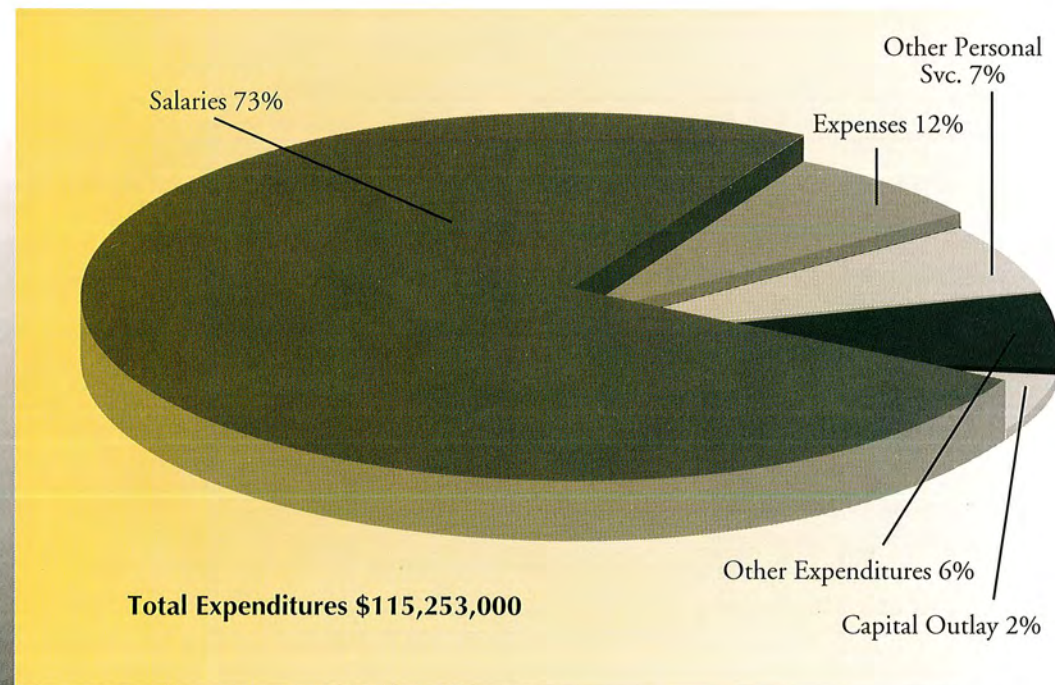
Cash in local banks and in deposit with the State Treasury totaled

\$2,915,131 at the end of the year. Idle cash not needed for current operations was invested through the State Treasurer. At June 30, 1993 investments totaled \$19,091,327. Income generated through investments during the fiscal year was \$892,217.

