

1992

Annual financial report for the fiscal year 1990-1991

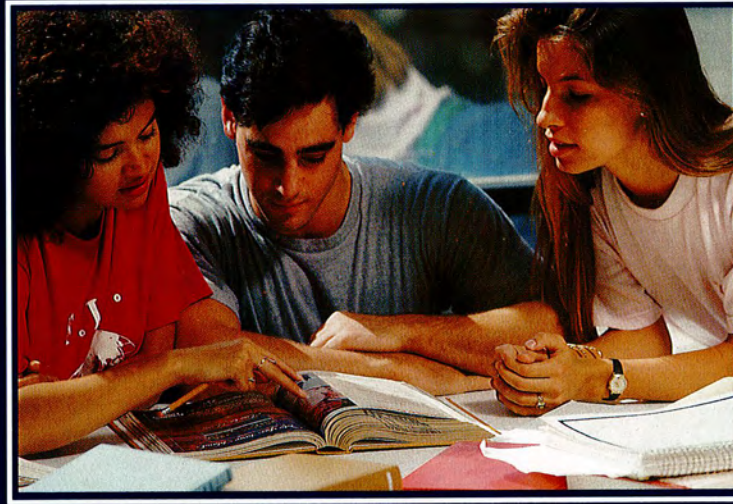
Florida International University

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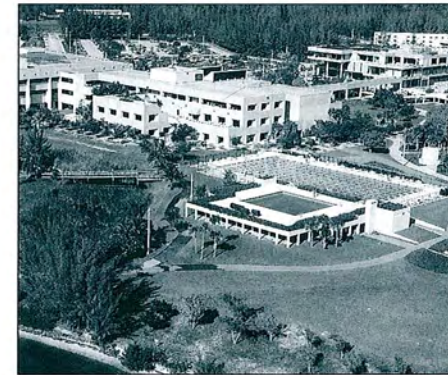
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Florida International University

**Annual Financial Report
For The Fiscal Year 1990-91**

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Florida International University

March 17, 1992

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, 1991.

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 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. These statements have been audited by the Florida Auditor General'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, Business and Finance

Controller's Office
University Park, Miami, Florida 33199 • (305) 348-2131 • FAX (305) 348-1909

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INTRODUCTION

UNIVERSITY OVERVIEW

History

Florida International University was established by the State Legislature on June 22, 1965. Classes began at the University Park Campus in September 1972 with 6,000 students enrolled in upper-division undergraduate and graduate level programs. Today the University maintains two campuses in Dade County and two educational centers in Broward County with a total enrollment of approximately 23,500 students. Lower division programs for freshmen and sophomores were added in 1981 and in 1984 the University received authority to offer degree programs at the doctoral level.

The Campus

The main campus of the University, University Park, is located in the western suburbs of Miami. The campus has twelve major buildings constructed at a cost of approximately \$71 million. A student housing complex with 286 apartment units was built in 1984 by a private contractor and leased to the University with an option to purchase. The development plan for the University Park Campus includes a major expansion to the Library building, an Arts Complex, a Baseball Stadium Complex, a Student Health/Wellness Services



Center, a Labor Studies building, a Biology Greenhouse and Conservatory. These projects are expected to be completed within the next five years.

The North Miami Campus is located on the north section of the city overlooking Biscayne Bay. The campus encompasses more than 200 acres including a natural cypress wood preserve, seven major buildings, an Aquatic Center and dormitories with 235 apartment units. Both campuses of the University and the two major academic centers operate under a central administration.

THE FINANCIAL REPORT

Overview

A most important aspect of managing a financial operation is to ensure that adequate internal controls are in place. The University's systems of internal controls are designed to provide reasonable assurance that its assets are properly safeguarded and the accounting records fairly represent financial transactions.

A staff of internal auditors reviews accounting practices and fiscal records throughout the year. In addition, the Auditor General of the State of Florida conducts an annual audit of the financial statements and internal control procedures. These audit reports are reviewed by the Audit Committee of the Board of Regents.

