

AGENDA
Finance, Administration & Audit Committee
University of West Florida Board of Trustees
February 25, 2005
8:00 a.m. Building 1 Conference Room 126

Call Meeting to Order

Mrs. Sharon Hess Herrick, Chair

Roll Call

Approve November 5, 2004 Minutes and January 6, 2005 Minutes

Action Items

Fee Increases

1. University Housing Rental Rates Dr. Debbie Ford, VP for Student Affairs
2. Student Activity & Service Fee, Health Fee & Athletic Fees
3. Fees for the Education Research Center for Child Development
4. Orientation Fees
5. Proposed Parking & Transportation Services Fee Increases

Dr. Cornelius Wooten, VP for Administrative Affairs

6. Material & Supply Fees Dr. Pete Metarko, Associate VP Academic Affairs
7. Fees – National Student Exchange

Certifications

8. UWF Foundation Certification Ms. Betsy Bowers, Associate VP, IAMC
9. UWF Financial Audit

Informational

10. Financial & Budget Related Documents
- Dr. Cornelius Wooten, VP for Administrative Affairs

Other Items

Adjournment

MINUTES

Finance, Administration & Audit Committee
UWF Conference Centers B & C
November 5, 2004

Committee Chair K. C. Clark called the meeting to order at 8:35 a.m. Roll Call was done by Faye Bowers with the following in attendance.

K.C. Clark
Lornetta Epps
Marny Gilluly
Sharon Hess Herrick arrived at 8:47 a.m.

Chair Clark expressed thanks and support to Kim Spear for moving toward electronic meetings. He asked trustees to provide feedback for continued improvement.

Approve Minutes of August 20, 2004 with grammatical corrections noted by Trustee Gilluly to Faye Bowers.

Motion by: Trustee Gilluly
Second by: Trustee Epps
Approved unanimously.

Action Item I

Approve West Florida Historic Preservation, Inc., certification as noted by Chair Clark: *“Section 13 of the agreement between the University of West Florida and the West Florida Historic Preservation, Inc., dated July 1, 2001, states:*

“UWF shall certify on an annual basis, after consideration of the information provided by the Corporation (WFHPI) that the corporation is complying with the terms of this agreement and in a manner consistent with the goals and purposes of UWF and in the best interest of the State. Such certification shall be made annually and reported in the minutes of the meeting of the Board of Trustees of UWF.”

Additionally, Section 8 of that agreement requires WFHPI to furnish the following:

- 1. “An executive director certification that the corporation has complied during the year with the provisions of the contract.”*
- 2. “Its audited financial statements for the preceding fiscal year.”*

Ms. Betsy Bowers, Vice President for Internal Auditing and Management Consulting performed a cursory review of the documents and determined WFHPI met the requirements.

Motion by: Trustee Epps
Second by: Trustee Gilluly
Approved unanimously.

Action Item II

Approve Charter for Finance, Administration and Audit Committee as introduced by Chair Clark who commended Betsy Bowers and her staff for preparation of the document. Prior to approval, Trustee Gilluly suggested corrections which will be made and a complete document will be presented at a future meeting.

“Page 1 bullet #3, explanation by independent audit communication and information flow.”

Chair Clark commented that auditors make very specific communications to the audit committee and the BOT will see this as it proceeds.

“Page 2 Financial Statements bullet #2, Trustee Gilluly suggested the addition of *“recommend any action to be considered”* and at the bottom of the page *“copies of the financial audits of direct support organizations are submitted to the UWF BOT Finance, Administration and Audit Committee.”*

“Page 4 Internal Audit bullet #5, Trustee Gilluly recommended *“Review and consider recommending action on all significant finds and recommendations noted by internal auditors and external auditors; bullet #12, last word should be “athletes” not athletics; and correction of Trustee Gilluly’s last name.*

Chair Clark commented that the charter is off to a wonderful start and praised Dr. Cornelius Wooten and Betsy Bowers’ groups, for working together on this project. Trustee Gilluly commended both groups.

Motion by: Trustee Gilluly

Second by: Trustee Hess Herrick

Approved unanimously by committee.

Informational Item 1

Before turning the floor over to Dr. Dean Van Galen, Vice President of Development for an update, Chair Clark took a moment to thank Dr. Van Galen, Martha Lee Blodgett and President Cavanaugh for their preparation of a capital campaign event hosted at the home of Chair & Mrs. Clark. The chair said that the event was extraordinarily productive, with several folks staying afterward and expressing their pleasure with the preparation/presentation. Chair Clark personally thanked all those involved.

Dr. Van Galen gave a pre and post Hurricane Ivan update and noted that students who were recipients of donor gifts had met and personally written thank you letters to the donors. Dr. Van Galen said that the success of UWF’s Profiles in Leadership series with Mark Oken of Bank of America was due to the organization of Dr. Ed Ranelli and Mrs. Sara Groh. He said that students were able to meet with Mr. Oken, CFO of Bank of America, who later asked that resumes of potential students be sent to him for the possibility of future employment.

In the aftermath of Hurricane Ivan, the philanthropic support for UWF continues, with more than \$30,000 going to our students. More than \$15,000 has been raised. Following Ivan, 7 loans for faculty, staff and students have been approved.

Dr. Van Galen expressed his appreciation to Woodmen of the World for having donated 130 flags to UWF for compliance with passing of the Carey Baker Flag Freedom Act. Totally 180 flags have been donated to UWF.

Dr. Van Galen said he hopes to complete a feasibility campaign outside of this area. He thanked President Cavanaugh for taking such an active role in this campaign and said that the BOT may be asked to approve such a campaign in the Spring of 2005. He said UWF Alumni Relations now has 7 chapters and have set a goal to establish a new chapter in Washington, D.C. with hopes that Trustee Gilluly will help. Dr. Van Galen said that the Orlando alumni chapter was a hit and is an example of what a great chapter can be. He said there have been several Work Place Luncheons which also provided positive support. Lastly, Dr. Van Galen thanked his staff for their hard work.

Informational Item 2

Associate Vice President Betsy Bowers presented the Hurricane Ivan Financial Recovery Report to date. Trustee Hess Herrick asked how many students had withdrawn, with Ms. Bowers responding that 170 reimbursements had already been processed. Chair Clark said considering the majority of those folks were afraid of the storm, this is a remarkably low number given the concentration of the number of students in NW Florida. Efforts of the Internal Auditing group to expedite reimbursement are to be applauded, and the BOT appreciates their flexibility and effort to set aside resources for catastrophic events. Ms. Bowers introduced two new team members, Ms. Sabrina Williams, P-Card Auditor and Ms. Elizabeth Mrachek, Internal Auditor.

Trustee Hess Herrick questioned the G-PAC, with Dr. Hal White responding that this is a real model of contingent operation. A number of people in the room have worked so diligently with students considering withdrawing to encourage them to remain at UWF. Many have been counseled through the efforts and encouragement of UWF staff and faculty.

Chair Clark stated that every cloud has a silver lining, and everyone at UWF worked together to get us on the road to recovery so efficiently. He said that students appreciate a semester not being cancelled, especially when one is a student getting ready to graduate and work. The efforts for grants and loans to continue education are so uplifting, and the fact that UWF responded speaks highly of efforts made.

Informational Item 3

Vice President of Administrative Affairs, Dr. Cornelius Wooten gave a Cash Flow and Budget Summary Presentation to the committee. He plans to bring such information to the BOT more frequently because he is very interested in the BOT's reaction. He said it is his goal to prepare a condensed balance sheet through the cooperation of a Banner consultant.

Chair Clark commented that we do not want to have another year like Ivan. Trustee Gilluly asked that these spreadsheets be delivered sooner in the future because there was no time to review them prior to the meeting. Dr. Wooten apologized for the belatedness of documentation.

Chair Clark adjourned the meeting at 9:25 a.m. due to no other business being on the agenda.

Respectfully submitted,

Faye H. Bowers

Minutes
UWF Board of Trustees
Finance, Administration & Audit Committee Meeting
January 6, 2005

Committee Chair K.C. Clark and Mr. Eric Nickelsen, Finance Chair for the FIHMC welcomed everyone to the meeting at approximately 1:00 p.m. The meeting was held in Conference Room 2 of the J. Earle Bowden Building on 120 Church Street, Pensacola, Florida.

Other committee members attending:

Sharon Hess Herrick, vice chair
Marny Gilluly
Dr. Lornetta Epps
Collier Merrill

Other UWF personnel attending:

Dr. Hal White, Executive Vice President
Dr. Sandra Flake, Provost
Ms. Gina DeJulio, General Counsel
Dr. John Cavanaugh, President
Ms. Betsy Bowers, Associate Vice President, IAMC
Ms. Kimberly Spear, Chief of Staff
Ms. Faye Bowers, Executive Specialist
Ms. Shelley Blake, Executive Assistant, Office of the Provost

Other FIHMC officers/personnel attending:

Ms. Carol Carlan, FIHMC Board Chair
Dr. Ken Ford, Director
Ms. Julie Sheppard, General Counsel
Dr. Jack Hansen, Associate Director
Mr. Bert Hartley
Mr. Tim Wright

The meeting which lasted for 3 hours and 31 minutes was for UWF FIHMC Affiliation Agreement.

Respectfully submitted,

Faye H. Bowers
Executive Specialist, Office of the President
Assistant Corporate Secretary, Board of Trustees

**UWF Board of Trustees
Finance, Administration & Audit Committee
February 25, 2005**

Issue: University Housing and Residence Life Rental Rates

Proposed action: Approve the proposed rental rate increase effective fall, 2005

Background Information:

The board of Trustees is delegated authority to approve housing rental rates effective fall, 2005.

The proposed increases range from 4% to 15% and from \$75 to \$232 per student per semester depending on the type of room option. The rental rate increases are necessary and sufficient to pay debt service, fund reserve requirements, and maintain operating and maintenance/custodial costs. The increase in rental rates allows the Department of Housing and Residence Life to compete with other institutions and the off-campus market while fulfilling the goals of the strategic long range financial and renovation plan.

Supporting documents: Exhibit A - Rate Proposal
Exhibit B - 2004-2005 Budget, Revenue and Expenditures
Exhibit C - Review of Rental Rate Increase
Exhibit D - Schedule of Miscellaneous Charges

Prepared by: Dr. Deborah Ford, Ed. D.
Vice President for Student Affairs

Ms. Kay-lynn S. Taylor
Director of Housing and Residence Life

Exhibit A

The University of West Florida
Department of Housing and Residence Life
Rate Proposal
Academic Year 2005-2006

	2004-2005 Rental Rate	+ inflation	+ increase, Catch-up	= 2005-2006 Rental Rate
Southside Village Single Occupancy	\$1775	\$71 (4%)	\$107 (6%)	\$1955
Southside Village Double Occupancy	\$1370	\$55 (4%)	\$69 (5%)	\$1495
Argo, Martin, & Pace Hall	\$1545	\$62 (4%)	\$170 (11%)	\$1780
University Village Student Apartments-East 4-bedroom	\$1880	\$75 (4%)	\$0	\$1955
University Village Student Apartments-East 2-bedroom	\$2340	\$94 (4%)	\$0	\$2435
University Village Student Apartments-West 4-bedroom	\$2180	\$87 (4%)	\$0	\$2270
University Village Student Apartments-West 2-bedroom	\$2675	\$107 (4%)	\$0	\$2785

Exhibit B

**The University of West Florida
Department of Housing and Residence Life
2004-2005 Budget, Revenue and Expenditures**

	<u>2004-2005 Budget</u>	<u>Year to Date 12/31/2004</u>	
REVENUE			
Rental Income	\$4,957,266	\$2,270,346	
Interest Income	85,186		
Other Income	<u>206,965</u>	<u>152,319</u>	
Total Revenue	<u>\$5,249,417</u>	<u>\$2,422,666</u>	
EXPENDITURES			
Salaries/Benefits	\$ 709,573	344,816	
Other Personal Services	200,000	143,008	
Operating Expense	1,115,816	493,676	
Administrative Fees	32,000	28,332	
Trustee Fees	27,060	0	
OCO	<u>10,000</u>	<u>2,261</u>	
Total Operating Expense	<u>\$ 2,094,449</u>	<u>\$1,012,093</u>	
Debt Service	2,337,975		
R & M Reserve (5%)	262,471		
Operating Reserve (10%)	<u>524,942</u>		
Total Expenditures	<u>\$ 5,219,837</u>		
Net Income	<u>\$ 29,580</u>		
Debt Coverage Ratio:	<u>Net Revenue</u>	<u>\$3,154,968</u>	1.35%
	<u>Debt Service</u>	<u>\$2,337,975</u>	

MEMORANDUM

TO: Dr. Debbie Ford
FROM: Ms. Kay-lynn Taylor
DATE: January 29, 2005
RE: Reasons for Housing Rate Increases

As you know, in lieu of meeting with the UWF Residence Hall Association (RHA) as well as all of the individual living unit community councils (CCs), I have met with or am in the process of meeting with a number of groups on the campus community at UWF to review the proposed rate increases for University Housing for the 2005-2006 fiscal year. These groups include: Housing and Residence Life staff, Intercollegiate Athletics staff, SGA president, Stephen Russell, the SGA Executive Board, Division of Student Affairs Leadership Team, the UWF Honors Program staff, Greek Affairs staff, Enrollment Services staff, and, most importantly, current residents.