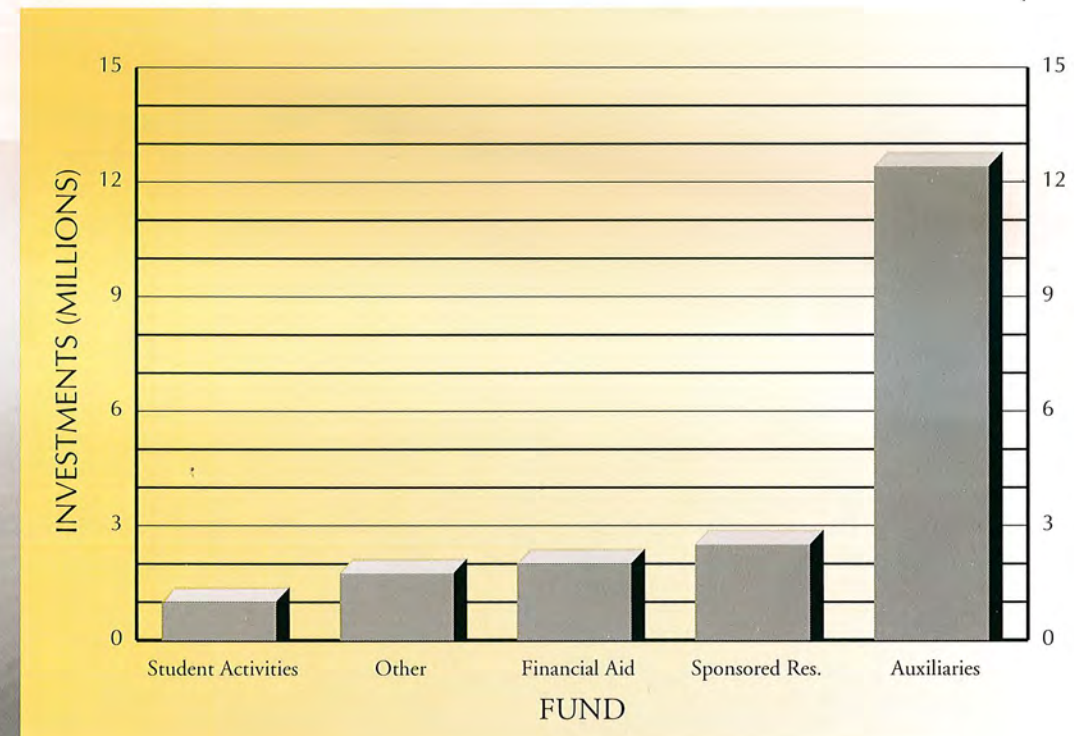
Liabilities

Liabilities at the end of the fiscal year totaled \$52 million. Of this amount, \$32,098,067, or 61% relates to long term debt for outstanding bonds and a capital lease. Eighteen percent of total liabilities, or \$9,424,330 represents an amount accrued for employees compensated absences in future years. This amount is expected to be funded from future appropriations.