Financial Highlights/Selected Data*

	1988-89	1989-90	1990-91
Student Fees			
Matriculation	\$13.7	\$16.0	\$20.0
Health	\$1.1	\$1.2	\$1.4
Financial Aid	\$0.6	\$0.8	\$1.0
Activity & Service	\$1.4	\$1.6	\$1.8
Athletics	\$1.4	\$1.8	\$2.4
Other	\$2.4	\$2.9	\$3.4
Student Fee Waivers	\$0.5	\$0.7	\$0.8
Contracts and Grants			
Total Awards	\$8.4	\$10.2	\$13.4
# of Proposals Processed	273	345	408
# of Proposals Approved	128	145	176
Auxiliary Enterprises			
Revenues	\$10.8	\$12.2	\$13.1
Expenditures	\$10.1	\$11.7	\$12.8
Expenditures			
Scholarships	\$4.3	\$5.8	\$7.4
Construction Projects	\$12.5	\$19.3	\$10.9

*In Millions of Dollars

Financial Highlights

Fiscal year 1990-91 can be characterized as one of the most turbulent and challenging years in the history of the University. During this fiscal year the University experienced drastic reductions in general revenue appropriations. The impact of these reductions was compounded by additional cuts imposed on the University during the previous fiscal year. While the State appropriations were being curtailed, enrollment continued to increase. Fiscal year 1990-91 saw an increase in enrollment of 1,500 FTEs (full time equivalent). Services continued to be offered to students and to the University community with no major interruptions.

Assets, Liabilities and Fund Balances

At June 30, 1991 the assets of the University totaled \$289,860,000. Land and buildings accounted for

\$140,610,000, or 48.5% of total assets. Construction continues to increase on the campuses of the University. During the fiscal year 1990-91, a Physical Sciences building was completed at a cost of \$16 million, and extensive remodeling and additions to the University House were also completed at a cost of \$10 million. Construction started on a building for the School of Business with an estimated cost of \$7 million. These construction projects were funded with PECO (Public Education Capital Outlay) funds generated through the gross receipts tax on utilities and through Capital Improvement Funds collected from students.

Idle cash not needed for short term operations was invested through the State Treasury. At June 30, 1991 investments totaled \$11,685,000. Interest earned on investments during the fiscal year amounted to \$911,864. \$238,317 of this amount was earned on the investment of local funds and was transferred to the University Scholarship Fund.

Student activities were supported primarily by an activity and service fee of \$3.80 per student credit hour. During the year revenues generated from the fee totaled \$1,854,502.

These funds were administered by the Student Government Association and expended for the benefit of the student body in general as required by State law.

