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

Dear President Maidique:

I am pleased to submit the Annual Financial Report of Florida International University for the fiscal year ended June 30, 1999. The financial statements presented in this report have been prepared in accordance with generally accepted accounting principles as published by the National Association of College and University Business Officers under the title of “College and University Business Administration.”

The financial statements were audited by the State Auditor General and submitted to the Board of Regents for consolidation with the financial statements of other universities in the State University System. The consolidated financial statements will be presented in the statewide General Purpose Financial Statements issued by the State Comptroller’s Office. The statewide statements will be the subject of an opinion by the State Auditor General.

Sincerely,

[Signature]

Paul D. Gallagher
Senior Vice President for the Division of Business and Finance
UNIVERSITY HISTORY

Established by the Florida legislature in 1965, Florida International University opened its doors to 5,667 students in the Fall of 1972. Originally established as an upper-division institution, the University operated one campus in western Miami-Dade County. In 1981, the University added lower division classes for freshmen and sophomores. Today, FIU has grown to a population of more than 31,000 students, maintaining two major campus in Miami-Dade county and two academic centers in Broward County. With over 1,300 faculty, 80,000 alumni and 175 baccalaureats, master’s and doctoral degree programs, FIU has become the largest public university in South Florida.

ACADEMIC EXCELLENCE

FIU is one of America's most dynamic and fastest growing universities. Since opening its doors in 1972, FIU has achieved many benchmarks of excellence that have taken other universities more than a century to reach. The University has a nationally renowned full-time faculty, known for their outstanding teaching and cutting-edge research; students from throughout the U.S. and 110 foreign countries; and its alumni have risen to prominence in every field and are a testament to the University's academic excellence.

For the past four years, FIU was ranked among the top 100 public national universities in the U.S. News & World Report annual guide to “America’s Best Colleges.” FIU was the youngest institution in the group.

Degree programs at the doctoral level received Level IV accreditation from the Southern Association of Colleges and Schools (SACS) in 1986. In 1994, The Carnegie Foundation for the Advancement of Teaching reclassified FIU as a Doctoral I University.

Some of the college's and school's academic achievements are outlined in the following pages of this annual financial report.

SCHOOL OF ARCHITECTURE

The School of Architecture was established in 1997. The School recently received accreditation for its graduate and undergraduate programs and has participated in various architectural competitions in the community.

COLLEGE OF ARTS AND SCIENCES

With the largest student enrollment, the College of Arts and Sciences has 31 degree programs at the undergraduate and graduate levels, including eight new doctoral programs established in the last seven years. The Child Phobia and Anxiety Program received national recognition for its work studying and treating children with those disorders. Through its Quality Improvement Program, the Department of Biological Sciences has developed a unique strength in tropical biology. The Physics Department provides state-of-the-art laboratory facilities for the study of medium energy nuclear physics. The College's faculty has received national and international recognition on numerous occasions, including prestigious honors such as the Kingsley Tufts Poetry Award and Guggenheim Foundation awards. Its students have also won numerous national scholarships and fellowships, including the Goldwater, Mellon, National Science Foundation Graduate Fellowships, National Hispanic Scholarships, BMI Composer award, and the Ford Foundation Baccalaureate Incentive Award.

COLLEGE OF BUSINESS ADMINISTRATION

Accomplishments of the College are numerous. The 1999 National CPA Examination Report noted that FIU graduates of the College of Business Administration ranked first in the nation in passing the CPA exam on the first sitting and have consistently ranked in the top five during the past five years. The College was ranked as the nation's number one business school for Hispanics by the Hispanic Business Magazine. Its Information Systems program is ranked among the top 10 in the country, based on faculty research productivity and quality. The College is one of the few select business schools in the SAP University Alliance and the Management Education Alliance.

COLLEGE OF EDUCATION

The College of Education received national accreditation in the Fall 1996 from the National Council for Accreditation of Teacher Education (NCATE) and is ranked among the top 10 percent of all accredited colleges of education in the country. A Center for Urban Education and Innovation was developed to support urban education programs. Through its Center for International and Intercultural Development Education, the College provides a unique program with concentration at the doctoral and master's levels in major professional leadership and research areas. The College has an active contracts and grants program with an annual budget of approximately $3.6 million.
College of Engineering

The College of Engineering has developed a strong research program, providing faculty and students with unique opportunities to expand their search for knowledge. The Hemispheric Center for Environmental Technology (HCET) has become an international leader in the evaluation and demonstration of new technology for decontaminating and decommissioning nuclear facilities. The Center is equipped with state-of-the-art facilities for conducting research. The College's students traditionally rank high on the many competitions sponsored by state and national associations and organizations.

College of Health Sciences

Health related careers are expected to increase 30 percent and account for 3.1 million new jobs by the year 2006. The College of Health Sciences provides an excellent training ground for these health care professionals of the next century. The College ranks second in the nation in conferring baccalaureate and master's degrees in health professions to Hispanic students, reflecting a strategic aim of the Pew Health Professions Commission. Departments in the College have been very active securing grants for disadvantaged students. The College's Department of Public Health is conducting extensive research on HIV/AIDS.