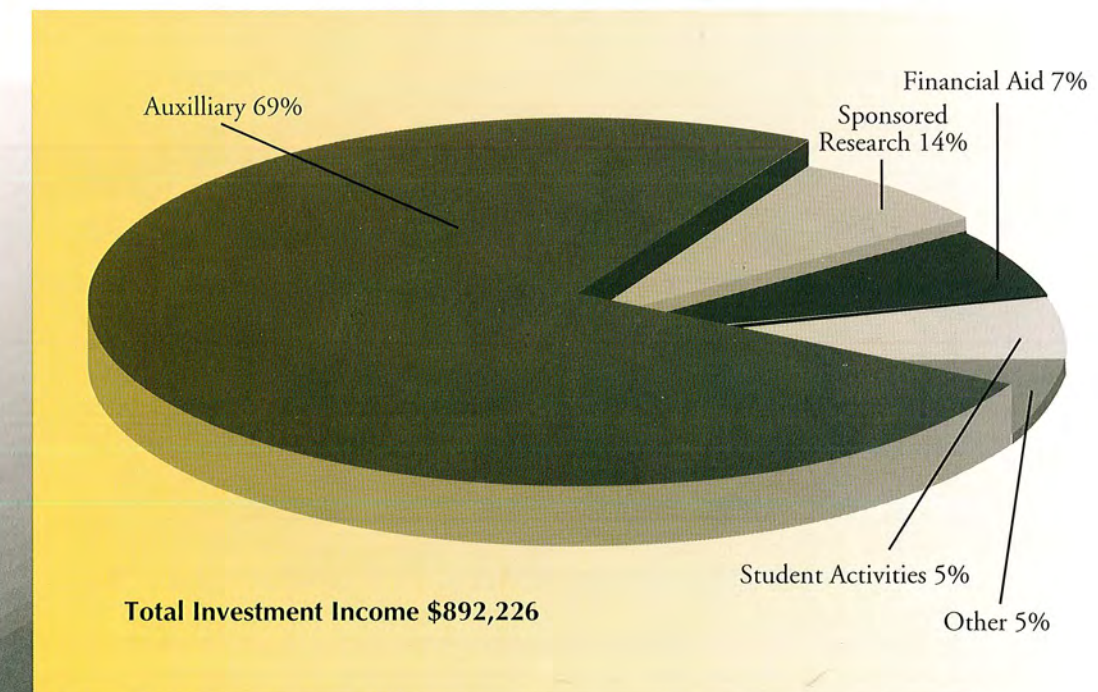
GENERAL REVENUE EXPENDITURES • FISCAL YEAR 1992-93



INVESTMENTS AS OF JUNE 30, 1993



INVESTMENT INCOME • FISCAL YEAR 1992-93



FINANCIAL STATEMENTS

BALANCE SHEETS AS OF JUNE 30, 1993 WITH COMPARATIVE TOTALS FOR 1992

FINANCIAL

STATEMENTS

	CURRENT FUNDS		LOAN FUND	ENDOWMENT FUND
	UNRESTRICTED	RESTRICTED		
ASSETS				
Cash	\$ 8,857,893	\$ (70,099)	\$ 198,891	\$
Deposits				
Investments	13,678,117	3,522,289	1,048,012	50,139
Net Receivables	599,015	2,940,247	2,795,168	133
Inventories	499,375			
Due From Other Funds	933,819	150,000		
Due From Other State Agencies	5,777,642			
Deferred Charges	110,037			
Land & Land Improvements				
Buildings				
Equipment				
Library Books				
Leased Property				
Construction-in-Progress				
Total Assets	\$ 30,455,898	\$ 6,542,437	\$ 4,042,071	\$ 50,272
LIABILITIES				
Accounts Payable	\$ 1,674,149	\$ 273,106		
Accrued Liabilities	4,355,215	588,358		
Due to Other Funds	150,000			272
Due to Other State Agencies	100,000			
Due to Depositors	156,296			
Compensated Absences Liability	9,424,330			
Long Term Debt				
Total Liabilities	\$ 15,859,990	\$ 861,464	\$ 0	\$ 272
FUND BALANCE				
Future Amount to be Financed	\$ (9,424,330)	\$	\$	\$
Reserve for Encumbrances	3,835,290	1,067,612		
Unallocated Fund Balance	8,016,980			
Allocated Fund Balance	12,167,968	4,613,361	363,787	50,000
Refundable Government Grants			3,678,284	
Investment in Plant				
Total Fund Balance	\$ 14,595,908	\$ 5,680,973	\$ 4,042,071	\$ 50,000
Total Liabilities and Fund Balance	\$ 30,455,898	\$ 6,542,437	\$ 4,042,071	\$ 50,272

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

	PLANT FUNDS				AGENCY FUND	TOTALS 1993	TOTALS 1992
	UNEXPENDED	RENEWAL & REPLACEMENT	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT			
	\$ 24,903	\$ 444,138	\$ 699,025	\$	\$ 218,695	\$ 9,674,421	\$ 6,851,969
						699,025	606,727
					792,772	19,091,329	14,382,258
					1,020,978	7,355,541	32,447,077
						499,375	618,245
						1,083,819	1,057,975
	49,207,334					54,984,976	15,389,971
	17,480					157,207	221,515
				29,690		22,234,403	21,948,065
				134,671,949		134,671,949	132,409,590
				38,963,206		38,963,206	36,018,572
				29,292,470		29,292,470	27,076,700
				10,402,469		10,402,469	10,410,186
				4,648,458		4,648,458	2,991,336
	\$ 49,249,717	\$ 444,138	\$ 699,025	\$ 240,242,645	\$ 2,032,445	\$ 333,758,648	\$ 302,430,186
	\$ 354,720	\$ 36,540	\$ 269		\$ 85,925	\$ 2,424,709	\$ 2,624,514
						4,943,573	2,803,541
					933,547	1,083,819	1,057,975
		\$1,100,000			71,505	1,271,505	163,076
					941,468	1,097,764	1,050,047
						9,424,330	8,761,794
	4,724,587			27,373,479		32,098,066	32,752,091
	\$ 5,079,307	\$ 1,136,540	\$ 269	\$ 27,373,479	\$ 2,032,445	\$ 52,343,766	\$ 49,213,038
	\$	\$	\$	\$	\$	\$ (9,424,330)	\$
	6,267,451	401,598				11,571,951	6,922,644
						8,016,980	(597,624)
	37,902,959	(1,094,000)	698,756			54,702,831	41,049,151
						3,678,284	2,771,134
				212,869,166		212,869,166	203,071,843
	\$ 44,170,410	\$ (692,402)	\$ 698,756	\$ 212,869,166	\$ 0	\$ 281,414,882	\$ 253,217,148
	\$ 49,249,717	\$ 444,138	\$ 699,025	\$ 240,242,645	\$ 2,032,445	\$ 333,758,648	\$ 302,430,186