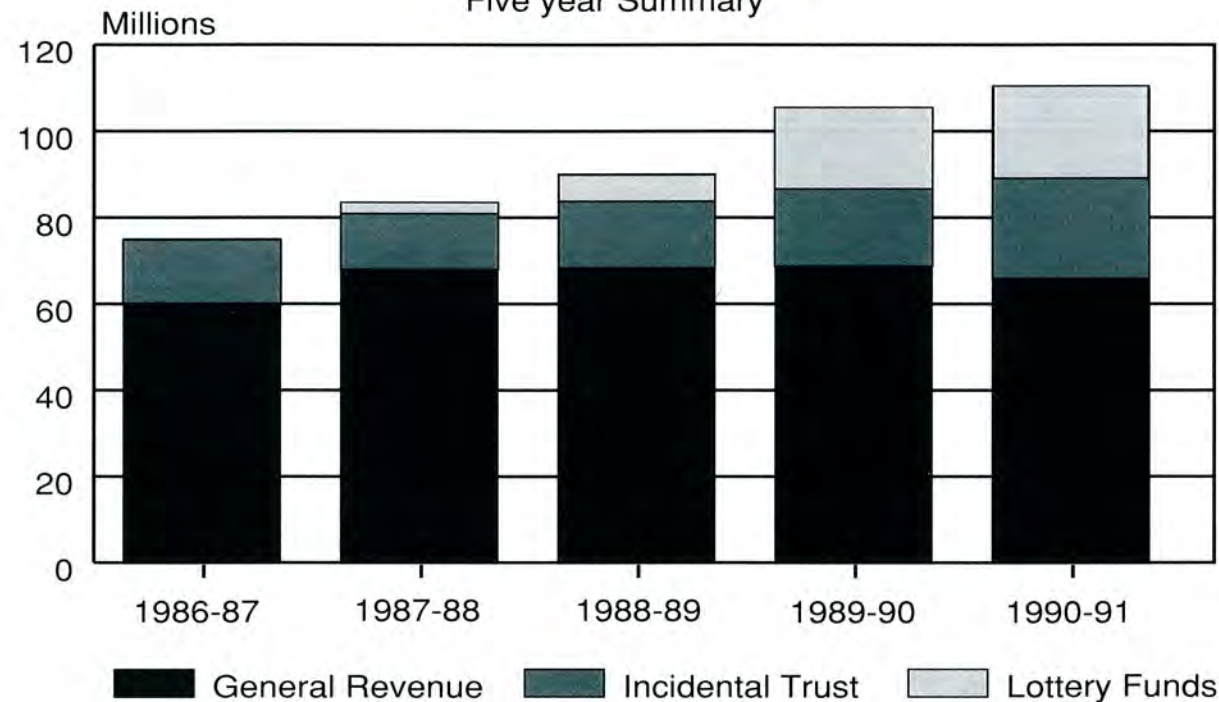
State Appropriations per student FTE

	1988-89	1989-90	1990-91
State Appropriations*	\$88,535	\$101,347	\$106,751
Student FTE-Total All Terms	28,795	32,942	37,399
State Appropriations Per Student FTE	\$3,075	\$3,077	\$2,854

*Thousands

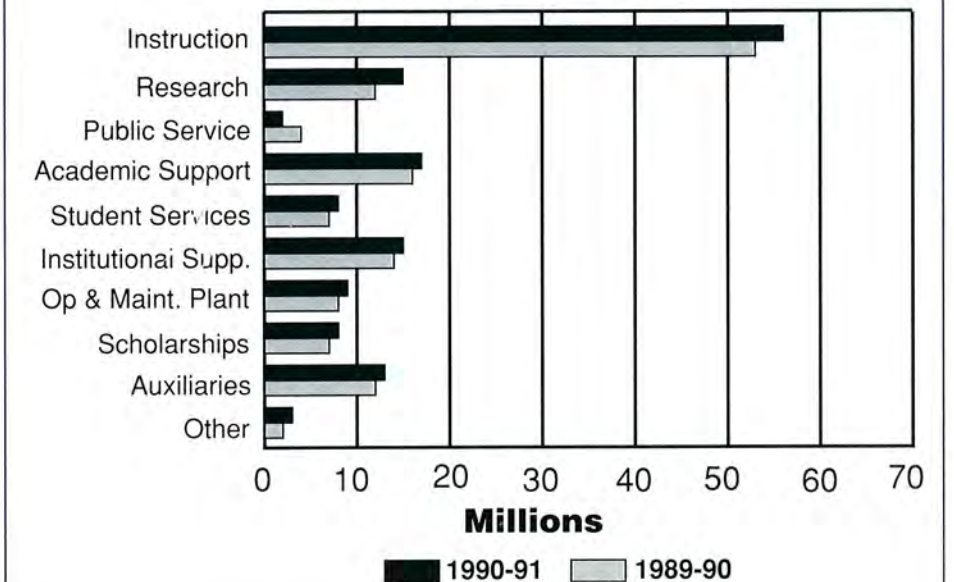
Revenue Analysis

Five year Summary



Current Funds Expenditures

By Category of Expenditure



The major sources of funding are generated from State appropriations, contracts and grants, and auxiliary operations. Revenues totaling \$106 million were received from State appropriations to fund current operations. Auxiliary enterprises continue to operate at a profit. Revenues generated from these activities during the year totaled \$13,147,000. The major auxiliaries operated by the University consist of Student Housing, Central Stores, Duplicating, Continuing Education, Health Clinic and the Southeast Regional Data Center (SER-DAC).