School of Hospitality Management

Nationally and internationally recognized as one of the nation's top-ranked schools of hospitality management, the School offers a bachelor's degree in Hospitality Management, a master's degree in Hotel and Foodservice Management, and specialized Certificate Programs in Hotel/Lodging Management, Restaurant/ Foodservice Management and Travel/Tourism Management. The School's Southern Wine & Spirit Beverage Management Center is the most unique facility of its kind in the world for the study of beverages. The state-of-the-art facility includes a 76-seat classroom, a tasting laboratory with sinks, air filters and special lighting, and a temperature-controlled wine cellar.

School of Journalism and Mass Communication

The School was accredited as a professional program in record time in 1991 and fully re-accredited in 1997. Its students have achieved many successes: one student won the collegiate equivalent of the Pulitzer Prize when one of her feature articles placed first nationally in the William Randolph Hearst Foundation award, two of its alumni, currently reporters for The Miami Herald, won Pulitzer Prizes, and two students received the American Advertising Federation's Top 25 Most Promising Minority Students awards, one in 1997 and one in 1999.

College of Urban and Public Affairs (CUPA)

The College extensive research in the fields of substance abuse, individual coping skills development and social problems has created teaching and research opportunities for the benefit of students, faculty and the community at large. Multimillion dollar grants have been awarded to the College to expand its research efforts. The college has been joined by faculty with exemplary research and academic records.
FINANCIAL HIGHLIGHTS

Current Funds Revenues

The University's primary funding source is derived from general revenues appropriated by the state legislature through the Board of Regents. Revenues from this source totaled $206 million during fiscal year 1998-99, representing 67 percent of total current funds revenues. Other sources of current funds revenues came from auxiliary operations, contracts and grants and student fees. The following chart shows the proportion of funding received from each source.

Current Funds Expenditures

Current funds expenditures for fiscal year 1998-99 totaled $362.2 million. Expenditures of $90.5 million for salaries and benefits comprised 34.5 percent of total expenditures. Expenditures relating to auxiliary operations and grant activities totaled $21.8 and $39.5 million respectively. The following chart displays current funds expenditures by category of expenditure.

Capital Assets

Capital assets at the end of the fiscal year totaled $467 million, representing 74 percent of total assets. During the fiscal year a new Campus Support Complex was substantially completed at a cost of $99.5 million. A new student housing facility is currently under construction and expected to be completed by the end of next fiscal year.

Long Term Liabilities

Long term debt $78.6 million consists of bonds and revenue certificates issued for the construction of buildings on campus. These bonds are secured by the pledge of housing rental revenues, traffic and parking fees and various student fee assessments. Debt service payments over the life of the bonds are summarized on note 4 to the financial statements.

FALL 1998 HEADCOUNT BY COLLEGE/SCHOOL/OTHER UNITS

<table>
<thead>
<tr>
<th>College/School/Other Unit</th>
<th>Lower Division</th>
<th>Upper Division</th>
<th>Beginning Graduates</th>
<th>Advanced Graduate</th>
<th>Special Undergrad</th>
<th>Special Graduate</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architecture</td>
<td>96</td>
<td>135</td>
<td>36</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>275</td>
</tr>
<tr>
<td>Arts &amp; Sciences</td>
<td>1,071</td>
<td>2,996</td>
<td>475</td>
<td>269</td>
<td>32</td>
<td>12</td>
<td>4,855</td>
</tr>
<tr>
<td>Business Administration</td>
<td>701</td>
<td>2,880</td>
<td>782</td>
<td>20</td>
<td>16</td>
<td>23</td>
<td>4,422</td>
</tr>
<tr>
<td>Education</td>
<td>14</td>
<td>924</td>
<td>774</td>
<td>294</td>
<td>4</td>
<td>26</td>
<td>2,036</td>
</tr>
<tr>
<td>Engineering</td>
<td>254</td>
<td>778</td>
<td>291</td>
<td>30</td>
<td>3</td>
<td>9</td>
<td>1,365</td>
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<tr>
<td>Health Sciences</td>
<td>318</td>
<td>906</td>
<td>380</td>
<td>14</td>
<td>7</td>
<td>6</td>
<td>1,531</td>
</tr>
<tr>
<td>Hospitality Management</td>
<td>341</td>
<td>327</td>
<td>143</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>816</td>
</tr>
<tr>
<td>Journalism &amp; Mass Comm.</td>
<td>309</td>
<td>399</td>
<td>48</td>
<td>0</td>
<td>5</td>
<td>3</td>
<td>764</td>
</tr>
<tr>
<td>Urban &amp; Public Affairs</td>
<td>422</td>
<td>651</td>
<td>527</td>
<td>38</td>
<td>6</td>
<td>21</td>
<td>1,565</td>
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<tr>
<td>Advising Center</td>
<td>5,524</td>
<td>64</td>
<td>0</td>
<td>0</td>
<td>24</td>
<td>0</td>
<td>5,912</td>
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<tr>
<td>Affiliated</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>209</td>
<td>256</td>
<td>465</td>
</tr>
<tr>
<td>Certificate Programs</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>39</td>
<td>87</td>
<td>127</td>
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<tr>
<td>National Student Exchange</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>27</td>
<td>0</td>
<td>27</td>
</tr>
<tr>
<td>Special Students</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2,057</td>
<td>1,787</td>
<td>3,844</td>
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<tr>
<td>University College</td>
<td>2,062</td>
<td>628</td>
<td>0</td>
<td>0</td>
<td>7</td>
<td>0</td>
<td>2,697</td>
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<tr>
<td>Total</td>
<td>11,182</td>
<td>18,689</td>
<td>3,466</td>
<td>665</td>
<td>2,436</td>
<td>2,233</td>
<td>30,563</td>
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</table>