FINANCIAL

STATEMENTS

FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN FUND BALANCES

FOR YEAR ENDED JUNE 30, 1993 WITH COMPARATIVE TOTALS FOR 1992

FINANCIAL

FINANCIAL

	CURRENT FUNDS			
	UNRESTRICTED	RESTRICTED	LOAN FUND	ENDOWMENT FUND
REVENUES AND OTHER ADDITIONS				
Unrestricted Current Fund Revenues	\$ 123,647,588	\$	\$	\$
Auxiliary Enterprises Revenue	17,861,179			
State Appropriations - Restricted		142,719		
Governmental Grants and Contracts - Restricted		3,329,314		
Priv Gifts, Grants & Contracts - Restricted		4,187,952		
Federal Grants and Contracts - Restricted		17,948,792		
Investment Income - Restricted		167,461	20,972	1,739
Federal Government Advances			672,000	
Interest on Loans Receivable			109,626	
Resources Received From Univ/BOR				
Acquisition of Plant Facilities				
Retirement of Indebtedness				
Other Revenue and Additions				
Total	\$ 141,508,767	\$ 25,776,238	\$ 802,598	\$ 1,739
EXPENDITURES AND OTHER DEDUCTIONS				
Educational and General Expenditures	\$ 123,318,457	\$ 23,901,620	\$	\$
Auxiliary Enterprises	13,107,349			
Indirect Costs Recovered		19,750		
Refunded to Grantors		5,497		
Loan Cancellations & Rec Write-Offs			191,335	
Administrative and Collections Cost			14,444	
Resources Remitted to BOR/Univ	47,227			
Expended for Plant Facilities				
Retirement of Indebtedness				
Interest on Indebtedness				
Disposal of Plant Facilities				
Other Expenditures & Deductions			138,001	
Total	\$ 136,473,033	\$ 23,926,867	\$ 343,780	\$ 0
TRANSFERS-ADDITIONS (DEDUCTIONS)				
Interfund Transfers	\$ (1,244,240)	\$ (1,098,389)	\$ 57,959	\$ (1,739)
Net Increase (Decrease)	3,791,494	750,982	516,777	0
Fund Balance at Beginning of Year	10,804,414	4,929,991	3,749,376	50,000
Fund Balance Adjustments			(224,082)	
Fund Balance at End of Year	\$ 14,595,908	\$ 5,680,973	\$ 4,042,071	\$ 50,000

	PLANT FUNDS				TOTALS 1993	TOTALS 1992
	UNEXPENDED	RENEWAL & REPLACEMENT	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT		
	\$	\$	\$	\$	\$ 123,647,588	\$ 114,639,539
					17,861,179	16,000,011
	17,844,394	1,790,188			19,777,301	12,709,536
					3,329,314	4,196,432
					4,187,952	3,756,044
					17,948,792	12,529,378
			42,912		233,084	270,210
					672,000	
					109,626	150,835
						602,173
					11,276,623	14,866,864
	213,019				593,968	806,987
		2,500,000			2,500,000	66,546
	\$ 18,057,413	\$ 4,290,188	\$ 42,912	\$ 11,870,591	\$ 202,350,446	\$ 180,257,612
	\$	\$	\$	\$	\$ 147,220,077	\$ 133,141,293
					13,107,349	13,470,203
					19,750	
					5,497	21,000
					191,335	(201,356)
					14,444	196,741
					47,227	799,732
	4,350,462	4,982,590			9,333,052	9,853,308
			140,000		140,000	
			1,632,023		1,632,023	
					1,933,821	1,340,339
	6,605				139,450	515,054
	\$ 4,357,067	\$ 4,982,590	\$ 1,772,023	\$ 2,073,271	\$ 173,928,631	\$ 159,136,314
	\$ 465,000	\$ 0	\$ 1,821,409	\$ 0	\$ 0	\$ 0
	14,165,346	(692,402)	92,298	9,797,320	28,421,815	21,121,298
	30,005,064	0	606,458	203,071,846	253,217,149	240,624,020
					(224,082)	(8,528,170)
	\$ 44,170,410	\$ (692,402)	\$ 698,756	\$ 212,869,166	\$ 281,414,882	\$ 253,217,148

STATEMENTS

STATEMENTS

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

FINANCIAL STATEMENTS

STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND OTHER CHANGES FOR THE FISCAL YEAR ENDED JUNE 30, 1993 WITH COMPARATIVE TOTALS FOR 1992