On January 24, 2005, and January 31, 2005, a staff member and I presented this information to the President's Cabinet. This group supported the proposed rates and recommended I proceed forward to the Board of Trustees for final approval on February 25, 2005.

Rate increases range from a 4% (inflation rate) in the University Village Student Apartment community spaces to a 15% increase in the double occupancy spaces (Argo, Pace and Martin Halls) during Academic Year terms. These inflation and "catch-up" rates increases are the minimum amounts necessary to maintain our goal of fulfilling debt service requirements, developing infrastructure for operating the University Housing program, fulfilling our departmental mission, and meeting utility costs. There must be an increase in funding, "...the financial wherewithal to expand and improve the existing housing inventory must come primarily from revenue enhancement rather than cost cutting. Further, increased revenue must come primarily from escalating present rental rates to levels more similar to those charged by other State institutions in Florida." In addition, operation costs of UWFs Student Housing System average \$5.21 per gross square foot. This amount is moderate by comparison to operation costs in other campus housing programs we have observed.

I appreciate your support in maintaining a variety of options and costs for our potential resident students.

Quotation except taken from University of West Florida Student Housing Review, Carter Consultants (2004).

KT/me

Enclosures

Exhibit D

The University of West Florida
Department of Housing and Residence Life
Schedule of Miscellaneous Housing Charges
Academic Year 2005 - 2006

PREPAYMENTS

Initial Contract – A non-refundable \$25 Administrative Fee and a \$200 Contract Prepayment is required for all Housing and Residence Life spaces. The Housing and Residence Life Contract Prepayment and Administrative Fee are due when the Contract is submitted.

CANCELLATION FEES

A. Initial Contract

- 1) At a minimum, the Housing Contract is in force as long as the student is attending UWF during the academic year (a person must be enrolled as a degree-seeking undergraduate or graduate student to be eligible for University Housing).
- 2) A student may request cancellation of their Contract by completing a written Request for Cancellation Form according to the following guidelines:
 - If the student is denied admission to the University, there shall be no cancellation fee and a full refund of the Contract Prepayment will be made.
 - A student who does not check-in to the assigned space by the first day of classes and who is not enrolled, will be assessed a \$200 Cancellation Fee. The student's assignment will be forfeited and the student will need to submit a new Housing Contract and Prepayment for future terms.
 - A student who wishes to cancel their Contract prior to the start of the Contract year and who will not be attending UWF may do so under the following guidelines and with the indicated Cancellation Fees:

	\$100 Refund of Prepayment \$100 Cancellation Fee	\$50 Refund of Prepayment \$150 Cancellation Fee
Returning 2004- 2005 residents not attending UWF	Postmarked prior to June 1, 2005	Postmarked between June 1, 2005 and August 17, 2005.
New residents 2005 - 2006 residents not attending UWF	Postmarked prior to July 9, 2005	Postmarked between July 9, 2005 and August 17, 2005.
New and returning Spring 2005 - 2006 not attending UWF	Postmarked prior to November 15, 2005	Postmarked between November 15 2005 and January 2, 2006.

Exhibit D (con't.)

- The Student who chooses to cancel their Contract after the beginning of the Contract year may do so under the following guidelines:

Withdrawing from UWF	The student who withdraws from classes during either the fall or spring semesters is required to leave University Housing within 48 hours of the withdrawal. The student will be assessed a \$200 cancellation fee plus a pro-rated daily rental fee.
Not Withdrawing-attending UWF	Contract Buy-Out 50% of the remaining Contract balance (through the end of the Spring semester). A \$200 cancellation fee, and all accrued rental fees through the official date of check-out are assessed to the student when requesting to Buy-out the Contract.

- Definitions:

Buy-Out = For requests made by a student after the opening of the academic year or beginning of either the Fall or Spring semester, for reasons other than those described above, the student may request a Contract Buy-Out. The student is assessed 50% of the remaining Contract balance and all accrued charges based on the day of official check-out of the residence hall or apartment. The resident is not considered officially checked out of University Housing until the resident has received written approval, all keys are returned, and a completed Housing Room Condition Report is signed by the resident and a University Housing staff member.

Contract term=Academic year 2005-2006 (Fall and Spring semesters).

Withdrawal=Student chooses not to take classes at the University of West Florida.

Opening=Date University Housing officially opens for the semester and/or the academic year.

Closing=Date University Housing officially closes for the semester and/or the academic year.

Check-out-The resident completes all required steps in order to fully check out of their assigned space in University Housing.

Contract Cancellation= Request for Release from the Contract, at a minimum, the Contract is in force as long as the degree-seeking undergraduate or graduate student is officially enrolled during the academic year, and as long as the student remains in good standing in terms of behavior and conduct. The student may request cancellation by completing a written Request for Cancellation form and submitting it to the University Housing Central Office.

**UWF Board of Trustees
February 25, 2005**

Issue: Student Activity and Service Fee and Athletic Fee increase.

Proposed action: Approve the proposed fee increases effective fall, 2005.

Background information:

Section 240.235, Florida Statutes, requires each university president to establish separate Activity and Service, Athletic and Health Fees. The law further provides that any increase in the fees be recommended by campus fee committees. One-half of each committee shall consist of students appointed by the student body president, with the remainder appointed by the university president. The statute further requires that the university president approve any proposed increases after consultation with the student body president.

Senate Bill 1162 delegates to the Boards of Trustees at universities the authority to set these local fees effective July 1, 2002. This bill also limits the fees to no more than 40 percent of the matriculation fee. Within the 40 percent cap, universities may not increase the aggregate sum of Activity and Service, Athletic and Health Fees more than 5 percent per year unless specifically authorized in law or in the General Appropriations Act.

The proposed increases are \$1.20 per credit hour, or an increase of 5.0 percent.

Supporting documentation:

Exhibit A—Schedule of Current and Proposed Fee Increases
Exhibit B—Summary of Fee Committee Deliberations
Exhibit C—Comparison of SUS Fees for 2004-2005

Prepared by: Deborah L. Ford
(850) 474-2214
dford@uwf.edu

EXHIBIT A

**THE UNIVERSITY OF WEST FLORIDA
ACTIVITY & SERVICE, ATHLETIC AND HEALTH FEE
SCHEDULE OF CURRENT & PROPOSED FEE INCREASES
FALL SEMESTER, 2005**

	Current Fees/ Estimated Revenue 2004-2005	Projected Fees/ Projected Revenue 2005-2006	Increase Fees/Revenue	Percent Increase
<u>Per Student Credit Hour</u>				
Activity & Service	\$ 8.75	\$ 9.65	.90	10.3%
Athletic	12.05	12.35	.30	2.5%
Health	<u>3.19</u>	<u>3.19</u>	<u>-0-</u>	-0-
Total	\$23.99	\$25.19	\$1.20	5.0%
<u>Per Student (Flat Fee)</u>				
Activity & Service	-0-	-0-		
Athletic	-0-	-0-		
Health	-0-	-0-		
Total	-0-	-0-		
<u>Revenues</u>				
Activity & Service	\$1,952,055*	\$2,227,712***	\$ 275,657	14.1%
Athletic	2,688,259*	2,851,010***	162,751	6.1%
Health	<u>657,086**</u>	678,150****	21,073	3.2%
Total	\$5,287,400	\$5,756,881	\$459,481	8.7%

*Based on estimated 223,092 student credit hours for 2004-05

**Based on estimated 205,983 student credit hours for 2004-05

***Based on estimated 230,851 student credit hours for 2004-05.

****Based on estimated 212,589 student credit hours for 2004-05.

EXHIBIT B

THE UNIVERSITY OF WEST FLORIDA SUMMARY OF FEE COMMITTEE DELIBERATIONS PROPOSED FEE INCREASES FOR FALL, 2005

Activity and Service Fee

Justification for Activity and Service Fee Increase

To allow for inflation, increased programming and operational costs due to increasing student enrollment, and increased staffing for new Recreational facility.

Activity and Service Fee Committee Membership

Dr. Rick Barth, Chair (A&P)
Mr. Todd Caraway (Student)
Dr. George Ellenberg (Faculty)
Mr. Aaron Epstein (Student)
Ms. Susan Harrell (Faculty)
Mr. Richard Hulett ((A&P)
Mr. Steven Russell (Student)
Mr. Chris Thompson (Student)

Summary of Activity and Service Fee Committee Activities and Chronology of Meetings

November
8 & 15, 2004

At first meeting, Rick Barth, Chair, explained committee purpose and outlined criteria including law that states that the total increase for all local fees cap at 5%. Committee discussed A&S need of new recreation facility, and based on the increase in cost of staffing the new facility committee proposed \$1.00 increase. At second meeting after much review and discussion of other fees and cap, the committee proposed and passed an increase of \$.90 per credit hour. This increase would set the new A&S fee at \$9.65 per credit hour effective Fall Semester, 2005.

Athletic Fee

Justification for Athletic Fee Increase

To allow for inflation and rising operating costs including salaries, transportation, insurance and NCAA Division II and Gulf South Conference affiliation. Also, allows necessary increases for athletic scholarships and Title IX compliance.

Athletic Fee Committee Membership

Ms. Sabrina Glover, Chair (Student)
Dr. Francis Bridges (Faculty)
Mr. Stephen Loveless (Student)
Ms. Samantha Paradise (Student)
Mr. Joe Tomko (Faculty)
Ms. Gretchen VanValkenburg (A&P)

Summary of Athletic Fee Committee Activities and Chronology of Meetings

November
8 & 17, 2004

At first meeting, Sabrina Glover, Chair, reviewed committee charge, past and present athletic budgets, athletic program projections, enrollment statistics, and the need to maintain equity. She also explained criteria including law that states that the total increase for all local fees cap at 5%.

The Committee proposed and discussed increasing the fee by \$.35 per credit hour. Further discussion pursued at the next meeting and the Committee passed a \$.30 per credit hour Athletic Fee, effective Fall Semester, 2005.

01/18/05

pc: Fee Justification 2005-06

MEMORANDUM

January 18, 2005

To: President John Cavanaugh

From: Deborah L. Ford
Vice President, Student Affairs

Subject: Request to Increase Activity and Service and
Athletic Fees for 2005-2006

In accordance with CM-D-24.00, I submit the attached request for increase in the Activity and Service and Athletic Fees for 2005-2006 for your approval and that of the Board of Trustees at the February 25, 2005 meeting.

If you need additional information, please let me know.

Attachments

**University of West Florida
Finance, Administration & Audit Committee
February 25, 2005**

Issue: Child Care Fees

Proposed Action: Approve, effective Fall 2005
THE UNIVERSITY OF WEST FLORIDA EDUCATIONAL RESEARCH CENTER
FOR CHILD DEVELOPMENT PROPOSED INCREASE OF FEES

Background Information:

This increase is necessary to maintain the current program to:

1. Provide for pay increases anticipated for all staff and minimum wage increase.
2. Cover the increased costs of goods and services.
3. Purchase additional equipment needed for the Center's program.