FALL 1998 FTE

<table>
<thead>
<tr>
<th>College/School</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architecture</td>
<td>221</td>
</tr>
<tr>
<td>Arts &amp; Sciences</td>
<td>9067</td>
</tr>
<tr>
<td>Business Administration</td>
<td>2977</td>
</tr>
<tr>
<td>Education</td>
<td>1949</td>
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<tr>
<td>Engineering</td>
<td>797</td>
</tr>
<tr>
<td>Health Sciences</td>
<td>1068</td>
</tr>
<tr>
<td>Hospitality Management</td>
<td>644</td>
</tr>
<tr>
<td>Journalism &amp; Mass Comm.</td>
<td>285</td>
</tr>
<tr>
<td>Urban &amp; Public Affairs</td>
<td>1171</td>
</tr>
<tr>
<td>Other</td>
<td>20</td>
</tr>
<tr>
<td>By College/School</td>
<td>Total FTE = 18,199</td>
</tr>
</tbody>
</table>

"1998-1999 ANNUAL FINANCIAL REPORT"
**BALANCE SHEET**

As of June 30, 1999 with Comparative Balances

<table>
<thead>
<tr>
<th>Current Funds</th>
<th>Loan Fund</th>
<th>Plant Funds</th>
<th>University Totals</th>
<th>Direct Support Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>Restricted</td>
<td>Unexpended</td>
<td>Renewal &amp; Replacement</td>
<td>Retirement of Indebtedness</td>
</tr>
<tr>
<td>Cash</td>
<td>$ 1,213,336</td>
<td>$ 166,371</td>
<td>$ 97,983</td>
<td>$14,498</td>
</tr>
<tr>
<td>Investments</td>
<td>38,051,915</td>
<td>10,881,008</td>
<td>985,026</td>
<td>24,367,306</td>
</tr>
<tr>
<td>Net Receivables</td>
<td>3,204,701</td>
<td>5,119,872</td>
<td>2,751,661</td>
<td>61,920</td>
</tr>
<tr>
<td>Inventories</td>
<td>799,495</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due From Other Funds</td>
<td>19,098,755</td>
<td>450,000</td>
<td>86,698</td>
<td>26,197,507</td>
</tr>
<tr>
<td>Due From Other State Agencies</td>
<td>1,362,439</td>
<td></td>
<td></td>
<td>18,708,189</td>
</tr>
<tr>
<td>Deferred Charges</td>
<td>2,711,369</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>282,304,792</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>98,344,344</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Library Books</td>
<td>49,115,273</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Fixed Assets</td>
<td>1,090,160</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Assets</td>
<td>$ 63,730,641</td>
<td>$ 16,617,251</td>
<td>$ 3,921,368</td>
<td>$72,044,282</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$ 705,145</td>
<td>$253,609</td>
<td>$ 1,390,049</td>
<td></td>
</tr>
<tr>
<td>Accrued Liabilities</td>
<td>2,035,709</td>
<td>196,662</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to Other Funds</td>
<td>75,000</td>
<td>8,292,742</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to Other State Agencies</td>
<td></td>
<td>589,819</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensated Absence Liability</td>
<td>15,458,111</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long Term Debt</td>
<td>34,391,583</td>
<td></td>
<td></td>
<td>44,277,979</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$ 18,383,965</td>
<td>$ 4,282,313</td>
<td>$ -</td>
<td>$38,371,451</td>
</tr>
<tr>
<td><strong>FUND BALANCE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Future Amount to be Financed</td>
<td>($15,488,111)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserve for Encumbrances</td>
<td>13,276,434</td>
<td>8,139,955</td>
<td>28,688,286</td>
<td></td>
</tr>
<tr>
<td>Unallocated Fund Balance</td>
<td>21,024,515</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allocated Fund Balance</td>
<td>26,613,838</td>
<td>6,194,863</td>
<td>796,394</td>
<td>6,984,545</td>
</tr>
<tr>
<td>Refundable Government Grants</td>
<td>3,125,974</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in Plant</td>
<td>423,030,560</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Component Unit Fund Balance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Fund Balance</td>
<td>$ 45,426,676</td>
<td>$12,334,938</td>
<td>$3,921,368</td>
<td>$35,672,831</td>
</tr>
<tr>
<td>Total Liabilities and Fund Balance</td>
<td>$ 63,730,641</td>
<td>$16,617,251</td>
<td>$3,921,368</td>
<td>$72,044,282</td>
</tr>
</tbody>
</table>

See accompanying summary of significant accounting policies and notes to the financial statements.
**STATEMENT OF CHANGES IN FUND BALANCE**