BALANCE SHEETS

June 30, 1991 with Comparative Totals

	CURRENT FUNDS		Loan Fund	Endowment Fund	PLANT FUNDS		Agency Fund	Totals 1991	Totals 1990
	Unrestricted	Restricted			Unexpended	Investment in Plant			
ASSETS									
Cash	\$3,377,380	\$(796,443)	\$188,010				\$1,070,576	\$3,839,523	\$6,174,784
Investments	8,501,891	2,867,455	265,526	\$50,277				11,685,149	9,304,513
Net Receivables	904,232	2,978,250	2,878,414	\$263	\$21,133,532		1,591,332	29,486,023	22,266,711
Inventories	358,688							358,688	263,879
Due from other Funds	1,532,959	150,000						1,682,959	642,853
Due from other State Agencies	5,399,382				10,135,042			15,534,424	9,868,751
Amount to be Provided	8,528,170							8,528,170	7,280,678
Prepaid Expenses	168,382				19,000	40,682		228,064	195,804
Land & Land Improvements						20,587,374		20,587,374	19,067,150
Buildings						125,143,254		125,143,254	93,501,693
Equipment						32,872,808		32,872,808	30,460,911
Library Books						24,634,351		24,634,351	22,287,030
Leased Property Under Capital Lease						10,606,554		10,606,554	16,100,560
Construction-in-Progress						4,070,323		4,070,323	18,717,152
Total Assets	\$28,771,084	\$5,199,262	\$3,331,950	\$50,540	\$31,287,574	\$217,955,346	\$2,661,908	\$289,257,664	\$256,132,469
LIABILITIES									
Account Payable and Accrued Expenses	\$3,073,807	\$492,166			\$439,173		\$45,912	\$4,051,058	\$5,244,138
Due to Other Funds	175,000			\$540			1,507,418	1,682,958	642,853
Due to Other State Agencies	100,000						83,914	183,914	154,263
Compensated Absences Payable	8,528,170							8,528,170	7,280,678
Funds Held in Trust and Deposits	212,900						1,024,664	1,237,564	1,319,991
Long Term Debt					5,121,404	28,365,016		33,486,420	26,721,258
Total Liabilities	\$12,089,877	\$492,166	\$0	\$540	\$5,560,577	\$28,365,016	\$2,661,908	\$49,170,084	\$41,363,181
FUND BALANCE									
Unrestricted	\$7,840,752							\$7,840,752	\$6,630,382
Restricted	7,393,183	\$3,977,467	\$778,005	\$50,000	\$20,215,905			32,414,560	21,522,059
Reserve for Encumbrances	1,447,272	729,629			5,511,092			7,687,993	10,577,039
Refundable Government Grants			2,553,945					2,553,945	2,582,933
Investment in Plant						189,590,330		189,590,330	173,456,875
Total Fund Balance	\$16,681,207	\$4,707,096	\$3,331,950	\$50,000	\$25,726,997	\$189,590,330	\$0	\$240,087,580	\$214,769,288
Total Liabilities and Fund Balance	\$28,771,084	\$5,199,262	\$3,331,950	\$50,540	\$31,287,574	\$217,955,346	\$2,661,908	\$289,257,664	\$256,132,469

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

STATEMENT OF CHANGES IN FUND BALANCES

For Year Ended June 30, 1991 with Comparative Totals for 1990.