	CURRENT FUNDS UNRESTRICTED	CURRENT FUNDS RESTRICTED	TOTAL 1993	TOTAL 1992
REVENUES				
Educational and General:				
Student Tuition and Fees	\$ 35,784,081	\$	\$ 35,784,081	\$ 28,436,942
Governmental Appropriations - State	86,776,984	130,006	86,906,990	85,421,956
Grants, Contracts, and Gifts - Govt		4,663,690	4,663,690	5,527,638
Federal Contracts and Grants		15,254,781	15,254,781	11,312,299
Grants, Contracts and Gifts - Private		3,851,842	3,851,842	2,397,985
Other Resources:				
Investment Income	54,333		54,333	104,276
Other	1,032,189	1,300	1,033,489	809,202
Total Educational & General Revenues	\$ 123,647,587	\$ 23,901,619	\$ 147,549,206	\$ 134,010,298
Auxiliary Enterprises:				
Sales & Services - Operations	\$ 12,510,438	\$	\$ 12,510,438	\$ 11,066,421
Student Fees	4,729,029		4,729,029	4,406,045
Investment Income	621,713		621,713	527,545
Total Auxiliary Income	\$ 17,861,180	\$ 0	\$ 17,861,180	\$ 16,000,011
Total Current Revenues	\$ 141,508,767	\$ 23,901,619	\$ 165,410,386	\$ 150,010,309
EXPENDITURES				
Educational & General:				
Instruction	\$ 54,276,787	\$ 2,938,236	\$ 57,215,023	\$ 58,592,030
Research	12,622,577	10,344,423	22,967,000	14,757,870
Public Service	418,896	678,456	1,097,352	1,725,625
Academic Support	20,203,871	217,919	20,421,790	18,691,985
Student Services	8,059,196	167,733	8,226,929	7,762,026
Institutional Support	13,928,714	150,024	14,078,738	13,521,953
Operations & Maintenance of Plant	10,670,624	240,125	10,910,749	9,589,751
Scholarships & Fellowships	3,137,790	9,164,703	12,302,493	8,500,053
Total Educational and General	\$ 123,318,455	\$ 23,901,619	\$ 147,220,074	\$ 133,141,293
Auxiliary Enterprises:				
Expenditures	\$ 13,107,349	\$	\$ 13,107,349	\$ 13,470,203
Mandatory Transfers For:				
Principal and Interest	1,821,409		1,821,409	
Total Auxiliary Enterprises	\$ 14,928,758	\$ 0	\$ 14,928,758	\$ 13,470,203
Total Expenditures	\$ 138,247,213	\$ 23,901,619	\$ 162,148,832	\$ 146,611,496
Other Transfers & Additions/(Deductions)				
Excess of Restricted Receipts Over				
Transfers to Revenue	\$	\$ 1,854,869	\$ 1,854,869	\$ 109,193
Refunded to Grantors		(5,498)	(5,498)	
Interfund Transfers	577,169	(1,098,389)	(521,220)	(436,174)
Resources Received From BOR				602,173
Resources Remitted to BOR	(47,227)		(47,227)	(799,732)
Total Other Transfers & Additions	\$ 529,942	\$ 750,982	\$ 1,280,924	\$ (524,540)
Net Increase/(Decrease) in Fund Balance	\$ 3,791,496	\$ 750,982	\$ 4,542,478	\$ 2,874,273

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

FINANCIAL

FINANCIAL

STATEMENTS

STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1993

NOTES
TO
THE
FINANCIAL
STATEMENTS

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 not included in the financial statements of the University. Summary financial data is included in the footnotes. 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 quasi-endowment 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.

D. OTHER SIGNIFICANT ACCOUNTING POLICIES

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

NOTES
TO
THE
FINANCIAL
STATEMENTS



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, 1993 is estimated to be \$1,676,654.69. 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	\$ 309,284.27
Loan Fund	631,378.97
Agency Fund	735,991.45
Total	\$1,676,654.69

Bond Issue	Amount of Issue	Total Retired/Refunded	Amount Outstanding			Int Rate	Date of Mat
			Principal	Discount	Interest		
1986	\$ 5,861,010.00	\$ 4,372,013.45	\$ 1,474,120.57	\$ 14,875.98	\$217,662.38	6.9%	1996
1991	5,267,537.40	408,507.80	4,724,587.04	134,442.56	5,746,253.29	5.8	2016
1993	7,942,044.96	99,445.50	7,729,016.45	113,583.01	4,736,663.43	5.8	2016
TOTAL	\$19,070,592.36	\$4,879,966.75	\$13,927,724.06	\$262,901.55	\$10,700,579.10		

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 and Unexpended Plant Fund. The bonds and revenue certificates were issued by the State Board of Administration to construct university facilities. Debt service for these bonds and revenue certificates is paid by the Board of Regents using building fees and capital improvement fees collected by the University as a part of tuition and remitted to the Board of Regents.

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

A. Revenue Certificates and Bonds Outstanding

Principal and interest payment for these revenue certificates and bonds are as follows:

INVESTMENT IN PLANT FUND:

Year Ending	Principal	Interest	Total
1994	\$574,761.90	\$494,324.94	\$1,069,086.84
1995	600,382.43	457,403.35	1,057,785.78
1996	660,404.72	417,830.37	1,078,235.09
1997	449,442.00	373,400.96	822,842.96
1998	292,740.00	353,176.07	645,916.07
Later Years	6,753,864.96	2,858,190.12	\$ 9,612,055.08
Subtotal	\$ 9,331,596.01	\$4,954,325.81	\$14,285,921.82
Less:			
Bond Disc	\$ (128,458.99)	\$	\$ (128,458.99)
Total	\$ 9,203,137.02	\$4,954,325.81	\$14,157,462.83

UNEXPECTED PLANT FUND:

Year Ending	Principal	Interest	Total
1994	\$230,549.26	\$355,669.84	\$586,219.10
1995	248,079.51	342,297.98	590,377.49
1996	160,959.51	327,909.37	488,868.88
1997	151,397.56	318,412.76	469,810.32
1998	124,305.36	309,480.29	433,785.65
Later Years	3,943,738.40	\$ 4,092,483.05	\$ 8,036,221.45
Subtotal	\$ 4,859,029.60	\$ 5,746,253.29	\$10,605,282.89
Less:			
Bond Disc	\$ (134,442.56)	\$	\$ (134,442.56)
Total	\$ 4,724,587.04	\$ 5,746,253.29	\$10,470,840.33

Total All Funds	\$13,927,724.06	\$10,700,579.10	\$24,628,303.16
------------------------	------------------------	------------------------	------------------------

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, 1993 the University did not have any outstanding commitments under the Consolidated Equipment Financing Program.

Year Ending	Capital Leases
1994	\$ 1,134,550.00
1995	1,090,000.00
1996	1,127,500.00
1997	1,165,000.00
1998	1,165,000.00
Later Years	27,715,285.00
Total Minimum Lease Payments	\$33,397,335.00
Less Interest	\$23,111,992.33
Total Present Value	\$10,285,342.67

C. Installment Purchase Contracts and Capital Leases

The University has a number of capital leases providing for the acquisition of machinery and equipment. The following is a schedule of future minimum payments remaining at fiscal year end:

The University entered into a lease agreement with a company to build and provide student housing at the University Park Campus. The complex consists of three buildings and 286 apartment units. The lease agreement is for a period of 30 years, with the option available to the University to purchase the housing com-



plex. The "base rent" for this capital lease consists of total annual payments of \$1,040,000 during the first five years. Periodic increments to the base rent are scheduled during later years.

Installment purchase leases for equipment contain one of the following options: a) after the initial lease term, the University can purchase the property at its fair market value at the time of purchase, or b) the University can renew the lease for a specified period of time.

In most cases University management expects that in the normal course of business, leases will be renewed or replaced by other leases.

D. Other Long-Term Debt

During the fiscal year 1990-91 the Dade County Educational Facilities Authority issued a bond series of \$8,025,000 on behalf of the University. Proceeds from the sale for the 1991 bonds were loaned to the University to finance the cost of acquiring dormitories located at the North Miami Campus. The bonds, dated February 1, 1991, were issued as fully registered bonds in the denomination of \$5,000 each. Interest is payable semiannually on April 1 and October 1 of each year, with the first payment made on October 1, 1992. Pursuant to a loan agreement entered into between the University and the Authority, the University is responsible for the semi annual payment to the bond trustee to pay when due the interest, maturing principal and sinking fund installments and redemption premiums, if any, on the bonds. Payment of the 1991 bonds are secured by pledged revenues of the University Auxiliary Trust Fund which include the net operating income of the dormitories at the North Miami Campus and net available income derived from certain auxiliary operations. Principal and interest payment for this long term debt is as follows:

Year Ending	Principal	Interest	Total
1994	\$ 145,000	\$534,147.50	\$679,147.50
1995	155,000	525,631.25	680,631.25
1996	165,000	516,307.50	681,307.50
1997	175,000	506,190.00	681,190.00
1998	185,000	495,297.50	680,297.50
Later Years	7,060,000	5,693,705.00	12,753,705.00
Total	\$7,885,000	\$ 8,271,278.75	\$16,156,278.75

E. Bond Refunding

The Division of Bond Finance of the State Board of Administration on behalf of the State University System of Florida, used a portion of the \$92,210,000 State of Florida, Board of Regents, University System Improvement Revenue Refunding Certificates to advance refund \$21,290,000 of the outstanding certificates of the originally issued \$37,095,000 State of Florida, Board of Regents, University System Improvement Revenue Certificates, Series 1986 maturing July 1, 1997 through July 2007 and the remaining obligation of \$57,200,000 of the originally issued \$57,500,000 State of Florida, Board of Regents, University System Revenue Certificates, Series 1987 maturing July 1, 1993 through July 1, 2013. This advance refunding took advantage of a general reduction in interest rates below those on the outstanding obligations to achieve an overall reduction in debt service costs. The refunding will result in a total debt savings for the State University System of \$11,619,994.82 and a total economic gain of \$7,496,512.47. The economic gain is the difference between the present value of the old debt service and the new debt service.

The University's portion of the original Series 1986 and 1987 Revenue Certificates were \$5,861,010 and \$4,448,147.36, respectively of which \$3,372,418.76 of the 1986 Series and \$4,425,723.33 of the 1987 was refunded. The refunding resulted in a total debt savings of the University of \$2,734,094 and an economic gain of \$1,763,871.39.