For Year Ended June 30, 1999 with Comparative Totals

<table>
<thead>
<tr>
<th>Current Funds</th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>Loan Fund</th>
<th>Plant Funds</th>
<th>University Totals</th>
<th>Direct Support Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unrestricted Current Fund Revenues</strong></td>
<td>$212,817,573</td>
<td></td>
<td></td>
<td></td>
<td>$212,817,573</td>
<td>$194,820,551</td>
</tr>
<tr>
<td>Auxiliary Enterprises Revenues</td>
<td>34,626,202</td>
<td></td>
<td></td>
<td></td>
<td>34,626,202</td>
<td>33,225,076</td>
</tr>
<tr>
<td>State Appropriations - Restricted</td>
<td></td>
<td>19,706,424</td>
<td></td>
<td></td>
<td>19,706,424</td>
<td>13,509,828</td>
</tr>
<tr>
<td>Governmental Grants &amp; Contracts - Restricted</td>
<td>8,863,079</td>
<td></td>
<td></td>
<td></td>
<td>8,863,079</td>
<td>6,713,669</td>
</tr>
<tr>
<td>Private Gifts, Grants &amp; Contracts - Restricted</td>
<td>14,884,130</td>
<td></td>
<td></td>
<td></td>
<td>14,884,130</td>
<td>7,684,493</td>
</tr>
<tr>
<td>Federal Grants &amp; Contracts - Restricted</td>
<td>35,675,804</td>
<td></td>
<td></td>
<td></td>
<td>35,675,804</td>
<td>33,386,833</td>
</tr>
<tr>
<td>Investment Income - Restricted</td>
<td>132,696</td>
<td>83,380</td>
<td>771,173</td>
<td></td>
<td>416,034</td>
<td>1,403,263</td>
</tr>
<tr>
<td>Federal Government Advances</td>
<td></td>
<td>29,264</td>
<td></td>
<td></td>
<td>29,264</td>
<td>10,980</td>
</tr>
<tr>
<td>Interest on Loans Receivable</td>
<td></td>
<td></td>
<td></td>
<td>176,551</td>
<td>176,551</td>
<td>199,665</td>
</tr>
<tr>
<td>Resources Received from BOR</td>
<td>4,830,000</td>
<td></td>
<td></td>
<td></td>
<td>4,830,000</td>
<td></td>
</tr>
<tr>
<td><strong>Expended for Plant Facilities</strong></td>
<td>34,147,265</td>
<td></td>
<td></td>
<td></td>
<td>34,147,265</td>
<td>40,328,205</td>
</tr>
<tr>
<td>Retirement of Indebtedness</td>
<td>181,777</td>
<td></td>
<td></td>
<td></td>
<td>1,616,326</td>
<td>1,798,103</td>
</tr>
<tr>
<td>Other Revenues and Additions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,842,929</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$252,273,775</td>
<td>$59,555,799</td>
<td>$289,195</td>
<td>$28,659,374</td>
<td>$ -</td>
<td>$416,034</td>
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<tr>
<td><strong>Expenditures and Other Deductions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educational and General Expenditures</td>
<td>$203,830,002</td>
<td>$58,391,888</td>
<td></td>
<td></td>
<td>$262,221,890</td>
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<tr>
<td>Auxiliary Enterprises</td>
<td>27,852,103</td>
<td></td>
<td></td>
<td></td>
<td>27,852,103</td>
<td>26,431,106</td>
</tr>
<tr>
<td>Indirect Costs Recovered</td>
<td>31,681</td>
<td></td>
<td></td>
<td></td>
<td>31,681</td>
<td>4,867</td>
</tr>
<tr>
<td>Loan Cancellations &amp; Rec. Write-Offs</td>
<td></td>
<td>213,797</td>
<td></td>
<td></td>
<td>-</td>
<td>4,620</td>
</tr>
<tr>
<td>Refunded to Grantors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
<td>22,284</td>
</tr>
<tr>
<td>Administrative and Collection Costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>110,351</td>
<td>24,185</td>
</tr>
<tr>
<td>Resources Remitted to BOR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
<td>22,284</td>
</tr>
<tr>
<td>Expended for Plant Facilities</td>
<td>20,134,471</td>
<td></td>
<td></td>
<td></td>
<td>20,134,471</td>
<td>26,663,740</td>
</tr>
<tr>
<td>Retirement of Indebtedness</td>
<td>1,573,611</td>
<td></td>
<td></td>
<td></td>
<td>1,573,611</td>
<td></td>
</tr>
<tr>
<td>Interest on Indebtedness</td>
<td>1,282,300</td>
<td></td>
<td></td>
<td></td>
<td>1,282,300</td>
<td>1,500,971</td>
</tr>
<tr>
<td>Disposal of Plant Facilities</td>
<td>1,100,143</td>
<td></td>
<td></td>
<td></td>
<td>1,100,143</td>
<td>343,867</td>
</tr>
<tr>
<td>Other Expenditures &amp; Deductions</td>
<td>5,660</td>
<td>2,181,948</td>
<td>45,670</td>
<td>2,843</td>
<td>2,236,121</td>
<td>1,872,695</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$231,682,105</td>
<td>$58,423,569</td>
<td>$329,808</td>
<td>$22,316,419</td>
<td>$ -</td>
<td>$2,901,581</td>
</tr>
</tbody>
</table>