	CURRENT FUNDS				PLANT FUNDS			Totals 1991	Totals 1990
	Unrestricted	Restricted	Loan Fund	Endowment Fund	Unexpended	Investment in Plant	Retirement of Indebtedness		
REVENUES AND OTHER ADDITIONS									
Educational and General	\$115,909,370							\$115,909,370	\$108,464,557
Auxiliary Enterprises	13,147,359							13,147,359	12,218,030
Gifts, Grants and Contracts:									
Governmental		13,234,700						13,234,700	12,683,165
Private		2,963,209			\$270,000			3,233,209	2,098,872
Investment Earnings		282,376	\$15,030	\$4,583				301,989	281,989
Interest on Loans Receivable			71,017					71,017	89,165
Restricted State Appropriations					15,923,004			15,923,004	12,001,318
Acquisition of Plant Facilities						\$33,358,023		33,358,023	31,353,831
Retirement of Indebtedness						388,843		388,843	351,166
Other Additions			\$212,515					212,515	
TOTAL	\$129,056,729	\$16,480,285	\$298,562	\$4,583	\$16,193,004	\$33,746,866	\$0	\$195,780,029	179,542,093
EXPENDITURES AND OTHER DEDUCTIONS									
Educational and General	\$112,967,254	\$15,435,693						\$128,402,947	121,973,811
Auxiliary Enterprises	12,789,827							12,789,827	11,697,386
Refunded to Grantors		105,754						105,754	223,127
Indirect Cost Recovered									
Loan Cancellations and Write-Offs			\$22,486					22,486	587,552
Administrative and Collection Costs			\$83,940					83,940	80,775
Expended for Plant Facilities					\$10,948,616			10,948,616	19,488,365
Retirement of Indebtedness									
Interest on Indebtedness									
Disposal of Plant Facilities						1,472,190		1,472,190	2,220,144
Other Expenditures & Deductions	493,997				760	15,604,780		16,099,537	85,178
TOTAL	\$126,251,078	\$15,541,447	\$106,426	\$0	\$10,949,376	\$17,076,970	\$0	\$169,925,297	\$156,356,338
TRANSFERS-ADDITIONS (DEDUCTIONS)									
Non-mandatory	\$(305,301)	\$(67,218)	\$125,000	\$(4,583)	\$252,102	\$(536,440)	\$536,440		
Net Increase (decrease)	2,500,350	871,620	317,136		5,495,730	16,133,456	536,440	\$25,854,732	\$23,185,755
Fund Balance at Beginning of Year	14,180,855	3,835,477	3,014,814	50,000	20,231,267	173,456,875		214,769,288	197,050,734
Prior Period Adjustments									(5,467,202)
Fund Balance at End of Year	\$16,681,205	\$4,707,097	\$3,331,950	\$50,000	\$25,726,997	\$189,590,331	536,440	\$240,624,020	\$214,769,287

STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND OTHER CHANGES

For the Fiscal Year Ended June 30, 1991 with Comparative Totals for 1990

	Current Funds		Total	Prior Year Total
	Unrestricted	Restricted		
REVENUES:				
Educational and General:				
Student Tuition & Fees	\$25,818,720		\$25,818,720	\$20,068,864
Governmental Appropriations - State	86,977,702		86,977,702	85,535,291
Grants, Contracts & Gifts - Govt.	11,505	\$12,611,925	12,623,430	11,981,260
Grants, Contracts & Gifts - Private		2,557,759	2,557,759	1,713,901
Other Sources:				
Investment Income	140,225		140,225	135,232
Allocation from Future Appropriation				
Compensated Absences	1,247,492		1,247,492	968,769
Other	824,255	266,010	1,090,265	762,193
Resources Received from the Board of Regents	889,471		889,471	983,087
Total Educational & General Revenues	\$115,909,370	\$15,435,694	131,345,064	122,148,597
Auxiliary Enterprises:				
Sales & Services - Operations	\$8,683,201		\$8,683,201	\$8,668,807
Student Fees	3,970,856		3,970,856	3,130,202
Investment Income	493,302		493,302	419,021
Total Auxiliary Income	\$13,147,359	\$0	\$13,147,359	\$12,218,030
Total Current Revenues	\$129,056,729	\$15,435,694	\$144,492,423	\$134,366,627
EXPENDITURES:				
Educational & General:				
Instruction	\$52,907,176	\$2,503,961	\$55,411,137	\$53,258,006
Research	8,424,736	6,022,141	14,446,877	11,870,662
Public Service	638,301	976,770	1,615,071	3,200,280
Academic Support	16,246,993	48,608	16,295,601	15,833,528
Student Services	6,695,443	361,287	7,056,730	6,749,200
Institutional Support	14,249,722	18,121	14,267,843	14,109,863
Operation & Maintenance of Plant	9,494,307		9,494,307	9,463,237
Scholarships & Fellowships	1,935,450	5,504,806	7,440,256	5,805,054
Resources Remitted to Board of Regents	2,375,126		2,375,126	1,683,981
Total Educational & General	\$112,967,254	\$15,435,694	128,402,948	121,973,811
Auxiliary Enterprises:				
Expenditures	\$12,789,826		\$12,789,826	\$11,697,386
Total Auxiliary Enterprises	\$12,789,826	\$0	\$12,789,826	\$11,697,386
Total Expenditures	\$125,757,080	\$15,435,694	\$141,192,774	\$133,671,197
Other Transfers & Additions: (Deductions)				
Excess of Restricted Receipts Over				
Transfers to Revenue		\$1,044,591	\$1,044,591	\$1,046,956
Refunded to Grantors		(105,754)	(105,754)	(223,127)
Interfund Transfers	(305,301)	(67,218)	(372,519)	(45,043)
Reversions - State Appropriations	(493,997)		(493,997)	
Total Other Transfers & Additions	(799,298)	871,619	72,321	778,786
Net Increase in Fund Balance	\$2,500,351	\$871,619	\$3,371,970	1,474,216

NOTES TO THE FINANCIAL STATEMENTS

June 30, 1991

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.

Although one of the primary obligations of reporting is to account for resources received and used, there are several instances where University resources are accounted for and reported by other entities. For example:

Plant Fund activity within the SUS General Revenue Fund is accounted for and reported by the Board of Regents. When the construction projects within this fund become substantially complete then they are included in the University's Investment in Plant Fund.

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. (Foundation) 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. Notes receivable from students are reported in the Loan Fund at net value. 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.

The Statement of Current Fund 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

NOTES TO THE FINANCIAL STATEMENTS

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.

NOTES TO THE FINANCIAL STATEMENTS

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. 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. Accordingly, the University records an asset, "Amount to be Provided from Future Appropriations" equal to the amount of the accrued liability for employee vacation and sick leave which is payable in future years.

2. INVESTMENTS

Investments were made through the State Treasury and the State Board of Administration in accordance with the provisions of Sections 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.

3. INVENTORIES

Inventories are recorded by the following method(s):

Inventory	Method
Central Stores	Last Invoice Price
Duplicating Center	Last Invoice Price

4. RETIREMENT PLANS

Employees of the University participate in retirement plans of the State administered by the Department of Administration, Division of Retirement. The retirement plans of the State of Florida consist of contributory and noncontributory benefit plans. The plans provide for retirement, death, and disability benefits and require contributions by employee and/or participating agencies at stated percentages of compensation set by law as determined from time to time by the State Legislature. The plans' accounting and funding policies, actuarial present value of accumulated plan benefits, net assets available for benefits, and other plan-related matters are the responsibility of the Department of Administration, Division of Retirement, and are not computed on an individual agency basis.

NOTES TO THE FINANCIAL STATEMENTS

5. STUDENT FEES AND OTHER COLLECTIONS

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 and amounts of the actual collections and the budgeted requirement are as follows:

	Actual Collections	Budgeted Requirements	Excess (Deficit)
Student Tuition and Fees:			
Matriculation	\$15,140,398.54	\$13,237,972.00	\$1,902,426.54
Out-of-State	5,698,330.68	5,152,003.00	546,327.68
Application	271,266.75	215,802.00	55,464.75
Late Registration	151,770.50	127,424.00	24,346.50
Total Student Tuition and Fees	\$21,261,766.47	\$18,733,201.00	\$2,528,565.47
Research Overhead	\$23,043.00	\$23,043.00	\$0.00
Other Revenues:			
Library Fines	\$48,251.12	\$25,895.00	\$22,356.12
Miscellaneous	5,673.21	3,219.00	\$2,454.21
Total Other Revenues	\$53,924.33	\$29,114.00	\$24,810.33
Redistribution of PY Excess	\$889,471.00	\$889,471.00	\$0.00
Pro-Rate to Appropriations	\$0.00	\$178,250.00	\$178,250.00
Totals	\$22,228,204.80	\$19,853,079.00	\$2,375,125.80

In accordance with generally accepted accounting principles, students 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	\$224,349
Out-of-State Fees	\$644,539
Total Fees Waived	\$868,888

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

Athletic Fee	\$2,529,501
Activity & Service Fee	1,854,502
Student Financial Aid Fee	1,029,585
Health Fee	1,433,518
Total	\$6,847,106

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	AR Adj	Balance Due
Capital Improvement	\$27,819.63	\$1,190,769.62	\$1,190,769.62	\$15,244.06	\$43,063.69
Building Fee	\$26,443.46	\$1,131,640.79	\$1,131,640.79	\$14,407.10	\$40,850.56
Total	\$54,263.09	\$2,322,410.41	\$2,322,410.41	\$29,651.16	\$83,914.25

6. 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.

7. 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.

8. ALLOWANCE FOR DOUBTFUL RECEIVABLES

The amount of allowance for doubtful accounts and notes receivable at 6-30-91 is estimated to be \$1,472,449.47. 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 items:

Fund Group	
Current Funds	\$162,043.57
Perkins & Nursing	366,967.56
University Loans	140,621.94
Agency Funds	802,816.40
TOTAL	\$1,472,449.47

9. LONG-TERM DEBT

The University's long-term indebtedness is reported in the Investment in Plant Fund and Unexpended Plant Fund. During 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 will be payable semiannually on April 1 and October 1 of each year, commencing October 1, 1991. 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 which include the net operating income of the dormitories at the North Miami Campus and net available income derived from certain auxiliary operations.

The following is a summary of long term indebtedness outstanding as of June 30, 1991:

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

ORIG. BOND ISSUE	AMOUNT OF ISSUE	TOTAL RETIRED	AMOUNT OUTSTANDING	RATE OF INT.	DATE OF MAT.
			PRINCIPAL	DISCOUNT	INTEREST
1982	\$4,455,600.00	\$4,154,632.62	\$ 295,139.81	\$ 5,827.57	\$ 34,310.28
1986	5,861,010.00	473,693.78	5,307,977.73	79,338.49	3,157,650.81
1987	4,448,147.36	12,242.23	4,398,561.41	37,343.72	6,025,076.52
1991	5,267,537.40	0.00	5,121,404.18	146,133.22	6,493,641.52
1991	8,025,000.00	0.00	8,025,000.00	0.00	9,450,111.67
Total	\$28,057,294.76	\$4,640,568.63	\$23,148,083.13	\$268,643.00	\$25,160,790.80

NOTES TO THE FINANCIAL STATEMENTS

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

Investment in Plant Fund:

Year Ending	Principal	Interest	Total
1992	\$ 412,527.67	\$ 1,441,819.57	\$ 1,854,347.24
1993	574,704.22	1,304,981.22	1,879,685.44
1994	623,377.92	1,267,512.68	1,890,890.60
1995	655,554.45	1,225,361.16	1,880,915.61
1996	721,900.46	1,179,899.35	1,901,799.81
Later Years	\$15,394,592.70	\$12,247,575.30	\$27,642,168.00
Subtotal	\$18,382,657.42	\$18,667,149.28	\$37,049,806.70
Less: Bond Discount	\$ -122,509.78		\$ -122,509.78
Cash held by SBA	-233,468.69		-233,468.69
Total Invested in Plant Fund	\$18,026,678.95	\$18,667,149.28	\$36,693,828.23

Unexpended Plant Fund:

Year Ending	Principal	Interest	Total
1992	\$ 195,488.78	\$ 379,363.29	\$ 574,852.07
1993	213,019.02	368,024.94	581,043.96
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
Later Years	\$ 4,219,441.32	\$ 4,720,376.10	\$ 8,939,817.42
Subtotal	\$ 5,267,537.40	\$ 6,493,641.52	\$11,761,178.92
Less: Unamortized Bond Discount	\$ -146,133.22		\$ -146,133.22
Total Unexpended in Plant Fund	\$ 5,121,404.18	\$ 6,493,641.52	\$11,615,045.70

TOTAL ALL IN PLANT FUNDS **\$23,148,083.13** **\$25,160,790.80** **\$48,308,873.93**

B. Consolidated Equipment Financing Program

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. During the fiscal year 1990-91, the University liquidated its commitments under the Consolidated Equipment Financing Program.

C. Capital Leases

The University has a number of capital leases providing for the acquisition of buildings, machinery and equipment.

The following is a schedule of future minimum payments remaining under the contracts at fiscal year end:

Year Ending June 30	Capital Leases
1992	\$ 1,218,329.32
1993	1,168,416.60
1994	1,134,550.00
1995	1,090,000.00
1996	1,127,500.00
Later Years	\$30,045,285.00
Total minimum lease payments	\$35,784,080.92
Less: interest	25,445,744.03
Total present value	\$10,338,336.89

NOTES TO THE FINANCIAL STATEMENTS

The University entered into a lease agreement in 1983 with a private company to provide student housing at the North Miami Campus. During the fiscal year 1990-91 the University exercised its option to purchase the dormitories from the lease holder. As discussed in greater detail in section A of this note, the University used proceeds from a 1991 bond issue to liquidate its obligation under the lease agreement.

In addition to the lease agreement discussed above, 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 complex during a period of 72 months from the construction commencement date.

The "base rent" pertaining to the capital lease for student housing at the University Park Campus 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.

The Installment Purchase Leases for the various equipment contains 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) renew the lease for a specified period of time. These options enable the University to retain use of the facilities in desirable areas with a minimal capital outlay.

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

10. OPERATING LEASES

The University has long-term commitments for assets leased under operating leases. These assets are not recorded on the balance sheet, and operating lease payments are recorded as expenditures or expenses of the related funds when paid or incurred. Future minimum lease commitments for noncancelable operating leases as of June 30, 1991 were as follow:

Fiscal Year Ending June	Land and Buildings
1992	\$135,000.00
1993	90,000.00
TOTAL	\$225,000.00

11. 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 NUMBER	PROJECT NAME	TOTAL EST. COST AT YEAR END	AMOUNT EXPENDED AT YEAR END	AMOUNT UNSPENT AT YEAR END
BR 875	Off Bldg & IFS/Buss.	\$ 6,788,000.00	\$ 2,972,378.24	\$ 3,815,621.76
BR 880	Student Health Serv.	1,369,634.00	60,627.72	1,309,006.28
BR 881	Library Addition	10,200,000.00	279,833.73	9,920,166.27
BR 887	Art Complex Phase I	2,820,000.00	0.00	2,820,000.00
BR 888	Joint Center-ELI Bldg.	2,100,000.00	0.00	2,100,000.00
BR 892	U.P. Fitness Center	1,370,000.00	0.00	1,370,000.00
BR 894	Multipurpose Stadium C.	1,503,000.00	0.00	1,503,000.00
BR 884	Student Ctr Additions	2,126,000.00	0.00	2,126,000.00
TOTAL		\$28,276,634.00	\$ 3,312,839.69	\$24,963,794.31

NOTES TO THE FINANCIAL STATEMENTS

12. DIRECT SUPPORT ORGANIZATIONS

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

Fiscal Year Ending	Assets	Liabilities	Revenues	Expenditures
12-31-90	\$8,572,698.00	\$592,500.00	\$2,226,306.00	\$1,791,603.00

13. 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.

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