Supporting Documentation:

Current & Proposed Child Care Fees for Fall Semester, 2005
Comparative Schedule
Current Local Child Care Rates

Prepared by: Tulsa Morein, Director of ERCCD (850) 474-2195
Debbie Ford, VP for Student Affairs (850) 474-2214 dford@uwf.edu

CURRENT AND PROPOSED CHILD CARE FEES FOR FALL SEMESTER, 2005

	Current Fees/ Estimated Revenues 2004-2005		Proposed Fees/ Estimated Revenues 2005-2006			Amount Increase Fees/ Revenues	Weekly Percent Increase
	<u>HR</u>	<u>WK</u>	<u>HR</u>	<u>WK</u>	<u>HR</u>		
<u>Infant/Toddler</u>							
Student	\$4.25	\$92.00	\$4.50	\$95.00	\$.25	\$3.00	3.26%
Non-Student	\$4.50	\$105.00	\$4.75	\$108.00	\$.25	\$3.00	2.85%
<u>Preschool I & II</u>							
Student	\$4.00	\$80.00	\$4.25	\$83.00	\$.25	\$3.00	3.61%
Non-Student	\$4.25	\$93.00	\$4.50	\$96.00	\$.25	\$3.00	3.22%
<u>School Age</u>							
<u>Summer Camp</u>	\$3.00	\$80.00	\$3.00	\$83.00	-0-	\$3.00	3.75%
<u>Drop-in Rate</u>	\$5.00	N/A	\$5.00	N/A	-0-	-0-	
<u>Overtime Rate</u> (per overtime hour)	\$1.00	-0-	\$1.00	-0-	-0-	-0-	
<u>Late pick-up</u> Fees (per minute)	\$25.00	-0-	\$25.00	-0-	-0-	-0-	
<u>Initial</u> <u>Registration</u> (non-refundable)	\$50.00	-0-	\$50.00	-0-	-0-	-0-	
<u>Non-Refundable Semester Registration Fees:</u>							
Infant/Toddler	\$25.00	\$25.00	-0-	-0-	-0-	-0-	
Preschool Program	\$25.00	\$25.00	-0-	-0-	-0-	-0-	
School-Age Program	\$35.00	\$35.00	-0-	-0-	-0-	-0-	

Revenues Generated

From Fees \$255,669 (Est.) \$264,106 \$8,437

Family Discount Second child in family – 10% discount on combined weekly or hourly fees.
Three or more children in family – 15% discount on combined weekly or hourly fees.

EXHIBIT A**COMPARATIVE SCHEDULE**

	2003-2004 Actual	2004-2005 Estimated	2005-2006 Estimated
1. <u>Revenue</u>			
User Fees	\$260,868	\$255,669	\$264,106
Capital Improvement			
Trust Fee	47,746	49,325	51,298
Activity & Service Fee	3,000	2,350	2,820
Reserve/Carry Forward	<u>11,665</u>	<u>37,442</u>	<u>26,597</u>
	\$323,279	\$344,786	\$344,821
2. <u>Expenditures</u>			
Salaried Positions	\$162,428	\$164,647	\$172,793
Other Personal Services	130,182	127,500	129,744
Operating Expense	12,586	15,050	15,686
Furniture & Equipment	-0-	-0-	-0-
Renovation/Reserve	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	\$305,196	\$307,197	\$318,223

EXHIBIT B
UNIVERSITY OF WEST FLORIDA
COMPARATIVE SCHEDULE
CURRENT LOCAL CHILD CARE RATES

	Infants	Toddlers	2's	3's	4's	S/A
Child Care Network 476-5369 Reg.Fee \$25 Annual Curr.Fee Annual \$40	\$121	\$114	\$108	\$106	\$101	\$90
Cokesbury (monthly) 476-5847 (weekly) Reg.Fee \$120/Supply List	\$550 \$137	\$490 \$122	\$435 \$108	\$385 \$96	\$375 \$93	\$375 \$93
For Kids Only (monthly) 433-7546 (weekly) 1-Time Reg.Fee Per Family \$100	\$635 \$158	\$635 \$158	\$620 \$155	\$620 \$155	\$620 \$155	N/A N/A
Kiddie Korral 477-1771 Reg.Fee \$45 Educ. Fee - Annual \$50	\$106	\$98	\$85	\$85	\$85	\$75
Kids Klub 478-7090 Annual Reg. Fee \$25	\$105	\$105	\$100	\$90	\$80	\$85
LaPtite 478-6772 Annual Reg Fee \$60/\$85 Family	\$129	\$117	\$113	\$102	\$99 Pre-K 5 \$109	\$91
Malena's 478-5733 Annual Reg.Fee \$50	\$115	\$105	\$93 potty train	\$93	\$93	\$88
PJC JR (Student/Staff/Faculty) 484-1521 (General Public) Reg.Fee \$30	\$ 85(C) \$100(A) \$100(C) \$115(A)	\$ 85(C) \$100(A) \$95(C) \$110(A)	\$ 80(C) \$95(A) \$95(C) \$110(A)	\$75(C) \$90(A) \$90(C) \$105(A)	\$75(C) \$90(A) \$90(C) \$105(A)	\$75(C) \$90(A) \$85(C) \$100(A)
Kid's Place 473-8912 1-Time Reg.Fee \$35.00	\$109	\$99	\$89	\$84	\$84	\$84

** (C) Current Fee
(A) Anticipated Fee

1/25/2005

**UWF Board of Trustees
Finance, Administration, and Audit Committee
February 25, 2005**

Issue: New Student Orientation Fee

Proposed Action: Approve, effective March 2005

Background Information:

Senate Bill 1162 delegates to the Board of Trustees at universities the authority to set these local fees.

The Office of Student Transition Programs proposes that freshmen students be charged \$78.00 to attend a two-day orientation. The fee covers the program (\$30.00), four meals (\$20.00), housing accommodations for one night (\$18.00), and the Nautilus Card (\$10.00). This is an increase of \$3.00 to cover staffing cost. Sales tax of \$2.85 will need to be added for the overnight stay and food.

For transfer and one-day orientation programs, participants will be charged \$30.00 to attend. This will cover the program cost (\$15.00), one meal (\$5.00), and Nautilus Card (\$10.00). Sales tax of \$1.50 will need to be added for food.

Charges for guest attending the two-day orientation will be \$35.00. This covers cost of the program (\$15.00) and three nice meals (\$20.00). There will be sales tax added of \$1.50. Charges for guest attending the one-day orientation will be \$15.00. This covers the cost of the program (\$10.00) and one meal (\$5.00). There will be sales tax added of (\$.38).

	2-Day Orientation	2-Day w/ Tax	1-Day Orientation	1-Day w/ Tax
Student	\$78.00	\$80.85	\$30.00	\$31.50
Guest	\$35.00	\$36.50	\$15.00	\$15.38

The proposed fee is comparable to other SUS schools. Revenue from the fees will be used to cover actual cost of the programs.

Supporting Documentation: none

Prepared By: Michael D. Jasek, Assistant Dean of Students, 473-7300
Debbie Ford, Vice President for Student Affairs, 474-2214

Planned Goals and Issues Related to the New Proposed Parking Model:

- 1) Faculty and staff maximum utilization of parking spaces nearest assigned office locations. Employee payroll data for each building in conjunction with parking data collected on Wednesday during the study will provide required quantities.
- 2) Faculty and staff (F/S) leaving and returning to campus multiple times per day. Sufficient quantity excess needs to be available within a designated “F/S” parking lot, and as necessary, have an “overflow” lot designation. After the “Unified Permit Mode A” is implemented, late arriving staff will park in the “F/S” lot; however, at a more distant location.
- 3) Reduce the number of user groups in a designated lot who drive through lots looking for vacant spaces. Multiple use designations cause an excessive number of drivers who drive through the lot looking for available spaces. Parking cars in a designated lot and either walking or riding the trolley will be a primary planning focus.
- 4) Improve space utilization of existing under-utilized parking lots. Example to address Items 2 and 3 above: Lot 22 could be identified as a Faculty and Staff (F/S) lot. This lot would continue to have resident student parking for Southside dorms, metered parking, visitor parking near Admissions, and University Police. Currently, there are commuter students parking in Lot 22 (north of the four-lane) and employees parking south of the four-lane. Full-time staff crossing the four-lane during the business week from the lot north of the Racquetball Courts, Lot 21, adds to the probability of reduced employee pedestrian safety. Further, resident students would not be able to drive from residence halls to “F/S” lots until after 5:00 pm. All permits, excluding reserved spaces, accepted in lots 5:00 pm to 7:00 am.
- 5) Visitors: Retain current practice of free parking. UWF needs more visitor parking, near the Building 18 Admissions Office and elsewhere on campus to assist with student recruiting and business stakeholders.
- 6) East Campus Park and Ride Utilizing a Trolley/Shuttle: This will be evaluated at a later year when headcount growth is expected to exceed Effective Parking Supply on the core campus lots (Walker Report, Page 24). Until the core campus is better utilized, the justification would be weak at this point to mandate use, notwithstanding the increased cost of a Trolley/Shuttle.
- 7) Main Campus Master Plan: The current Main Campus Master Plan illustrates an “urban infill” approach with parking on the perimeter or ring of Campus. Parking and vehicular distribution is an integral part of preparing the updated Main Campus Master Plan.

- 8) Way-finding and Signage: Parking lot regulatory signage with “alpha” characters, placed at lot entrances and internally as required, will be used in lieu of the existing practice of painting curbs and “numeric” identification for parking lots and spaces. Regulatory lot signs will be purchased using standard industry sizes. They can be easily seen, quickly procured, modified, removed, and installed.
- 9) Reserve Parking Spaces: Future Model A: Provided as an option on a space available basis to Department Chairperson/Director level and above within the designated “F/S” or Executive “E” parking lot. Example: George Stewart, Chair of Biology, works in Building 58. He would park in the currently designated Lot 40. Rather than pay the equitable/unified rate of \$52, he could purchase a “Reserved” decal/hangtag for \$84 to park immediately adjacent to Building 58.
- 10) Reserve Funds: UWF must build a parking reserve to enable design and construction of parking lots regardless of the building fund source. Example: When the next residence hall is constructed, the Parking Reserve should fund these expenses due to the revenue and expense stream. Currently, the Reserve does not have sufficient funds to pay for these expenditures and operate the program. Further, UWF must build up reserves if headcount growth warrants a parking garage. A future 400-space garage above-grade garage currently costs approximately \$6 million dollars. UWF should not continue to depend primarily upon student patrollers to assure parking regulation compliance.

Proposed Trolley Fee Increases
For FY 2005/2006

<u>Classification</u>	<u>Current Fees</u>	<u>Proposed Fees</u>	<u>Proposed Increase</u>
Student – per semester credit hour	\$1.00	\$1.51	\$0.51
Faculty/Staff – annual	\$5.00	\$5.48	\$0.48

Justification: The three-year agreement between the Escambia County Area Transit (ECAT) and the University of West Florida will expire on December 31, 2005. The agreement was partially funded through a service development grant that provided funding of approximately \$140,000 annually. The university has agreed to enter into a subsequent contractual agreement with ECAT for the fourth year of operations for the period January 1, 2006 through December 31, 2006. Funding for the fourth year will be the university's full responsibility. An increase in fees is required in order to offset these additional expenses.