F. Refinancing Long Term Debt

As of the close of the fiscal year, the University was negotiating the issuance of bonds for \$29.3 million through the Dade County Educational Facilities Authority to refinance the capital lease for the University Park dormitories and the 1991 bond issue for the North Miami Campus dormitories and to construct additional dormitories at the University Park Campus. It is expected that the refinancing will be completed during the fiscal year 1993-94.

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. Statement on Financial Accounting Standards No. 43 requires that the University accrue a liability in the Unrestricted Current Fund for employees' right to receive compensation for future absences, 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, 1993, the estimated liability for annual and sick leave is \$5,371,868.21 and \$4,052,461.98, respectively. The University's Unrestricted Current Fund Balance of \$14,595,907.53 at June 30, 1993 would have been \$24,020,237.72 had such liability for compensated absences not been applied against it.

6. Insurance - Risk Exposure

In accordance with a program for central insurance purchases

Project Number	Project Name	Total Cost Est. At Yr End	Amount Expended at Year End	Amount Unspent At Year End
BR800	Hospitality Mgt	\$ 2,184,106	\$ 34,210	\$ 2,149,896
BR805	O.E. Renovation	2,100,000	0	2,100,000
BR808	Graham Center Add	4,564,891	29,785	4,535,106
BR861	Physical Science	16,051,340	15,720,441	330,899
BR866	U.H. Remodeling	10,262,285	10,205,160	57,125
BR875	Business Building	6,788,000	6,657,472	130,528
BR880	Student Health Svc	1,369,634	1,331,004	38,630
BR881	Library Addition	11,592,000	2,104,269	9,487,731
BR887	Art Complex	9,820,000	120,580	9,699,420
BR888	Joint Center	2,157,400	303,757	1,853,643
BR892	Nautilus Fitness Ctr	1,370,000	20,199	1,349,801
BR894	Stadium Complex	1,700,000	69,138	1,630,862
BR897	Conference Center	6,600,000	37,585	6,562,415
BR898	Office & IFS Ed	6,555,000	82,242	6,472,758
	Total	\$83,114,656	\$36,715,842	\$46,398,814

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, 1993.

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:



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 departments, 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 1992-93 fiscal year, the rate assessed against regular class employee payrolls amounted to 16.99% from July 1, 1992 through December 31, 1992 and 17.75% from January 1, 1993 through June 30, 1993. 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 1992-93 fiscal year payroll (including matching) for all employees totaled \$111,174,783 including \$49,974,000 paid to employees who were members of the Florida Retirement System. Required contributions made to the Florida Retirement System in the 1992-93 fiscal year totaled \$8,664,982 including \$17,442 from employee contributions, which represents 17.3 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 1992-93 fiscal year and as of June 30, 1993, the Florida Retirement System held no securities issued by the University.

B. Optional Retirement Program

Pursuant to Section 121.40, 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 447 University participants during the 1992-93 fiscal year.

Required contributions made to the Optional Retirement Program in the 1992-93 fiscal year totaled \$5,175,334 including \$915,307 from employee contributions, which represents 14.29 and 3.07 percent, respectively, of covered payroll, which totaled \$29,811,312.

During the fiscal year and as of June 30, 1993, 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 1992-93, 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 1992-93, 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	\$21,276,320.19	\$21,154,356.00	\$121,964.19
Out of State	8,383,629.85	8,479,454.00	(95,824.15)
Application	338,305.47	266,848.00	71,457.47
Late Registration	83,143.45	149,560.00	(66,416.55)
Total	\$30,081,398.96	\$30,050,218.00	\$31,180.96
Research Overhead	\$ 22,281.00	\$ 22,281.00	0.00
Other Revenues:			
Library Fines	\$ 69,970.51	\$ 48,251.00	\$ 21,719.51
Miscellaneous		\$ 5,673.00	(5,673.00)
Total Other Revenues	\$ 69,970.51	\$ 53,924.00	\$ 16,046.51
Pro-Rate to Appropriations	\$ 23,874.00	\$ 23,874.00	\$ 0.00
Totals	\$ 30,197,524.47	\$ 30,150,297.00	\$ 47,227.47

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	\$ 454,419.68
Out-of-State Fees	1,313,825.84
Total Fees Waived	\$1,768,245.52

C. Retained Fees

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

Athletic Fee	\$2,892,670.79
Activity & Service Fee	3,092,992.56
Student Financial Aid Fee	1,433,524.14
Health Fee	1,827,690.37
Total	\$9,246,877.86

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.



