

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 1999

## 1. CASH AND DEPOSITS

Amounts reported as cash consisted of cash on hand and cash in demand accounts. Cash in demand accounts is held in banks qualified as public depositories in accordance with the provisions of Chapter 280, Florida Statutes.

## 2. INVESTMENTS

Investments were made through the State Treasurer and the 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; the differences between market value and the cost of investments is negligible.

Investment earnings, including interest earned on funds left on deposit with banks, were \$1,731,360 for the year ended June 30, 1999. Current unrestricted fund investment earnings include auxiliary enterprise investment earnings. Investment earnings by fund consisted of the following items:

	<b>Year Ending June 30</b>
Current Unrestricted Fund	\$969,606
Current Restricted Fund	422,345
Loan Fund	119,821
Plant Fund	219,588
<b>Total</b>	<b>\$1,731,360</b>

## 3. NET RECEIVABLES

Accounts and loans receivable are reported net of allowance for uncollectible accounts, which as of June 30, 1999, was \$843,957. The recorded net receivables as of that date consisted of the following items:

	<b>Current Funds</b>	<b>Loan Fund</b>	<b>Plant Fund</b>	<b>Agency Fund</b>	<b>Total University Funds</b>	<b>Components Units</b>	<b>Combined Totals</b>
Accounts Receivable	\$ 2,211,555	\$ -	\$ -	\$ 488,295	\$ 2,699,850	\$ 457,557	\$ 3,157,407
Interest Receivable	54,183	72,300	9,527	14,878	150,888	1,996	152,884
Loans Receivable	-	2,929,580	-	-	2,929,580	-	2,929,580
Due from other University Departments	-	-	32,342,399	-	32,342,399	-	32,342,399
Gross Receivables	\$ 2,265,738	\$ 3,001,880	\$ 32,351,926	\$ 503,173	38,122,717	\$ 459,553	\$ 38,582,270
Allowance for Uncollectible Accounts	\$ 553,493	196,945	-	93,519	843,957	-	843,957
<b>Net Receivables</b>	<b>\$ 1,712,245</b>	<b>\$ 2,804,935</b>	<b>\$ 32,351,926</b>	<b>\$ 409,654</b>	<b>\$ 37,278,760</b>	<b>\$ 459,553</b>	<b>\$ 37,738,313</b>

## 4. INVENTORIES

Merchandise inventories of \$15,493 reflected on the Balance Sheet consisted of goods purchased for resale. Inventories are valued according to the latest invoice price method.

## 5. LONG-TERM DEBT

The University's long-term indebtedness of \$30,156,672, as reported in the Investment in Plant Fund, consists of revenue certificates and bonds that were issued to construct certain University facilities, including parking areas, student housing and academic and student service facilities. The bonds and revenue certificates outstanding are secured by a pledge of housing rental revenues, traffic and parking fees and various student fee assessments. The building fee and capital improvement fee collected as part of tuition and remitted to the Board of Regents is used to retire the revenue certificates for the academic and student service facilities.

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

Bond Series Title	Amount of Original Issue	Interest Rate	Outstanding Principal	Maturity Date
1964 Dormitory	\$ 992,000	3.50%	\$ 183,000	2004
1966A Dormitory	1,130,000	3.00%	315,000	2006
1966B Dormitory	1,070,000	3.00%	300,000	2008
1991 Academic and Student Services	6,743,141	5.80% to 6.70%	111,560	2016
1993 Student Apartments	17,180,000	5.80%	15,705,000	2021
1993 Academic and Student Services	6,118,142	4.50% to 5.375%	4,833,707	2013
1997 Academic and Student Services	652,031	5.0% to 7.0%	600,819	2022
1997A Academic and Student Services	5,601,098	5.0% to 7.0%	5,446,864	2022
1998 Academic and Student Services	2,761,595	4.0% to 5.0%	2,660,722	2023
<b>Total</b>	<b>\$ 42,248,007</b>		<b>\$ 30,156,672</b>	

Five-year maturities of these revenue certificates and bonds are:

Year Ending June 30	Principal	Interest	Total
2000	\$ 997,564	\$ 1,491,036	\$ 2,488,600
2001	1,036,211	1,446,717	2,482,928
2002	1,071,955	1,400,567	2,472,522
2003	1,138,982	1,352,865	2,491,847
2004	1,173,589	1,301,355	2,474,944
Subsequent Years	24,942,632	11,475,558	36,418,190
Subtotal	\$ 30,360,933	18,468,098	\$ 48,829,031
Less: Bond Discount	204,261	-	204,261
<b>Total</b>	<b>\$ 30,156,672</b>	<b>\$ 18,468,098</b>	<b>\$ 48,624,770</b>