SUS Parking Fees and Fines Benchmarking Analysis
In Effect July 1, 2005

Feb. 14, 2005

Institution	UWF	FL GC	UNF	FSU	UCF	FAU	USF	UF
Location	Pensacola	Ft. Myers	Jacksonville	Tallahassee	Orlando	Boca Raton	Tampa	Gainesville

(Note 1)

Parking Fees: In Effect July 1, 2005

Annual Reserved	\$ 84	n/a	\$ 280	n/a	\$ 750	\$ 375	\$ 663	\$ 636
Designated Lots	n/a	n/a	\$ 162	n/a		n/a	\$ 278	\$ 264
Faculty	\$ 52	\$ 75	\$ 118	\$ 187	\$ 221	\$ 105	\$ 187	\$ 198
Staff	\$ 44	\$ 30	\$ 118	\$ 187	\$ 132	\$ 79	\$ 166	\$ 102 +
Resident Student	\$ 30	\$ 75	\$ 118	\$ 157	\$ 66	\$ 63	\$ 139	\$ 94
Commuter Student	\$ 30	\$ 75	\$ 118	\$ 157	\$ 66	\$ 63	\$ 112	\$ 94
Motorcycle	\$ 15	\$ 25	\$ 40	\$ 49	\$ 34	\$ 63	\$ 37	\$ 24
Metered	\$.30 / hr.	Not Avail.	Not Avail.	Not Avail.	Not Avail.	Not Avail.	Not Avail.	Not Avail.
Visitor	Free	Free	\$3 / Day	\$2.50 / Day	\$3 / Day	Free	\$3 / Day	\$3 / Day

Fines

Overtime Parking	\$ 10	Not Avail.	\$ 25	Not Avail.	\$ 20	\$ 15	\$ 15	\$ 7
Restricted/Reserved Area	\$ 25	\$ 15	\$ 25	Not Avail.	\$ 50	\$ 25	\$ 75	\$ 20
Parking Over Line	\$ 15	\$ 15	\$ 25	Not Avail.	\$ 25	\$ 15	\$ 15	\$ 5
Parking On Grass or Sidewalks	\$ 25	\$ 15	\$ 25	Not Avail.	\$ 20	\$ 15	\$ 15	\$ 20
Parking Obstructing Traffic	\$ 25	\$ 15	\$ 25	Not Avail.	\$ 20	\$ 15	\$ 30	\$ 20
Parking In Service Area	\$ 25	\$ 15	\$ 25	Not Avail.	\$ 25	\$ 15	\$ 30	\$ 20
Parking In No-Parking Zone	\$ 25	\$ 15	\$ 25	Not Avail.	\$ 20	\$ 15	\$ 30	\$ 20
Parking In Handicapped Illegally	\$ 100	\$ 200	\$ 250	Not Avail.	\$ 100	\$ 250	\$ 275	\$ 250
Failure to Register a Vehicle	\$ 20	\$ 15	\$ 25	Not Avail.	\$ 25	\$ 15	\$ 125	\$ 20
False Registration	\$ 100	\$ 100	\$ 100	Not Avail.	\$ 100	\$ 250	\$ 125	\$ 100
Failure To Display A Permit	\$ 15	\$ 15	\$ 35	Not Avail.	\$ 25	\$ 15	\$ 125	\$ 20

Note 1

FSU, Student Parking based upon \$4.90 per credit hour of 32 hrs. in a nine (9) month academic year.
 Waived if paying the Transportation Access Fee

University of West Florida						
Administrative Affairs						
Proposed Parking Fee Increases						
Recently, the university engaged the services of a parking consultant to conduct a supply and demand assessment study. The findings from the consultant's study will be used to help guide the university relative to its parking and transportation issues for the next five years. Employees will be afforded the opportunity to pay for their parking fees through payroll deduction. This provision will be optional.						
The consultant recommended a single unified permit module as the best approach to address current and future parking and transportation issues at UWF. New parking fees are recommended utilizing a phase-in approach for the next five years as listed below.						
Proposed Phase-In Fee Increases						
Classification	Current Fees	Effective	Effective	Effective	Effective	Effective
	08/01/04-07/31/05	08/01/05-07/31/06	08/01/06-06/30/07	07/01/07-06/30/08	07/01/08-06/30/09	07/01/09-06/30/10
Administrative/Reserved Executive	\$55.00	\$84.00	\$113.00	\$142.00	\$171.00	\$200.00
Faculty	\$45.00	\$52.00	\$59.00	\$66.00	\$73.00	\$80.00
Staff	\$35.00	\$44.00	\$53.00	\$62.00	\$71.00	\$80.00
Resident Student	\$20.00	\$30.00	\$40.00	\$50.00	\$60.00	\$70.00
Commuter Student	\$20.00	\$30.00	\$40.00	\$50.00	\$60.00	\$70.00
Motorcycle	\$10.00	\$15.00	\$20.00	\$25.00	\$30.00	\$35.00
Metered	\$0.25	\$0.30	\$0.35	\$0.40	\$0.40	\$0.45
Visitor	Free	Free	Free	Free	Free	Free
Justification:						
1. UWF has the lowest parking fees in Florida State University System.						
2. Parking fees have not increased since 2001.						
3. Additional funds are required for on-going repair maintenance and to improve the administrative parking operations.						
4. Based upon the consultant's report, additional funds are needed to build a sufficient reserve in order to implement long-term parking and transportation strategies.						

**UWF Board of Trustees
Finance, Administration and Audit Committee
February 25, 2005**

Issue: Materials and supply fees

Proposed action: Approve fees

Background information:

Florida Statutes, Chapter 1009.24(12) states:

"Each university board of trustees is authorized to establish the following fees:... (g) Materials and supplies fees to offset the cost of materials or supplies that are consumed in the course of the student's instructional activities, excluding the cost of equipment replacement, repairs, and maintenance."

The proposed material and supply fees for academic year 2005-06 are attached.

Supporting documentation: Listing of items

Prepared by: Dr. Pete Metarko, Associate V P for Enrollment
(850) pmetarko@uwf.edu

MATERIAL AND SUPPLY FEES FOR 2005/2006

Summary: 11 New Requests; 10 Increase Requests; 2 Decrease Requests

The following are the courses that are either new requests for material and supply fees or modifications to existing fees from catalog year 2004-2005.

Prefix/No	Title	M&S FEE NEW	MODIFICATION FROM TO	
BIOLOGY				
<i>INCREASE</i>				
BSC 1086I	Anatomy & Physiology II Lab		\$25.00	\$48.00
ELECTRICAL ENGINEERING				
<i>NEW</i>				
EEL 3111	Circuits I	\$ 3.00		
EEL 3304	Electronic Circuits I	3.00		
EEL 3701	Digital Logic & Computer Systems	3.00		
EEL 4213	Electric Energy Systems I	3.00		
EEL 4515	Digital Communication	3.00		
EEL 4712	Digital Design	3.00		
EEL 4744	Microprocessor Applications	3.00		
<i>INCREASE</i>				
EEL 3303L	Electric Circuits Lab		31.00	41.00
EEL 3701L	Digital Logic & Computer Systems Lab		40.00	48.00
EEL 4304L	Electronic Circuits Lab		6.00	9.00
EEL 4514L	Communication Lab		5.00	9.00
EEL 4712L	Digital Design Lab		20.00	27.00
<i>DECREASE</i>				
EEL 4930	Special Topics in Electrical Engineering		20.00	3.00
ENGLISH				
<i>DECREASE</i>				
ENC 1101	English Composition I		16.00	11.00
ENVIRONMENTAL STUDIES				
<i>INCREASE</i>				
GEO 4152	Applications to GIS		13.00	20.00
GEO 4174	Special Topic in GIS		13.00	20.00
GEO 5157	Applications to GIS		13.00	20.00
GEO 5177	Special Topic in GIS		13.00	20.00
HEALTH, LEISURE, AND EXERCISE SCIENCE				
<i>NEW</i>				
PEL 1XXX	Outdoor Adventure I	37.00		
PEL 2XXX	Outdoor Adventure II	38.00		
PEN 1XX0	Beach Sports I	39.00		
PEN 2XX0	Beach Sports II	39.00		

Material and Supply Fees

The UWF Board of Trustees is scheduled to review the Material and Supply Fees for AY 2005-2006 at its February meeting. The following information may be of interest:

Academic Year	Total Fees	Average Fee/Course
2001-02	\$ 3,338	\$ 22.55
2002-03	\$ 3,942	\$ 22.40
2003-04	\$ 4,402	\$ 21.39
2004-05	\$ 5,351	\$ 22.39
2005-06 (Proposed)	\$ 5,487	\$ 22.21

In addition to traditional laboratory expenses, Material and Supply fees cover expenses that would need to be borne by either the department or the students individually. Examples include THE2000 – The Theatre Experience where students will be charged for items that they will use in the class.

Last year, approval of the fees was transferred to the Deans. The department originates the request and provides the cost estimates. After the chairperson approves the request, it is reviewed by the dean (CAS – Belinda Day (Business Manager) and George Ellenberg; COPS – Michelle Doyle (Business Manager); COB has no courses with fees.) The approved requests are then forwarded to Ethel Thompson who compiles the data. Following BOT approval she will notify the departments and Financial Services.

MEMORANDUM

February 8, 2005

To: Dr. John Cavanaugh, President

Via: Dr. Sandra Flake, Provost

From: Dr. Peter F. Metarko, Associate Vice President for Enrollment Services

Subject: Material and Supply Fees for Academic Year 2005-2006

Florida Statutes, section 1009.24 (12g), authorizes the Board of Trustees to establish “Materials and supplies fees to offset the cost of materials or supplies that are consumed in the course of the student’s instructional activities, excluding the cost of equipment replacement, repairs, and maintenance.” The UWF list of courses for which the material and supply fee may be assessed is reviewed and updated annually.

The Material and Supply Fee listing for academic year 2005-2006 has been compiled by the SASS Office based on information submitted by the departments and approved by the appropriate dean. This listing of all courses is attached for your review and subsequent approval by the Board of Trustees. Also included is a summary of the changes for the past years and a list of courses with new or modified fees.

Upon approval, the courses will be listed in the 2005-2006 Catalog and appropriate University officials notified. Enrollment Services Division Points of Contact are Ms. Ethel Thompson (ethomps@uwf.edu 474-2228) or Dr. Bob Shaw (bshaw@uwf.edu 474-3311).

Copy to: Dr. Carl Backman
Dr. Bob Shaw

Attachments

**2005/2006 MATERIAL AND SUPPLY FEES TO BE APPROVED BY
University of West Florida Board of Trustees**

Course Number	Course Title	Hrs	Fee	
ADV	3101C	ADV STRATEGY/TACTICS	3.0	3.00
ADV	3213C	PUBLICATION DESIGN	3.0	3.00
ADV	3300C	ADVERTISING MEDIA	3.0	3.00
ADV	4202C	ADV CREATIVE DIRECT	3.0	3.00
ADV	4801C	NAT'L ADV COMP	3.0	3.00
ADV	4802	INTEGRATED CAMPAIGNS	3.0	3.00
ARH	3830C	MUSEUM/GALLERY STDS	3.0	5.00
ART	1300C	DRAWING I	3.0	48.00
ART	1301C	DRAWING II	3.0	48.00
ART	2003C	VISUAL ARTS EXPER	3.0	20.00
ART	2150C	SMALL METALS	3.0	25.00
ART	2201C	TWO-DIMENSIONAL DSGN	3.0	45.00
ART	2203C	3D SCULP FORM	3.0	48.00
ART	2500C	PAINTING I	3.0	48.00
ART	2600C	COMPUTER IMAGING I	3.0	48.00
ART	2701C	INTERM SCULP FORM	3.0	48.00
ART	3113C	CERAMICS: WHEELTHROW	3.0	48.00
ART	3152C	JEWELRY & METALS II	3.0	25.00
ART	3312C	DRAWING III	3.0	48.00
ART	3610C	CI II: IMAGE MANIPUL	3.0	48.00
ART	3760C	CERAMICS	3.0	48.00
ART	3764C	CERAMICS: HNDBLDG	3.0	48.00
ART	4155C	ENAMELING & METALS	3.0	34.00
ART	4320C	DRAWING IV-ADVANCED	3.0	48.00
ART	4333C	DRAWING V-ADVANCED	3.0	48.00
ART	4618C	DIGITAL MULTIMEDIA I	3.0	48.00
ART	4619C	DIGITAL MULTIMED II	3.0	48.00
ART	4630C	ARTISTS VIDEO	3.0	48.00
ART	4632	DIGITAL MEDIA PROJ	3.0	48.00
ART	4787C	CERAMICS: PER DIRECT	3.0	48.00
AST	3033	MODERN ASTRONOMY	3.0	3.00
BCH	3033L	BIOCHEMISTRY I LAB	.0	35.00
BCH	3034L	GEN BIOCH METAB LAB	.0	48.00
BOT	2010L	GENERAL BOTANY LAB	.0	25.00
BOT	3601L	PLANT ECOLOGY LAB	.0	13.00
BOT	4374L	PLANT DEVELOP LAB	1.0	24.00
BOT	4404L	AQUATIC BOTANY LAB	.0	30.00
BOT	4406L	MARINE ALGAE LAB	.0	29.00
BOT	4503L	PLANT PHYS LAB	1.0	29.00
BOT	4712L	PLANT TAX & EVOL LAB	.0	13.00
BOT	4734L	PLANT BIOTECH LAB	.0	40.00
BOT	5506L	PLANT PHYSIOLOGY LAB	.0	29.00
BOT	5376L	PLANT DEVELOP LAB	1.0	24.00
BOT	5407L	MARINE ALGAE LAB	.0	29.00