**Transfers - Fund Balances**

| Interfund Transfers | $ (9,015,401) | $(194,822) | $(19,622) | $(7,049,015) | $(2,180,830) |
| Net Increase (Decrease) | $(11,576,269) | $(937,319) | $(60,235) | $(5,391,970) | $(3,054,717) |
| Fund Balance at Beginning of Year | 33,850,407 | 11,397,620 | 5,705,720 | 30,280,861 | 14,498 |
| Fund Balance Adjustments | (1,724,117) |            |           | 8,110,559 | 388,369,955 |
| **Fund balance at the End of Year** | $45,426,676 | $12,334,938 | $3,921,368 | $35,672,831 | $14,498 |

See accompanying summary of significant accounting policies and notes to the financial statements
STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES
For Year Ended June 30, 1999 with Comparative Totals

<table>
<thead>
<tr>
<th>Current Funds</th>
<th>Total 1999</th>
<th>Total 1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>Restricted</td>
<td></td>
</tr>
<tr>
<td>REVENUES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EDUCATIONAL &amp; GENERAL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Tuition</td>
<td>$ 64,269,053</td>
<td>$ 64,269,053</td>
</tr>
<tr>
<td>Governmental Appropriations - State</td>
<td>147,136,718</td>
<td>147,136,718</td>
</tr>
<tr>
<td>Grants, Contracts &amp; Gifts - Government</td>
<td>20,285,207</td>
<td>20,285,207</td>
</tr>
<tr>
<td>Federal Contracts &amp; Grants</td>
<td>23,480,825</td>
<td>23,480,825</td>
</tr>
<tr>
<td>Grants, Contracts &amp; Gifts - Private</td>
<td>14,000,104</td>
<td>14,000,104</td>
</tr>
<tr>
<td>Investment Income</td>
<td>128,004</td>
<td>128,004</td>
</tr>
<tr>
<td>Other</td>
<td>1,283,798</td>
<td>625,753</td>
</tr>
<tr>
<td>Total Educational &amp; General Revenues</td>
<td>$212,817,073</td>
<td>$58,391,889</td>
</tr>
<tr>
<td>AUXILIARY ENTERPRISES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales &amp; Services - Operations</td>
<td>$26,961,585</td>
<td></td>
</tr>
<tr>
<td>Student Fees</td>
<td>6,195,912</td>
<td>6,195,912</td>
</tr>
<tr>
<td>Investment Income</td>
<td>1,466,705</td>
<td>1,466,705</td>
</tr>
<tr>
<td>Total Auxiliary Income</td>
<td>$34,628,292</td>
<td>$34,628,292</td>
</tr>
<tr>
<td>Total Current Revenues</td>
<td>$247,445,765</td>
<td>$58,391,880</td>
</tr>
</tbody>
</table>

EXPENDITURES
EDUCATIONAL & GENERAL
| Instruction | $ 83,394,970 | $ 4,501,523 | $ 87,996,493 | $ 84,394,585 |
| Research | 15,092,859 | 24,313,348 | 38,966,187 | 38,095,297 |
| Public Service | 189,493 | 4,736,839 | 4,917,322 | 1,712,892 |
| Academic Support | 36,643,829 | 2,123,906 | 36,767,735 | 35,011,859 |
| Student Services | 12,421,900 | 1,222,458 | 13,644,358 | 16,251,046 |
| Institutional Support | 29,453,089 | 27,040 | 29,480,129 | 27,243,924 |
| Operations & Maintenance of Plant | 19,769,099 | 782,515 | 20,551,614 | 16,932,556 |
| Scholarship & Fellowship | 6,913,783 | 29,684,206 | 27,588,043 | 17,494,552 |
| Total Educational and General Expenditures | $203,430,802 | $58,391,889 | $262,221,991 | $227,136,711 |
| Auxiliary Enterprises Expenditures | $ 27,582,103 | | $ 27,582,103 | $ 26,431,108 |
| Total Expenditures | $231,012,905 | $58,391,889 | $289,704,094 | $253,567,819 |

OTHER TRANSFERS & ADDITIONS/DEDUCTIONS
| Excess of Restricted Receipts | | | |
| Over Transfers to Revenue | $ 1,132,140 | - | $ 1,132,140 | $ 3,366,408 |
| Refunded to Grantors | - | - | - | - |
| Interfund Transfers | (9,015,401) | (194,822) | (9,210,223) | (695,560) |
| Resources Received from BOR/UNIV | 4,830,000 | 4,830,000 | - | - |
| Resources Remitted to BOR/Other Universities | - | - | - | (22,284) |
| Total Other Transfers & Additions | $(4,185,401) | $(937,318) | $(5,122,719) | $(3,248,083) |

Net Increase (Decrease) in Fund Balance | $ 11,576,289 | $ 937,318 | $ 12,513,587 | $ 11,602,847 |

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

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 of Florida and accordingly is governed, regulated, and coordinated by the State Department of Education, Board of Regents, and subject to the general supervision of the State Board of Education. The President is responsible for the management of the University, under the general direction and control of the Chancellor of the State University System of Florida, who has ultimate responsibility for administering the policies prescribed by the Board of Regents.