NOTES

TO

THE

FINANCIAL

STATEMENTS

	Fee	Beginning Balance	Collected	Remitted	A/R Adj	Balance Due
Capital Improvement		\$32,337.26	\$1,240,172.96	\$1,239,531.46	\$3,675.67	\$36,654.43
Building Fee		30,738.83	1,179,186.13	1,178,576.68	3,502.61	34,850.89
Total		\$63,076.09	\$2,419,359.09	\$2,418,108.14	\$7,178.28	\$71,505.32

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. The following tabulation summarizes the prior period adjustments to fund balances:

Fund Group	Explanation	Amount
Loan Fund	The adjustment to beginning fund balance in the Loan Fund was made to reconcile balances in the Perkins and Institutional Loan accounts. These amounts were properly carried in the Accounts Receivable Subsidiary System.	\$224,082

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. Direct Support Organizations

Summary financial information from the audited financial statements of the FIU Foundation, Inc, the university's Direct Support Organization mentioned in the Summary of Significant Accounting Policies is shown below:

Fiscal Year Ending	Assets	Liabilities	Revenues	Expenditures
12-31-92	\$11,570,940	\$676,176	\$3,195,527	\$1,956,291

16. Other Footnotes

A. Restrictions on Fund Balances for Unrestricted Funds

As discussed in Note 4, the University entered into an agreement with the Dade County Educational Facilities Authority to finance the cost of acquiring dormitories at the North Miami Campus. The terms of this agreement requires that the University maintain a minimum available balance of \$350,000 in the Auxiliary Trust Fund in the

event that net operating income is not sufficient to meet the debt service on the bonds.

B. 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, 1993 the Current Restricted Fund showed a deficit cash balance of \$598,392.49. The deficit cash balance reflected in the books was created as a result of accounts receivable primarily from Federal grants for financial aid in transit at the end of the fiscal year. In the aggregate the bank accounts had a cash balance of \$513,278.11 at June 30, 1993.

C. Other Events

At the beginning of the fiscal year the University suffered damages estimated at \$5,208,000 from Hurricane Andrew. As indicated in Note 6 the University has sufficient insurance coverage to recover most of the cost associated with the storm. In addition, the University has filed a claim with the Federal Emergency Management Agency (FEMA) requesting assistance for costs not recovered from the insurance. During the fiscal year the University received partial payments on the insurance claims from the Division of Risk Management and FEMA totaling \$2,500,000 and \$349,624, respectively. Subsequent to the close of the fiscal year, a settlement was reached with the insurer for an additional \$899,000. Additional funds are expected from FEMA to recover damages caused by the storm.

D. Accrued Salaries and Wages

The Accrued Salaries and Wages liability includes \$1,381,492.12 for a lump sum retroactive salary increase for the period January 1, 1992 through June 30, 1992, calculated on the employee's January 1, 1992 base salary. This retroactive salary increase is in accordance with Supreme Court Ruling No. 81,252, dated March 11, 1993 and Motion for Clarification, dated March 23, 1993, effective July 1, 1993.

STATE AND UNIVERSITY OFFICIALS

STATE BOARD OF REGENTS

Lawton Chiles	<i>Governor</i>
Jim Smith	<i>Secretary of State</i>
Bob Butterworth	<i>Attorney General</i>
Gerald Lewis	<i>Comptroller</i>
Bob Crawford	<i>Commissioner of Agriculture</i>
Betty Castor	<i>Commissioner of Education</i>

FLORIDA BOARD OF REGENTS

Carolyn K. Roberts	<i>Chairperson, Ocala</i>
Jon C. Moyle	<i>Vice Chairman, Miami</i>
DuBose, Ausley	<i>Tallahassee</i>
Julian Bennett, Jr.	<i>Panama City</i>
J. Clint Brown	<i>Tampa</i>
Betty Castor	<i>Commissioner of Education</i>
Alec P. Courtelis	<i>Miami</i>
Charles B. Edwards, Sr.	<i>Fort Myers</i>
Perla Hantman	<i>Miami Lakes</i>
James F. Heekin, Jr.	<i>Orlando</i>
Elizabeth G. Lindsay	<i>Sarasota</i>
Thomas F. Petway, III	<i>Jacksonville</i>
Welcom H. Watson	<i>Fort Lauderdale</i>
Jeffrey O. Deen	<i>Student Regent (FIU)</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>
Paul D. Gallagher	<i>Vice President, North Miami Campus, Budget & IRM</i>
Michael P. Morgan	<i>Vice President, University Relations & Development</i>
Leonardo Rodriguez	<i>Vice President, Business and Finance</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>