BOT	5735L	PLANT BIOTECH LAB	.0	40.00
BSC	1005L	GEN BIO/NON-MAJ LAB	1.0	18.00
BSC	1085L	ANAT & PHYS I LAB	1.0	48.00
BSC	1086L	ANAT & PHYS II LAB	1.0	48.00
BSC	2311L	OCEAN/MAR BIOL LAB	1.0	29.00
BSC	6002L	CONTEMP LAB SKILLS	4.0	37.00
CHM	1020L	CONCEPTS IN CHM LAB	1.0	48.00
CHM	1032L	FUND GEN CHEM LAB	1.0	48.00
CHM	2045L	GEN CHEMISTRY I LAB	1.0	48.00
CHM	2046L	GEN CHEMISTRY II LAB	1.0	48.00
CHM	2200L	FUND ORG/BIOCHEM LAB	1.0	48.00
CHM	2210	ORGANIC CHEMISTRY I	3.0	5.00
CHM	2210L	ORGANIC CHEM I LAB	1.0	48.00
CHM	2211	ORGANIC CHEMISTRY II	3.0	5.00
CHM	2211L	ORGANIC CHEM II LAB	1.0	48.00
CHM	3120L	ANALYTICAL CHEM LAB	.0	48.00
CHM	3740L	ADV LAB TECHNIQUES	2.0	48.00
CHM	3741L	PHYSICAL CHEM LAB	2.0	48.00
CHM	4130L	INSTR ANALYSIS LAB	.0	25.00
CHM	4455L	POLYMER SCIENCE LAB	1.0	35.00
COM	6312	QUANTITATIVE RES MET	3.0	3.00
COP	3835	WEB BASED PROG	3.0	7.00
CRW	4211	CREATIVE NON-FICTION	3.0	16.00
EEL	3111	CIRCUITS I	3.0	3.00
EEL	3112	CIRCUITS 2	3.0	3.00
EEL	3135	SIGNALS AND SYSTEMS	3.0	3.00
EEL	3211	ELEC ENERGY ENGR	3.0	3.00
EEL	3303L	ELEC CIRCUITS LAB	1.0	41.00
EEL	3304	ELECTRONIC CIRCUITS I	3.0	3.00
EEL	3396	SOLID-STATE ELECT DE	3.0	3.00
EEL	3472	ELECTROMAG FIELDS 1	3.0	3.00
EEL	3473	ELECTROMAG FIELDS II	3.0	3.00
EEL	3701	DIG LOGIC & COMP SYS	3.0	3.00
EEL	3701L	DIG LOGIC & COMP LAB	1.0	48.00
EEL	4213	ELECTRONIC ENRGY SYS I	3.0	3.00
EEL	4230	ELEC DRV & MTR CTRL	3.0	3.00
EEL	4242C	POWER ELEC CIRCUITS	3.0	3.00
EEL	4304L	ELECTRONICS LAB	1.0	9.00
EEL	4306C	ELECTRONIC CKS 2	3.0	20.00
EEL	4310C	DIGITAL INTEGR CKTS	3.0	3.00
EEL	4351	ELEC DEVICE FUND	3.0	3.00
EEL	4445	OPTICS FOR ENGINEERS	3.0	3.00
EEL	4514	COMM SYSTEMS & COMP	3.0	3.00
EEL	4514L	COMMUNICATION LAB	1.0	9.00
EEL	4515	DIGITAL COMM	3.0	3.00
EEL	4516	NOISE DEV & COM SYS	3.0	3.00
EEL	4610	STATE VAR & CONTROL	3.0	3.00
EEL	4635	DIGITAL CONTROL SYST	3.0	3.00
EEL	4657	LINEAR CONTROL SYS	3.0	3.00
EEL	4657L	LINEAR CONTROLS LAB	1.0	3.00

EEL	4663	ELEMENTS OF ROBOTICS	3.0	48.00
EEL	4712	DIGITAL DESIGN	3.0	3.00
EEL	4712L	DIGITAL DESIGN LAB	1.0	27.00
EEL	4713	DIG COMPUTER ARCH	3.0	3.00
EEL	4713L	DIGITAL COMP ARC LAB	1.0	3.00
EEL	4744	MICROPRO APPLICATION	3.0	3.00
EEL	4744L	MICROPROC APP LAB	1.0	20.00
EEL	4750C	INTRO TO DIG SIG PRO	3.0	3.00
EEL	4751	INTRO DIGITAL SIGNAL	3.0	3.00
EEL	4834	C++ PROG/ELEC ENGR	3.0	3.00
EEL	4914C	ELEC ENGR DESIGN	3.0	20.00
EEL	4930	SPEC TOP IN ELEC ENG	4.0	3.00
EGM	4313	INTERM ENGR ANALYSIS	4.0	3.00
EGN	4034	PROFESSIONAL ETHICS	1.0	3.00
EIN	4354	ENGINEERING ECONOMY	3.0	3.00
ENC	1101	ENGLISH COMP I	3.0	11.00
ENC	1101L	ENGLISH COMP I LAB	1.0	9.00
ENC	1102	ENGLISH COMP II	3.0	10.00
ENC	3240	TECHNICAL WRITING	3.0	4.00
ENC	3250	PROFESSIONAL WRITING	3.0	4.00
ENC	3310	ADV CRITICAL WRITING	3.0	6.00
FAS	4000L	AQUACULTURE LAB	.0	30.00
FAS	5406L	AQUACULTURE LAB	.0	30.00
FRE	1120C	FRENCH I	4.0	6.00
FRE	1121C	FRENCH II	4.0	6.00
GEO	1200L	PHYSICAL GEOG LAB	.0	7.00
GEO	3100L	CARTOG SKILLS LAB	.0	15.00
GEO	3210L	GEOMORPHOLOGY LAB	.0	5.00
GEO	3250L	WEATHER & CLIM LAB	.0	5.00
GEO	3260L	GEOG OF SOILS LAB	1.0	13.00
GEO	4131L	PHO INT/REM SEN LAB	.0	7.00
GEO	4133	APPLC REMOTE SENSING	3.0	10.00
GEO	4151L	GIS LABORATORY	.0	9.00
GEO	4152	APPLICATIONS IN GIS	3.0	20.00
GEO	4174	SPECIAL TOPIC IN GIS	3.0	20.00
GEO	4280L	BASIC HYDROLOGY LAB	.0	11.00
GEO	4373	MTD/TCH ENV RES & PL	3.0	17.00
GEO	4890L	COASTAL MOR/PROC LAB	1.0	18.00
GEO	5139	APPLC REMOTE SENSING	3.0	13.00
GEO	5157	APPLICATIONS IN GIS	3.0	20.00
GEO	5177	SPECIAL TOPIC IN GIS	3.0	20.00
GEO	5225L	COASTAL MOR/PROC LAB	1.0	18.00
GEO	6159	ADVANCED TOPICS GIS	3.0	24.00
GER	1120C	GERMAN I	4.0	6.00
GER	1121C	GERMAN II	4.0	6.00
GLY	2010L	PHYS GEOLOGY LAB	1.0	19.00
GLY	3031C	ENVIRON GEOLOGY	4.0	13.00

HSC	3406C	ADV FRST AID & EM CA	3.0	10.00
JOU	3100	NEWSPAPER REPORTING	3.0	3.00
JOU	4101	ADV NEWSPAPER RPTNG	3.0	3.00
JOU	4201	NEWSPAPER EDITING	3.0	3.00
JOU	4211	NEWSPAPER DESIGN	3.0	3.00
JOU	4302	EDITORIAL WRITING	3.0	3.00
JOU	4306	CRITICAL REVIEWS	3.0	3.00
JOU	4308	MAGAZINE WRITING	3.0	3.00
JOU	5317	CRITICAL REVIEWS	3.0	3.00
LAE	4335	SPECIAL METHODS/ENGL	4.0	10.00
LAE	5368	SPEC METH TCHG ENGL	4.0	6.00
LEI	4332	COMM TOURISM DEV	3.0	10.00
LEI	4350	OUTDOOR LEISURE	4.0	5.00
LIN	2670	PRACT GRAM & USAGE	3.0	4.00
LIN	3742	MODGRAMMAR/USAGE	3.0	4.00
LIT	2930	ISSUES IN LIT	3.0	3.00
MAE	4310	TEA MATH IN ELEM SCH	3.0	48.00
MCB	1000L	FUND OF MICRO LAB	1.0	48.00
MCB	3020L	MICROBIOLOGY LAB	.0	45.00
MCB	4653L	APPLIED MICROBIO LAB	.0	45.00
MCB	4733L	MARINE MICRO LAB	.0	24.00
MCB	5735L	MARINE MICRO LAB	.0	19.00
MLS	4305L	HEMATOLOGY I: LAB	.0	35.00
MLS	4334L	HEMO/THROMBOSIS:LAB	.0	35.00
MLS	4460L	DIAG MICRO I: LAB	1.0	35.00
MLS	4462L	MEDICAL MICROBIO LAB	.0	35.00
MLS	4505L	SEROLOGY: LAB	.0	35.00
MLS	4550L	IMMUNOHEMATLGY I LAB	.0	35.00
MLS	4625L	CLIN CHEM I: LAB	.0	35.00
MLS	4630L	CLIN CHEM II: LAB	.0	35.00
MMC	3261C	COMP MEDIATED COMMUN	3.0	3.00
MSL	1001	FOUND TNS OFFICERSHIP	1.0	9.00
MSL	1002	BASIC LEADERSHIP	1.0	9.00
MSL	2101	INDIV LDRSHP STUDIES	2.0	9.00
MSL	2102	LDRSHIP & TEAMWORK	2.0	9.00
MSL	3201	LDRSHP PROB SOLVING	3.0	9.00
MSL	3202	LEADERSHIP AND ETHIC	3.0	9.00
MSL	4301	LEADERSHIP AND MGT	3.0	9.00
MSL	4302	OFFICERSHIP	3.0	9.00
MUE	3210	MUSIC FOR ELEM TCHR	2.0	8.00
MUS	2360	MUSIC TECHNOLOGY	2.0	19.00
MVK	1111	CLASS PIANO I	1.0	10.00