The University's "direct support organization," as provided for Section 246.299 Florida Statues, and Board of Regents rule 6C-9011, is considered a component unit of the University and the therefore the latter audited statements of this organization 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 are explained below:

Florida International University Foundation, Inc. is a not-for-profit 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.

In November 1997, Florida International University Foundation, Inc. was established to operate exclusively for the benefit of Florida International University (FIU). The purpose of this corporation includes the promotion of research and training activities of faculty, staff, and students of FIU. This research foundation is in the organizational stages and no financial activities have taken place.

B. BASIS OF ACCOUNTING
The University's fiscal and accounting operations are 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 have been prepared in accordance with interactions 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 receivables 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 as of the date of acquisition or at appraised value as of 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 in 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 resources available for such purposes. The terms of the loan agreements usually specify that the money is repaid on a revolving basis, i.e., repayment of principal and interest is loaned to eligible students.

3. **Endowment Funds** - These are funds 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. EIU had no funds classified in this fund group as of June 30, 1999.

4. **Plant Funds** – This fund group 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, 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 as of June 30, 1999 is estimated to be $4,875,928. This amount was determined from aging schedules based on type, age, collection experience of the University, as well as other pertinent data. Delinquent notes receivable where the federal "due diligence" requirements have been fulfilled and all "in house" efforts have been exhausted, are considered doubtful. The reserves are listed in Table 1.

---

**TABLE 1**

<table>
<thead>
<tr>
<th>Fund Group</th>
<th>Current Funds</th>
<th>Loan Funds</th>
<th>Agency Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$3,096,075.80</td>
<td>1,603,767.27</td>
<td>176,085.25</td>
<td>$4,875,929.32</td>
</tr>
</tbody>
</table>

---

**TABLE 2**

<table>
<thead>
<tr>
<th>Inventory</th>
<th>Method</th>
<th>Central Stores Average Cost</th>
<th>Duplicating Center Last Invoice Price</th>
<th>Computer Store Last Invoice Price</th>
</tr>
</thead>
</table>

---

**TABLE 3**

<table>
<thead>
<tr>
<th>Bond Issue</th>
<th>Amount of Issue</th>
<th>Total Retired/Refunded</th>
<th>Principal</th>
<th>Discount</th>
<th>Interest</th>
<th>Interest Rate</th>
<th>Date of Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>$5,250,100</td>
<td>$5,142,234</td>
<td>$86,858</td>
<td>$(21,007)</td>
<td>$17,732</td>
<td>6.0%</td>
<td>2003</td>
</tr>
<tr>
<td>1993</td>
<td>9,211,195</td>
<td>(1,841,593)</td>
<td>7,277,408</td>
<td>(92,246)</td>
<td>2,921,613</td>
<td>4.5%</td>
<td>2013</td>
</tr>
<tr>
<td>1997</td>
<td>2,936,719</td>
<td>(183,919)</td>
<td>2,706,064</td>
<td>(46,736)</td>
<td>2,123,716</td>
<td>7.0%</td>
<td>2022</td>
</tr>
<tr>
<td>1999-A</td>
<td>4,360,924</td>
<td>(65,865)</td>
<td>4,240,839</td>
<td>(54,229)</td>
<td>2,551,801</td>
<td>3.95%</td>
<td>2016</td>
</tr>
<tr>
<td>1999-B</td>
<td>5,843,366</td>
<td>(123,583)</td>
<td>5,457,231</td>
<td>(73,553)</td>
<td>3,723,571</td>
<td>5.0%</td>
<td>2023</td>
</tr>
</tbody>
</table>

**Subtotal**

$27,402,362

|$19,748,400

|$287,762

|$11,330,433

| 1995       | 7,780,000       | (730,000)              | 6,950,000  | (66,130) | 3,783,166 | 4.7%          | 2016            |
| 1995       | 26,525,000      | 26,248,298             | 23,035,470 |           |           | 6.3%          | 2028            |

**Total**

$51,170,362

|$8,096,140

|$52,980,558

|$638,604

|$38,422,069

---

**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 refinace equipment previously purchased by the state at lower financing costs, than would otherwise be obtained. As of June 30, 1999, 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 1998-99, the University did not have any outstanding capital leases.

D. **Other Long-Term Debt**

During the fiscal year 1995-94 the Dade County Educational Facilities Authority issued in $29,345,000 Dade County Educational Facilities Authority Revenue Bonds and $33,900,000 Miami-Dade School Board Bonds, Series 1995 (Florida International University Project). Proceeds from the sale of the bonds were...
TABLE 4
INVESTMENT IN PLANT FUND

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$797,246</td>
<td>$1,742,286</td>
<td>$1,742,286</td>
</tr>
<tr>
<td>2001</td>
<td>$836,975</td>
<td>$1,745,322</td>
<td>$1,745,322</td>
</tr>
<tr>
<td>2002</td>
<td>$874,357</td>
<td>$1,743,479</td>
<td>$1,743,479</td>
</tr>
<tr>
<td>2003</td>
<td>$914,698</td>
<td>$1,743,239</td>
<td>$1,743,239</td>
</tr>
<tr>
<td>2004</td>
<td>$946,610</td>
<td>$1,748,574</td>
<td>$1,748,574</td>
</tr>
<tr>
<td>2005</td>
<td>$14,433,782</td>
<td>4,940,227</td>
<td>$19,374,009</td>
</tr>
</tbody>
</table>