## 6. COMPENSATED ABSENCES LIABILITY

Employees earn the right to be compensated during absences for annual leave (vacation) 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. Consistent with GASB Statement 16, the University accrues a liability in the Current Fund for employees' right to receive compensation for future absences when certain conditions are met, although State appropriations fund only the portion of accrued leave that is used or paid in the current fiscal year. Although the liability is expected to be funded primarily from future appropriations, generally accepted accounting principles do not permit the recording of a receivable in anticipation of future appropriations. Consequently, the recording of the liability for compensated absences without the corresponding recognition of such future resources results in the appearance of a reduced ability to meet current obligations. At June 30, 1999, the estimated liability for annual and sick leave was \$6,258,248 and \$5,742,834, respectively. The University's Unrestricted Current Fund Balance at June 30 of \$17,012,459 would have been \$29,013,541 had such liability for compensated absences not been applied against it.

## 7. 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 fund when paid or incurred. Future minimum lease commitments for non-cancelable leases as of June 30, 1999, were as follows:

Year Ending June 30	Operating Lease Commitments
2000	57,000
2001	57,000
2002	57,000
2003	57,000
2004	57,000
Subsequent years	1,137,000
<b>Total</b>	<b>\$ 1,422,000</b>

## 8. CONSTRUCTION COMMITMENTS

The major construction commitments of the University for projects where the estimated exceeds \$1,000,000 as of June 30, 1999, are:

Project Name	Total Estimated Cost at Year End	Amount Expended at Year End	Amount Unspent at Year End
Campus Recreation/Athletics	\$ 2,082,114	\$ 2,075,483	\$ 6,631
Davie Classroom Bldg. II	14,383,638	13,700,446	683,192
Student Activities Center - Boca	8,184,624	92	8,184,532
Boca Campus Infrastructure	4,024,000	4,012,521	11,479
Building Repairs - Building 10, T-13, BC4	3,419,500	2,411,339	1,008,161
Land Acquisition - St. Lucie, SeaTech	8,334,900	8,076,444	258,456
SeaTech Building - Renovation	7,643,985	6,984,258	659,727
Humanities Remodeling - Building 9	10,552,629	1,530,045	9,022,584
Lifelong Learning Center	1,562,674	1,413,154	149,520
University Tower II	11,972,800	74,316	11,898,484
Fieldhouse Renovation	1,933,000	1,928,165	4,835
Physical Sciences Building	15,948,388	15,878,128	70,260
Northern Palm Beach Campus	19,709,271	12,595,640	7,113,631
Developmental Research School	4,226,904	2,895,674	1,331,230
Fire Safety Corrections	1,005,671	1,003,234	2,437
Joint Classroom Use	10,536,912	0	10,536,912
Fort Lauderdale Student Activities	1,346,486	0	1,346,486
Capital Renewal	2,370,000	71,046	2,298,954
University Center Expansion	2,217,040	2,205,314	11,726
Lifelong Learning Center Addition	1,000,000	55,696	944,304
Davie Campus	15,428,121	15,381,017	47,104
Beach Tax District Project	2,263,000	2,129,616	133,384
Gumbo Limbo	1,400,000	1,378,557	21,443
University Tower Land Acquisition	5,000,000	4,884,186	115,814
Student Apartment Facility	14,976,530	14,894,761	81,769
Master Plan Update	1,041,586	882,257	159,329
Health Services Facility	4,827,644	51,472	4,776,172
<b>Total</b>	<b>\$177,391,417</b>	<b>\$116,512,861</b>	<b>\$ 60,878,556</b>

## 9. STUDENT FEES AND OTHER COLLECTIONS

### (a) Student and Other Incidental Fees Trust Fund

Collections of student fees 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 Current Unrestricted Funds.

### (b) Capital Improvement Trust Fund and Building Fees

Capital Improvement and Building Fees are assessed and collected on behalf of the Board of Regents. Collections of these fees are as follows:

Capital Improvement Fee	\$994,784
Building Fee	994,637
<b>Total</b>	<b>\$1,989,421</b>

Tuition and fees totaling \$3,747,542 were waived as permitted by Board of Regents rules.

## 10. CONTINGENT LIABILITIES

The University, in its normal operations, is a defendant in various legal actions. Management and legal counsel are of the opinion that the outcome of these matters will not have a material adverse effect on the University's financial position.