MVS	1116	BEGINNING GUITAR	1.0	11.00
NUR	3026C	BASIC NURSING SKILLS	3.0	45.00
NUR	4257L	MED SUR NUR LAB III	4.0	37.00
PCB	2131L	CELL BIOLOGY LAB	1.0	28.00
PCB	3063L	GENETICS LAB	.0	35.00
PCB	3253L	DEV BIOLOGY LAB	.0	25.00
PCB	4043L	ECOLOGY LABORATORY	.0	13.00
PCB	4173C	ELECTRON MICROSCOPY	4.0	35.00
PCB	4233L	IMMUNOLOGY LAB	1.0	48.00
PCB	4364L	MAR ECOPHYSIOL LAB	1.0	48.00
PCB	4442L	WETLANDS ECOLOGY LAB	.0	25.00
PCB	4521L	MOLEC GENETICS LAB	.0	48.00
PCB	4524L	MOLECULAR BIO LAB	.0	48.00
PCB	4723L	COMP ANIM PHYS I LAB	.0	48.00
PCB	5319L	MAR ECOPHYSIOL LAB	1.0	48.00
PCB	5235L	IMMUNOLOGY LAB	1.0	48.00
PCB	5446L	WETLANDS ECOLOGY LAB	.0	25.00
PCB	5526L	MOLEC GENETICS LAB	.0	48.00
PCB	5527L	MOLECULAR BIO LAB	.0	48.00
PCO	6315	ASSM'T IN COUNSELING	3.0	27.00
PEL	1XXX	OUTDOOR ADVENTURE I	3.0	37.00
PEL	2XXX	OUTDOOR ADVENTURE II	3.0	38.00
PEN	1XX0	BEACH SPORTS I	3.0	39.00
PEN	2XX0	BEACH SPORTS II	3.0	39.00
PET	3351L	EXER PHYSIOLOGY LAB	1.0	17.00
PET	3670	ATH TRN CLINICAL I	1.0	32.00
PET	3671	ATH TRN CLINICAL II	1.0	32.00
PET	3680	PROTECT METH SPT MED	3.0	48.00
PET	4061	MOTOR DEV/SKILL LRNG	3.0	13.00
PET	4310L	LABORATORY	.0	16.00
PET	4672	ATH TRN CLINICAL III	1.0	32.00
PET	4673	ATH TRNG CLINICAL IV	1.0	32.00
PET	4675	PRACT IN SPORTS MED	3.0	32.00
PET	6355C	ADV EXERCISE PHYSIOL	3.0	9.00
PGY	2401C	PHOTO ART I	3.0	48.00
PGY	3420C	PHOTO ART II	3.0	48.00
PGY	3500C	PHOTO IMAGE ART FORM	3.0	48.00
PGY	4104C	CREATIVE DARKROOM	3.0	34.00
PHY	1020L	CONCEPTS IN PHYS LAB	1.0	15.00
PHY	2048L	UNIV PHYSICS LAB I	1.0	18.00
PHY	2049L	UNIV PHYSICS LAB II	1.0	18.00
PHY	2053L	GEN PHYSICS LAB I	1.0	18.00
PHY	2054L	GEN PHY II LAB	1.0	18.00
PHY	3106L	MODERN PHYSICS LAB	2.0	17.00
PHY	3107	MODERN PHYSICS II	3.0	4.00
PHY	3424	OPTICS	3.0	3.00
PHY	4910	INDEPENDENT RESEARCH	2.0	10.00

SCE	4310	TEACHING SCI/ELEM SC	3.0	8.00
SPN	1120C	SPANISH I	4.0	6.00
SPN	1121C	SPANISH II	4.0	6.00
THE	2000	THE THEATRE EXPERIEN	3.0	32.00
TPA	2248	MAKE-UP & DISGUISE	2.0	18.00
TPA	2290L	TECH THEATRE LAB	1.0	23.00
TPA	3230	COSTUME CONSTRUCTION	3.0	25.00
TPA	4077	SCENE PAINTING	2.0	28.00
TPP	2260	ACTING FOR CAMERA	3.0	27.00
ZOO	1010L	GENERAL ZOOLOGY LAB	.0	26.00
ZOO	3233L	PARASITOLOGY LAB	.0	33.00
ZOO	4880C	FISHERIES BIOLOGY	4.0	27.00
ZOO	4254L	MARINE INV ZOO LAB	.0	43.00
ZOO	4304L	MARINE VERT ZOO LAB	.0	15.00
ZOO	4753L	HISTOLOGY LAB	.0	13.00
ZOO	5881C	FISHERIES BIOLOGY	4.0	27.00

SECTION 2 - EDUCATION (ALL OTHER FUNDS)

The Chancellor of the Division of Colleges and Universities shall submit a revised 5-year state university enrollment plan by lower, upper, graduate I and graduate II levels, by university, to the Florida Board of Governors by September 1, 2004. This revised 5-year enrollment plan must be developed with input from each state university. The State Board of Education shall include funding recommendations in its Fiscal Year 2005-2006 Legislative Budget Request to implement the revised 5-year state university enrollment plan.

The enrollment policy adopted by the Legislature does not limit the number of students admitted from out-of-state under the profile admissions policy; however, no state university may receive general revenue funding associated with the enrollment of out-of-state students admitted under this policy. For the purposes of implementing this policy, the Chancellor shall segregate these FTEs and not count them toward the 2004-2005 enrollment plan for the State University System.

The resident tuition per credit hour is hereby established for the 2004-2005 fiscal year as follows:

	2004 Summer Term	2004-2005 Fall/Spring Terms
Lower Level Coursework	\$ 63.41	\$ 68.16
Upper Level Coursework	\$ 63.41	\$ 68.16

Each university board of trustees shall increase their 2003-2004 resident tuition for all other levels by 12.5 percent and 2003-2004 nonresident tuition for all levels by 12.5 percent. In addition, each university board of trustees is authorized to further increase nonresident tuition by up to 2.5 percent for any level of instruction.

Each university board of trustees is authorized to waive tuition for purposes which support and enhance the mission of the university. All fee waivers must be based on policies which are adopted by university boards of trustees. Each university shall report the purpose, number and value of all fee waivers granted annually in a format which shall be prescribed and reviewed by the Florida Board of Governors.

Funds provided in Specific Appropriation 156 for the University of Florida include no more than that amount which the State Board of Education and the City of Gainesville agree represents the cost of service for water provided by the city to the University of Florida. The amount charged shall reflect a cost-based rate only and shall be determined through a cost of service study completed annually by the city and reviewed by the university. The costs of any General Fund transfer to the City of Gainesville from Gainesville Regional Utilities or any profit to the city or utility shall be specifically excluded as costs allocable to the university. The cost-based rate shall include charges for only those water services actually provided by the city to the university and shall not include charges for services furnished by the university.

In order to provide New College and USF Sarasota/Manatee with sufficient up-front operating capital to support shared services functions and to eliminate the significant current accounting inefficiencies, a total of \$5,000,000 from the funds in Specific Appropriation 156 shall be released in equal amounts to New College and USF/USF Sarasota-Manatee as part of the first cash distribution in the fiscal year. The remaining appropriated funds for these two institutions shall be distributed in accordance with normal release protocol, beginning with the first cash distribution in the fiscal year. New College and USF/USF Sarasota-Manatee are authorized to make lump sum budget transfers between the two institutions, as appropriate, to facilitate management of shared services.

From the funds in Specific Appropriation 156 for Florida Atlantic University, \$200,000 is provided for the Florida-Israel Institute.

From the funds in Specific Appropriation 156 for the University of South Florida, \$50,000 is provided for the Community Engagement/Service Learning Initiative.

From the funds in Specific Appropriation 156 for Florida International University, \$600,000 is provided for the FIU Honors College/USF College of Medicine Education Partnership and Residency Program. FIU shall use a portion of these funds for a residency program.

UWF BOARD OF TRUSTEES
Finance, Administration & Audit Committee
February 25, 2005

Issue: National Student Exchange (NSE) Out-of-State Waiver Policy

Proposed action: Approve the NSE Waiver Policy

Background Information:

UWF has not participated in NSE's Plan A because there is the requirement that students pay in-state tuition at the host campus. Until recently, Florida statutes did not provide an appropriate avenue for exchange students to receive waivers for the non-Florida portion of tuition. The 2004/2005 General Appropriations Act, Section 2, page 38 (copy attached) provides an opportunity for these types of tuition waivers. The proposed NSE waiver would enhance our enrollment and encourage students from different cultures and geographic areas to be part of the UWF student body

Supporting documentation: Proposed National Student Exchange Waiver Policy
2004/2005 General Appropriations Act, Section 2, page 38 (pertinent part only)

Prepared by: Pete Metarko (850) 474-3387 pmetarko@uwf.edu

National Student Exchange Waiver Policy Effective Academic Year 2005/2006

Rationale for Policy:

This policy is being proposed to encourage increased undergraduate enrollment and diversity at UWF through the National Student Exchange program.

Background Information

The National Student Exchange (NSE) is a program for undergraduate exchange within the United States that has been in existence for more than 36 years. NSE provides opportunities for students to study for up to one calendar year at another college or university. Currently there are more than 175 college and universities participating in the program. Students participate in NSE to:

- broaden personal and educational perspectives
- explore and appreciate new cultures
- widen university boundaries
- take courses not offered on their home campus
- learn from different professors
- access courses with different perspectives
- explore new areas of study
- experience personal growth
- live in a different geographic area

Students must be in good standing (academic, financial, social/behavioral, as defined by the home campus) and have a minimum cumulative GPA of 2.4 (4.0 scales). Additional program requirements or qualifications may be imposed by the sending or receiving campus. Member campus may also restrict, limit, or close programs in which students are sent or received.

NSE offers two plans for fee payment and tuition reciprocity:

Plan A – The exchange student pays in-state (resident) tuition/fees of the host campus directly to that campus. The student's courses are counted toward FTE's at UWF.

Plan B – The exchange student pays tuition/fees of the home campus directly to that campus. The student enrolls at the host campus neither paying tuition/fees to the host campus nor having money sent from the home campus to the host campus. The student's courses are not counted toward FTE's at UWF.

An institution can participate in both plans. Each participating campus determines the number of students it will send and receive, as well as the parameters related to the balance in the number of outgoing and incoming students.

Currently, four public universities in Florida are members of the NSE:

Florida International University	Plan A uneven Plan B even
New College of Florida	Plan B even
University of South Florida	Plan A open Plan B even
University of West Florida	Plan B even

Number of NSE students (Plan B) for the last several years at UWF:

	<u>Incoming</u>	<u>Outgoing</u>
Fall 2000	32	10
Fall 2001	25	10
Fall 2002	56	15
Fall 2003	27	18
Fall 2004	32	8
Spring 2001	19	5
Spring 2002	31	8
Spring 2003	39	11
Spring 2004	37	17
Spring 2005	25	5

Proposed National Student Exchange Waiver Policy

The UWF Coordinator for the National Student Exchange program will identify which students are eligible for the NSE waiver consistent with the following guidelines:

1. NSE waivers of out-of-state tuition may be granted for non-Florida resident undergraduate students who are enrolled through the NSE program under Plan A at UWF.
2. The number and value of the NSE waivers authorized pursuant to this policy will be accounted for separately from other types of waivers and the effectiveness of this policy to achieve the objectives will be reviewed by the Provost/designee annually. These waivers are in addition to and independent of the undergraduate waiver allocations.

3. The Provost/designee has the authority to set a cap on the number of or maximum value of the NSE waivers awarded per semester.

SECTION 2 - EDUCATION (ALL OTHER FUNDS)

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UWF Board of Trustees
Finance, Administration and Audit Committee
February 25, 2005

Issue: Certification of UWF Foundation, Inc.

Proposed action: Approve

Background information:

To ensure compliance with the agreement, Betsy Bowers, the associate vice president for Internal Auditing and Management Consulting, performed a cursory review of the documents and determined UWF Foundation met the requirements.

Supporting documentation: Financial Statement & Auditor's Report

Prepared by: Betsy Bowers (850) 474-2637 bbowers@uwf.edu.

**UNIVERSITY OF WEST FLORIDA
FOUNDATION, INC.**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

JUNE 30, 2004 AND 2003

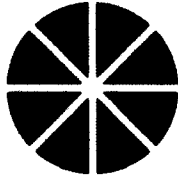
**UNIVERSITY OF WEST FLORIDA
FOUNDATION, INC.**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

JUNE 30, 2004 AND 2003

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O'SULLIVAN CREEL, LLP
Certified Public Accountants & Consultants

316 South Baylen Street - Suite 200 - Pensacola, FL 32502

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

Board of Trustees
University of West Florida Foundation, Inc.
Pensacola, Florida

We have audited the accompanying statements of financial position of University of West Florida Foundation, Inc. (the Foundation) as of June 30, 2004 and 2003, and the related statements of activities, and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed in the following paragraph, we conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note Q, the Foundation has identified significant damage due to water intrusion in the Village East student housing complex. Management of the Foundation has received a preliminary report from an engineering firm outlining possible remediation actions and a range of estimated costs for repair or replacement. These circumstances indicate existence of a potential impairment loss to the building structure. If indicators of impairment are present, FASB Statement No. 144 requires the Foundation to determine whether the total undiscounted future cash flows from the assets in question are less than the carrying amount of the assets; and if less, to recognize an impairment loss equal to the excess of the carrying amounts of the assets in question over their fair values. The Foundation has not completed such an evaluation and has not recognized an impairment loss in the financial statements. It was impracticable for us to extend our auditing procedures sufficiently to satisfy ourselves as to the adequacy of disclosures and the potential recognition of an impairment loss with respect to the water intrusion damage in the Village East student housing complex. The Foundation has filed suit against the

development company, the architect, and the surety company seeking recovery of damages up to the total cost of constructing the facility, lost rentals, attorney's fees and various other expenditures.