Subtotal: $18,822,578 | $2,794,312 | $21,616,890

Bond Disc (233,603)     (233,603)

Total: $18,588,975 | $2,794,312 | $21,383,287

TABLE 5
INEXPERIENCED PLANT FUND

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$930,000</td>
<td>$1,248,248</td>
<td>$2,178,248</td>
</tr>
<tr>
<td>2001</td>
<td>$1,070,000</td>
<td>2,177,641</td>
<td>$3,247,641</td>
</tr>
<tr>
<td>2002</td>
<td>$1,010,000</td>
<td>2,176,173</td>
<td>$3,186,173</td>
</tr>
<tr>
<td>2003</td>
<td>$1,050,000</td>
<td>2,171,741</td>
<td>$3,221,741</td>
</tr>
<tr>
<td>2004</td>
<td>$974,485</td>
<td>2,159,328</td>
<td>$3,133,813</td>
</tr>
<tr>
<td>2005</td>
<td>$21,055,000</td>
<td>2,675,180</td>
<td>$23,730,180</td>
</tr>
</tbody>
</table>

Subtotal: $26,110,000 | $13,436,118 | $39,546,118

Bond Disc (420,996) (420,996)

Total: $25,689,004 | $13,436,118 | $39,125,121

5. COMPENSATED ABSENCE LIABILITY

Employees earn the right to be compensated during absences for annual (vacation) leave and sick leave pursuant to Section 6C-5.920, 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 met. 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 of 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, 1999, the estimated liability for annual and sick leave is $8,741,931 and $6,746,180, respectively. The University's Unrestricted Current Fund Balance of $545,436,075 as of June 30, 1999, would have been $60,014,786 had such liability for compensated absences not been applied against it. A current compensated absence liability has been established for the amount of leave for the new participants in the Deferred Retirement Option Program (DROP) as of July 1, 1999, for which they are eligible to receive payment.

6. INSURANCE – RISK EXPOSURE

In accordance with a program for central insurance purchases, adopted by the Florida State Cabinet in 1990, the Department of Management 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 and fleet automobile 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, 1999.

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 listed in Table 6.

TABLE 6

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Cost at End Year</th>
<th>Expended at End Year</th>
<th>Unexpended at End Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>NC Student Apartment Repairs &amp; Renovations</td>
<td>$4,347,004</td>
<td>$227,735</td>
<td>$4,119,269</td>
</tr>
<tr>
<td>Health &amp; Life Sciences Expansion &amp; Renovation</td>
<td>$1,383,270</td>
<td>$227,735</td>
<td>$1,155,535</td>
</tr>
<tr>
<td>School of Architecture</td>
<td>11,877,350</td>
<td>209</td>
<td>11,877,141</td>
</tr>
<tr>
<td>University Housing III</td>
<td>22,578,843</td>
<td>2,062,943</td>
<td>20,515,900</td>
</tr>
<tr>
<td>University Apartments Repairs</td>
<td>1,000,000</td>
<td>176,270</td>
<td>823,730</td>
</tr>
<tr>
<td>Graham Center Renovations &amp; Addition</td>
<td>2,800,000</td>
<td>1,700,000</td>
<td>1,100,000</td>
</tr>
<tr>
<td>WUC Renovations &amp; Addition</td>
<td>1,700,000</td>
<td>5,000,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td>FillMate Cooperative Use Center</td>
<td>5,000,000</td>
<td>5,000,000</td>
<td>5,000,000</td>
</tr>
</tbody>
</table>

Total | $50,667,167 | $2,119,914 | $48,547,253 |

9. STATE RETIREMENT PLANS

A. Florida Retirement System

Pursuant to Section 121.35, 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 employees include all state departments, counties, district school boards, and community colleges. Many municipalities and special districts have elected to be participating employers.

Generally, regular employee's 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.

The Deferred Retirement Option Program (DROP) is a program which an eligible member of the Florida Retirement System may elect to participate in, deferring receipt of retirement benefits while continuing employment with a Florida Retirement System employer. The deferred monthly benefit accrues on behalf of the participant, plus interest compounded monthly, for the specified period of the DROP participation. Upon termination of employment, the participant receives the total DROP benefits and begins to receive previously determined retirement benefits.

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 listed in Table 5.
Employers pay all contributions for regular class employees. For the 1998-99 fiscal year, the rate assessed against regular class employee payroll amounted to 16.45 percent from July 1, 1998 through June 30, 1999. 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 1998-99 fiscal year payroll (including matching) for all employees totalled $181,184,170 including $59,974,959 paid to employees who were members of the Florida Retirement System. Required contributions made to the Florida Retirement System in the 1998-99 fiscal year totaled $9,865,880.68 including $8,156 from employer contributions, which represents 16.45 and 0.14 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 to the Florida Retirement System.

During the 1998-99 fiscal year, and as of June 30, 1999, the Florida Retirement System held no securities issued by the University.

II. Optional Retirement Program

Pursuant to Section 121.35, Florida Statutes, the Florida legislature created an Optional Retirement Program for eligible State Retirement 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 benefit 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 910 University participants during the 1998-99 fiscal year.

Required contributions made to the Optional Retirement Program in the 1998-99 fiscal year totaled $8,659,371 including $2,245,689 from employee contributions, which represents 16.45 and 4.27 percent, respectively, of covered payroll which totaled $52,640,552.

During the 1998-99 fiscal year and as of June 30, 1999, the Optional Retirement Program held no securities issued by the University.

10. OTHER POSTEMPLOYMENT BENEFIT

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

Eligible retirees, spouses, or financial state-administered retirement system must provide proof of health insurance coverage, which can include Medicare dependent upon any. Participants received an extra $3 per month for each year of creditable service completed at the time of retirement. This amount was increased to $5 per month effective 1/1/99. If contributions fail to provide full subsidy benefits to all participants, the subsidy payments may be reduced or canceled.

11. STUDENT FEES & OTHER COLLECTIONS

A. Student and Other Fees Trust Fund

Student and Other Fees Trust Fund collections are remitted directly to the State Treasurer. Subsequently, these collections are returned to the University by state appropriation. Pursuant to generally accepted accounting principles, the total of budgeted 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 listed in Table 7.

B. Fee Waivers

In accordance with generally accepted accounting principles, student tuition and fee revenues, and scholarship and fellowship expenses reported in the Unrestricted Current Fund on the Statement of Current Funds Revenues, Expenditures, and Other Charges have been adjusted to include the value of tuition and fee waivers. Fees waived are listed in Table 8.

C. Retained Fees

Student fees that were assessed and retained by the University and reported as revenue appear in Table 9.

D. Capital Improvement and Building Fees

In addition to the above, the student fees listed in

<table>
<thead>
<tr>
<th>TABLE 7</th>
<th>Actual Collections</th>
<th>Budgeted Requirement</th>
<th>Excess (Deficit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Tuition &amp; Fees</td>
<td>Matriculation</td>
<td>$38,341,095</td>
<td>$34,772,518</td>
</tr>
<tr>
<td></td>
<td>Out of State</td>
<td>15,096,817</td>
<td>16,797,079</td>
</tr>
<tr>
<td></td>
<td>Application</td>
<td>420,720</td>
<td>374,401</td>
</tr>
<tr>
<td></td>
<td>Late Applic.</td>
<td>200,061</td>
<td>191,571</td>
</tr>
<tr>
<td>Total</td>
<td>$52,060,483</td>
<td>$52,125,569</td>
<td>(65,166)</td>
</tr>
<tr>
<td>Research Overhead</td>
<td></td>
<td>37,964</td>
<td>37,964</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>Library Fees</td>
<td>$66,525</td>
<td>$89,906</td>
</tr>
<tr>
<td></td>
<td>Miscellaneous</td>
<td>96,630</td>
<td>53,474</td>
</tr>
<tr>
<td>Total</td>
<td>$136,156</td>
<td>$142,470</td>
<td>20,695</td>
</tr>
<tr>
<td>Totals</td>
<td>$52,261,532</td>
<td>$52,306,083</td>
<td>(44,471)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TABLE 8</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Matriculation Fees</td>
<td>$340,847</td>
</tr>
<tr>
<td>Out-of-State Fees</td>
<td>2,152,596</td>
</tr>
<tr>
<td>Total</td>
<td>$2,493,443</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TABLE 9</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Athletics Fee</td>
<td>$3,244,260</td>
</tr>
<tr>
<td>Activity &amp; Service Fee</td>
<td>5,331,233</td>
</tr>
<tr>
<td>Student Financial Aid Fee</td>
<td>2,553,754</td>
</tr>
<tr>
<td>Health Fee</td>
<td>2,710,538</td>
</tr>
<tr>
<td>Total</td>
<td>$13,839,785</td>
</tr>
</tbody>
</table>

Table 10 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.

12. PRIOR PERIOD ADJUSTMENTS

A fund balance adjustment of $1,724,117.32 was made in the Loan Fund to transfer balances relating to the Stafford Loan Program which should have been recorded in the Agency Fund group of accounts.

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 the Statement of Current Funds Revenues, Expenditures, and Other Charges are determined by applying the primary PCS or activity code set forth by the Board of Regents to the total expenditures for each department.

<table>
<thead>
<tr>
<th>TABLE 10</th>
<th>Fee</th>
<th>Beginning Balance</th>
<th>Collected</th>
<th>Remitted</th>
<th>A/R Adj</th>
<th>Balance Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Improvement</td>
<td>$2,577</td>
<td>$1,598,269</td>
<td>$1,600,759</td>
<td>$14,563</td>
<td>$61,649</td>
<td></td>
</tr>
<tr>
<td>Building Fee</td>
<td>49,991</td>
<td>1,519,895</td>
<td>1,525,115</td>
<td>13,846</td>
<td>58,617</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$102,568</td>
<td>$3,118,164</td>
<td>$3,128,874</td>
<td>$28,409</td>
<td>$120,266</td>
<td></td>
</tr>
</tbody>
</table>
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