In our opinion, except for the effects of such adjustments and/or disclosures, if any, as might have been determined to be necessary had we been able to obtain sufficient evidence regarding the potential impairment loss to the Village East student housing complex, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2004 and 2003, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2004, on our consideration of the Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of the Foundation taken as a whole. The accompanying schedules on pages 21-25 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

O'Sullivan Cuel, LLP

August 18, 2004, except for Note R which is
dated September 16, 2004

University of West Florida Foundation, Inc.
STATEMENTS OF FINANCIAL POSITION
June 30, 2004 and 2003

ASSETS	<u>2004</u>	<u>2003</u>
Cash and cash equivalents	\$ 221,634	\$ 275,517
Restricted cash	5,167,359	8,820,285
Contributions receivable, net	625,930	1,096,768
Other receivables, net	594,275	522,502
Prepaid expenses	43,868	34,256
Capital lease receivable from UWF	2,996,642	3,700,000
Long-term investments	49,396,313	43,812,584
Property and equipment, net	34,156,090	32,557,343
Assets held under split interest agreements	343,029	369,551
Cash surrender value of insurance policies	40,465	35,913
Property held for investment	430,964	487,897
Bond issue costs, net	983,296	1,027,507
Total assets	<u>\$ 94,999,865</u>	<u>\$ 92,740,123</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 320,900	\$ 1,385,869
Deferred rental revenue	255,185	230,228
Salary supplement payable	52,813	24,600
Liabilities held under split interest agreements	238,003	273,986
Certificates of participation	2,996,642	3,700,000
Bonds payable, net	32,308,547	32,960,205
Total liabilities	36,172,090	38,574,888
NET ASSETS		
Unrestricted	2,172,232	3,196,173
Temporarily restricted	19,123,134	14,201,028
Permanently restricted	37,532,409	36,768,034
Total net assets	<u>58,827,775</u>	<u>54,165,235</u>
Total liabilities and net assets	<u>\$ 94,999,865</u>	<u>\$ 92,740,123</u>

The accompanying notes are an integral part of these financial statements.

University of West Florida Foundation, Inc.
STATEMENTS OF ACTIVITIES
For the year ended June 30, 2004, with comparative totals for 2003

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	2003
					Total
REVENUES, GAINS, AND OTHER SUPPORT					
Contributions	\$ 129,215	\$ 963,694	\$ 509,478	\$ 1,602,387	\$ 2,311,192
Contributions - In-kind	-	-	-	-	481,641
Interest and dividends	1,645	1,052,963	-	1,054,608	1,222,362
Net unrealized and realized gains (losses) on long-term investments	-	6,429,323	-	6,429,323	(1,547,879)
Student housing system	4,709,595	-	-	4,709,595	4,515,104
Rental income	-	524,831	-	524,831	475,242
Other income	1,252	272,114	-	273,366	291,512
Change in value of split-interest agreements	9,461	-	-	9,461	(7,107)
Reclassification of net assets	-	(254,897)	254,897	-	-
Net assets released from restrictions	4,065,922	(4,065,922)	-	-	-
Total revenues, gains, and other support	8,917,090	4,922,106	764,375	14,603,571	7,742,067
EXPENSES					
Scholarships	1,008,496	-	-	1,008,496	921,530
Other program services	2,426,248	-	-	2,426,248	2,994,761
Student housing system	4,880,126	-	-	4,880,126	4,365,423
Fundraising	116,889	-	-	116,889	109,984
General and administrative	1,509,272	-	-	1,509,272	1,399,206
Total expenses	9,941,031	-	-	9,941,031	9,790,904
INCREASE (DECREASE) IN NET ASSETS	(1,023,941)	4,922,106	764,375	4,662,540	(2,048,837)
Net Assets , Beginning of Year	3,196,173	14,201,028	36,768,034	54,165,235	56,214,072
Net Assets, End of Year	\$ 2,172,232	\$ 19,123,134	\$ 37,532,409	\$ 58,827,775	\$ 54,165,235

The accompanying notes are an integral part of these financial statements.

University of West Florida Foundation, Inc.
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2004 and 2003

	2004	2003
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 4,662,540	\$ (2,048,837)
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Noncash items included in decrease in net assets:		
Net unrealized and realized (gains) losses on long-term investments	(6,348,090)	1,547,879
Gain on sale of property held for investment	(81,233)	-
Change in value of split interest agreements	(9,461)	7,108
Depreciation and amortization of bond issuance costs	1,429,600	1,265,949
Amortization of bond discount	23,342	23,341
Bad debt expense	12,758	51,170
(Increase) decrease in:		
Contributions receivable	458,080	(608,422)
Other receivables	(71,773)	(43,322)
Prepaid expenses	(9,612)	(27,182)
Cash surrender value of insurance policies	(4,552)	(2,728)
Increase (decrease) in:		
Accounts payable and accrued expenses	(1,036,756)	1,027,753
Deferred rental revenue	24,957	849
Contributions restricted for long-term purposes	(509,478)	(474,219)
Cash flows from operating activities	<u>(1,459,678)</u>	<u>719,339</u>
Cash flows from investing activities		
Purchase of investments	(62,397,034)	(79,464,412)
Proceeds from sale of investments	63,161,395	80,586,289
Proceeds from sale of property held for investment	138,166	-
Acquisition of property held under capital lease	(315,732)	(315,938)
Acquisition of equipment	(31,843)	(59,469)
Construction of property held for lease	(2,636,561)	(2,955,489)
Cash flows from investing activities	<u>(2,081,609)</u>	<u>(2,209,019)</u>
Cash flows from financing activities		
Proceeds from bond issuance	-	6,405,119
Bond principal payment	(675,000)	(500,000)
Contributions to permanent endowments	509,478	474,219
Cash flows from investing activities	<u>(165,522)</u>	<u>6,379,338</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,706,809)	4,889,658
Cash and cash equivalents, beginning of year	<u>9,095,802</u>	<u>4,206,144</u>
Cash and cash equivalents, end of year	<u>\$ 5,388,993</u>	<u>\$ 9,095,802</u>
Analysis of cash		
Cash and cash equivalents	\$ 221,634	\$ 275,517
Restricted cash	5,167,359	8,820,285
	<u>\$ 5,388,993</u>	<u>\$ 9,095,802</u>
Supplemental disclosure of cash flow information		
Bond issuance costs deducted from bond proceeds	\$ -	\$ 94,881
Proceeds of Certificates of Participation directly to University as lessee	\$ -	\$ 3,700,000
Interest paid	\$ 1,479,129	\$ 1,459,131

The accompanying notes are an integral part of these financial statements.

University of West Florida Foundation, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization and Purpose

The University of West Florida Foundation, Inc. (the Foundation) was organized as a Florida not-for-profit corporation in 1965 for the purpose of soliciting, receiving, and administering gifts and bequests of property and funds for scientific, educational, and charitable purposes, all for the advancement of the University of West Florida (the University) and its objectives.

The Foundation owns the Student Housing System and is responsible for the management thereof, along with the associated revenues, expenses and debt related to the operation of these projects as further described in Note M to the financial statements.

2. Basis of Accounting

The Foundation follows standards of accounting and financial reporting prescribed for not-for-profit organizations. It uses the accrual basis of accounting, which recognizes revenue when earned and expenses as incurred.

3. Basis of Presentation

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Permanently restricted net assets are subject to donor-imposed stipulations that the corpus be maintained permanently by the Foundation. The donors of these assets permit the Foundation to use all of the investment return on these assets. Such assets primarily include the Foundation's permanent endowment funds.

Temporarily restricted net assets are subject to donor-imposed stipulations that can be fulfilled by actions of the Foundation pursuant to those stipulations or that expire by the passage of time. Such assets are available for use by the various colleges and departments of the University, as designated by the donors to the Foundation.

Unrestricted net assets are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by the action of the Board of Trustees, including quasi-endowments, or may otherwise be limited by contractual agreements with outside parties.

University of West Florida Foundation, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -- (Continued)

4. Contributions

Contributions are reported as temporarily restricted if the donor limits the use of the donated assets. When the restrictions expire, these temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as *net assets released from restrictions*. Contributions of endowments are reported as permanently restricted since the corpus is invested in perpetuity. All other contributions having no restrictions are reported as unrestricted net assets.

Unconditional promises to give are reported when the pledges are received at the present value of their net realizable value. An allowance for uncollectible pledges is provided based on management's evaluation of potential uncollectible pledges receivable at year-end. Conditional promises to give are not recorded in the financial statements.

Non-cash contributions are recorded at fair market value at the time of donation.

In the event a donor makes changes to the nature of a restricted gift which affect its classification among the net asset categories, such amounts are reflected as net assets released from restrictions in the revenues section of the statement of activities.

5. Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash and temporary investments. Temporary investments are those that have maturities of less than three months at the time of purchase.

6. Restricted Cash

Restricted cash represents funds held by either the University or by bond trustees for construction of on-campus housing, debt service, and maintenance of reserves required under the bond indentures.

7. Investments

The Foundation has created various pools for the investment of funds on a consolidated basis. Investments in debt and equity securities are reported at fair market value. Investments in a real estate investment trust are reported at cost less distributions in excess of earnings since fair market value is not readily determinable.

University of West Florida Foundation, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -- (Continued)

7. Investments -- (Continued)

Investment income (interest, dividends, realized and unrealized gains or losses) from endowment and restricted operating funds is recognized as temporarily restricted investment income in accordance with donor stipulations. Income from all other operating funds is recognized as unrestricted investment income. There are no permanent restrictions on investment income.

8. Property and Equipment

Property and equipment consists of office equipment, property held for lease, and property held for investment. Purchased assets are recorded at cost, while donated assets are recorded at fair market value at the date of donation. Depreciation is allocated over the estimated useful lives of the respective assets on a straight-line basis.

The Foundation follows the policy of capitalizing interest as a component of the cost of property and equipment constructed for its own use.

9. Split-Interest Agreements

The Foundation serves as trustee for split-interest agreements classified as charitable gift annuities and charitable remainder unitrusts. Assets received under these agreements are recorded at fair market value and the liabilities to make future payments under these agreements are recorded at present value, with the difference reported as gain or loss. These assets and liabilities are adjusted to reflect changes in their fair market value and present value. The determination of the present value of liabilities under split-interest agreements is based on discount rates and mortality tables established by the Internal Revenue Code and Regulations.

10. Bond Discounts/Issuance Costs

Bond discounts and issuance costs are amortized over the terms of the bonds using the straight-line method since the difference between this method and the effective interest method is not material to the financial statements. Bond discounts are presented as a reduction of the face amount of bonds payable.

University of West Florida Foundation, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -- (Continued)

11. Compensated Absences

Employees of the Foundation are entitled to paid vacation and sick days depending on job classification, length of service and other factors. Upon termination of employment, an employee will be paid for accumulated annual leave.

At June 30, 2004 and 2003, accrued compensated absences totaling \$26,063 and \$24,214, respectively, were reported as a component of accrued expenses in the accompanying financial statements.

12. Deferred Rental Revenue

Deferred rental revenue represents advance rents collected in connection with the operation of the Student Housing System.

13. Income Taxes

The Foundation is a nonprofit organization exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and has been classified by the Internal Revenue Service as a non-private foundation.

14. Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

15. Retirement Plan

The Foundation's employees participate in the Florida Retirement System, which is a non-contributory plan.

University of West Florida Foundation, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -- (Continued)

16. Reclassification

Certain amounts in the 2003 financial statements have been reclassified to conform to the 2004 presentation.

NOTE B - RESTRICTED CASH

Restricted cash at June 30, 2004 and 2003 consists of the following:

	<u>2004</u>	<u>2003</u>
1999 Bond proceeds restricted		
for student housing construction	\$ 196,993	\$ 196,343
Debt service reserves	455,033	453,908
Replacement reserves	225,882	226,197
Contingency and improvement reserve	3,528,959	3,410,728
2002 Bond proceeds restricted		
for student housing construction	753,799	4,508,509
President's salary supplement	6,693	24,600
	<u>\$ 5,167,359</u>	<u>\$ 8,820,285</u>

NOTE C - CONTRIBUTIONS RECEIVABLE

Unconditional promises to give at June 30th are due as follows:

	<u>2004</u>	<u>2003</u>
In one year or less	\$ 346,355	\$ 501,697
Between one and five years	323,633	645,946
Greater than five years	<u>300</u>	<u>400</u>
Total contributions receivable	670,288	1,148,043
Less discounts to net present value	<u>(44,358)</u>	<u>(51,275)</u>
Net contributions receivable	<u>\$ 625,930</u>	<u>\$ 1,096,768</u>

The discount rates used to calculate net present value range from 3 - 5%.

Management considers all contributions receivable at June 30, 2004 and 2003 to be fully collectible; therefore, no allowance for uncollectible contributions has been established.

University of West Florida Foundation, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE C - CONTRIBUTIONS RECEIVABLE -- (Continued)

Conditional promises to give amounted to \$119,084 at June 30, 2004 for state matching funds from the state of Florida Major Gifts Trust Fund. The funds will be forwarded to the Foundation in the event that future appropriations are made by the state legislature.

NOTE D - OTHER RECEIVABLES

Other receivables consist of the following:

	<u>2004</u>	<u>2003</u>
Student loan fund, less allowance of \$2,975 and \$13,512, respectively	\$ 223,377	\$ 202,570
Rent, less allowance of \$62,231 for 2004 and 2003	179,609	151,723
Other	191,289	168,209
	<u>\$ 594,275</u>	<u>\$ 522,502</u>

The Student Loan Fund is a fund established through contributions, which provides low-interest, short-term loans to students. All transactions are conducted through the University's cashier office.

NOTE E - LONG-TERM INVESTMENTS

Investments in the long-term pool are carried at fair market value, except for the real estate investment trust which is carried at cost less distributions in excess of earnings, and consist of the following:

	<u>2004</u>	<u>2003</u>
Cash and cash equivalents	\$ 1,249,727	\$ 1,970,281
Putnam funds	--	4,913,699
AXA Rosenberg funds	--	5,108,282
Merrill Lynch funds	46,120	--
Bonds (corporate, government and other)	8,732,451	9,126,889
Common stock	38,940,164	21,807,687
Real estate investment trust	427,851	885,746
Total	<u>\$ 49,396,313</u>	<u>\$ 43,812,584</u>

University of West Florida Foundation, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE E - LONG-TERM INVESTMENTS -- (Continued)

The Bank of New York is the custodian for the Foundation's bond and common stock investments.

The fair value of all investments at June 30, 2004 exceeds the level required by donor stipulations in total by \$10,522,609. The total amount of deficiencies for all individual donor-restricted endowment funds for which the fair value of the investments at June 30, 2004 is less than the level required by the donor stipulations is \$211,454.

NOTE F - PROPERTY AND EQUIPMENT

Property and equipment is comprised of the following:

	<u>2004</u>	<u>2003</u>
Land	\$ 1,507,907	\$ 1,507,907
Buildings and improvements	4,107,542	4,107,542
Property held under capital lease	34,040,780	28,104,327
Construction in progress	23,594	3,007,754
Office equipment and software	<u>180,684</u>	<u>148,841</u>
	39,860,507	36,876,371
Less accumulated depreciation	<u>(5,704,417)</u>	<u>(4,319,028)</u>
Property and equipment, net	<u>\$ 34,156,090</u>	<u>\$ 32,557,343</u>

Depreciation expense for the years ended June 30, 2004 and 2003 was \$1,385,389 and \$1,223,676, respectively.

During 2004, interest in the amount of \$16,561 was capitalized in connection with the construction of student housing facilities. During 2003, total interest income exceeded total interest incurred in connection with the construction of student housing facilities by \$93,363; and therefore construction in progress was decreased accordingly.

Buildings and improvements consist of a building in downtown Pensacola, Florida, which is leased to the University and used for offices and classroom instruction.

Property held under capital lease represents the University's Student Housing System, which consist of facilities constructed in 1966, 1972 and Phase I and II, which were completed in 1997 and 1999, respectively. The first and second portions of Phase III were completed in

University of West Florida Foundation, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE F - PROPERTY AND EQUIPMENT -- (Continued)

the Fall 2000, and 2001 semesters, respectively, and are also included in property held under capital lease. The buildings under capital lease are depreciated over the lease term, which is effectively 30 years, and the furniture, fixtures, and equipment are depreciated over their useful life of 5-10 years. Amortization of property under capital lease is included in depreciation expense.

Construction in progress at June 30, 2004 represents expenses for upgrades to existing facilities. Construction in progress at June 30, 2003 represents expenses incurred on the Project 2002 student housing facilities as of June 30, 2003.

NOTE G - PROPERTY HELD FOR INVESTMENT

Property held for investment is comprised of the following:

	<u>2004</u>	<u>2003</u>
Land	\$ 404,813	\$ 404,813
Life estate and time-share	21,501	78,434
Art work	4,650	4,650
	<u>\$ 430,964</u>	<u>\$ 487,897</u>

NOTE H - INTANGIBLE ASSETS

The Foundation has incurred bond issuance costs related to the dormitory and housing system revenue bonds. Bond issuance costs are summarized as follows:

	<u>2004</u>	<u>2003</u>
Bond issuance costs	\$ 1,194,671	\$ 1,194,671
Less accumulated amortization	<u>(211,375)</u>	<u>(167,164)</u>
Bond issuance costs, net	<u>\$ 983,296</u>	<u>\$ 1,027,507</u>

Amortization of bond issuance costs for the years ended June 30, 2004 and 2003 was \$44,210 and \$42,984, respectively.

Bond issuance costs are being amortized by the straight-line method over the lives of the bonds from 15-30 years. Amortization of bond issuance costs over each of the next five years is estimated to be approximately \$43,000.

University of West Florida Foundation, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE I - CERTIFICATES OF PARTICIPATION / CAPITAL LEASE RECEIVABLE

On June 1, 2003 the Foundation entered into a Trust Agreement and a Master Lease-Purchase Agreement with the University of West Florida Board of Trustees (the "Board") for the purpose to lease or lease-purchase projects for educational purposes to the Board.

On June 30, 2003, the Board acting as agent for the Foundation, issued Certificates of Participation, Series 2003 in the amount of \$3,700,000. The Certificates were used to fund the Series 2003 Project to provide for the Board's licensing, implementation, support and training for accounting and human resources software to replace the state provided systems which will no longer be available as of July 1, 2004. The Series 2003 Project will be acquired, constructed and installed, and lease-purchased by the Board from the Foundation. The Certificates are secured by and are to be repaid from the right of the Foundation to receive basic rent payments from the Board, as lessee, beginning on August 1, 2003 and ending on June 30, 2008, pursuant to the Master Lease-Purchase Agreement with the Foundation.

As a condition of the leasing arrangement, the Foundation obtained a ground lease with the University of West Florida with a rental fee of \$10 per year. The initial term of the ground lease for the Series 2003 Certificates commenced on June 26, 2003, and ends on the earlier of the date on which the Series 2003 Certificates have been paid or provision for payment of the Series 2003 certificates has been made or June 30, 2009. Property leased from the Board in the ground lease includes all computer equipment or other locations whereon any part of the software and licenses included in the Series 2003 Project is installed or operated at the facilities of the University of West Florida and any servient property.

The Foundation has assigned its rights, title and interest in the lease payments and the ground lease to the Certificate owner. The assignment agreement is non-recourse with respect to the Foundation, and the Foundation has no liability to the Certificate owner with respect to the occurrence of an event of default or event of non-appropriation by the Board under the lease agreement.

University of West Florida Foundation, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004 and 2003

**NOTE I - CERTIFICATES OF PARTICIPATION / CAPITAL LEASE RECEIVABLE --
(Continued)**

The Foundation has recorded a capital lease receivable in the amount of the future minimum lease payments discounted at 2.44%. The rent payments including interest are payable by the Board monthly. The following is a schedule of the future minimum lease payments receivable under the agreement together with the present value of minimum lease payments as of June 30:

<u>For Year Ended</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 787,074	\$ 721,995	\$ 65,079
2006	787,075	739,811	47,264
2007	787,075	758,065	29,010
2008	<u>787,076</u>	<u>776,771</u>	<u>10,305</u>
Total minimum lease payments receivable	<u>\$ 3,148,300</u>	<u>\$ 2,996,642</u>	<u>\$ 151,658</u>

NOTE J - BONDS PAYABLE

Revenue Bonds

	<u>2004</u>	<u>2003</u>
\$15,400,000 Dormitory Revenue Bonds, Series 1998, due in annual installments of \$260,000 to \$925,000, from June 1, 1999 through June 1, 2028 with interest ranging from 3.50% to 4.75% due semiannually, June 1 and December 1.	\$ 13,685,000	\$ 14,000,000
\$13,455,000 Dormitory Revenue Bonds, Series 1999, due in annual installments of \$195,000 to \$895,000, from June 1, 2002 through June 1, 2031 with interest ranging from 4.40% to 5.75% due semiannually, June 1 and December 1.	12,850,000	13,060,000

University of West Florida Foundation, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE J - BONDS PAYABLE -- (Continued)

	2004	2003
\$6,500,000 Housing System Revenue Bonds, Series 2002, due in annual installments of \$150,000 to \$725,000, from June 1, 2004 through June 1, 2017 with variable interest rate tied to PSA Municipal Swap Index plus 34.0 basis points due monthly.	<u>6,350,000</u>	<u>6,500,000</u>
Bonds payable	32,885,000	33,560,000
Less unamortized discount	<u>(576,453)</u>	<u>(599,795)</u>
Bonds payable, net of unamortized discount	<u>\$ 32,308,547</u>	<u>\$ 32,960,205</u>

Interest of \$114,363 and \$115,894 has been accrued on the bonds as of June 30, 2004 and 2003, respectively.

Maturities of the Revenue Bonds are as follows.

<u>For the year ended</u>	
2005	\$ 745,000
2006	820,000
2007	890,000
2008	970,000
2009	1,045,000
Thereafter	<u>28,415,000</u>
	<u>\$ 32,885,000</u>

The 1998 and 1999 Dormitory Revenue bonds, sponsored by Escambia County Housing Finance Authority, were issued to provide financing for the construction of student housing facilities for students, as well as to refund approximately 5.6 million from a 1997 bond issue (1998 issue). The 2002 Housing System Revenue Bonds, sponsored by the City of Gulf Breeze, were issued to provide financing for the construction of student housing facilities for students. The bonds are secured by mortgages on the student housing facilities in addition to a pledge of revenues earned from their operation. The bonds require the Foundation to maintain various covenants, including one that requires student housing room rates to be maintained at a level that provides net revenues at least equal to 120% of annual debt

University of West Florida Foundation, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE J - BONDS PAYABLE -- (Continued)

service. The debt service ratio for the year ended June 30, 2004 fell slightly below this requirement at 119.73%. In accordance with Section 6.4 of the First Supplemental Loan Agreement of 1999, the Foundation must provide the Trustees, within 60 days of receipt of this report, with a report prepared by a management consultant setting forth in detail the reasons for such deficiency and adopt a specific plan setting forth steps designed to achieve the required ratio. The Foundation is not aware of any other violations of the covenants at June 30, 2004 and 2003.

NOTE K - IN-KIND CONTRIBUTION

During the year ended June 30, 2003, the Foundation recognized in-kind contributions and other program expense in the amount of \$481,641 related to the costs of improvements made to the University's baseball facilities.

NOTE L - OPERATING LEASE

The Foundation's operating leases for buildings with the University of West Florida Board of Trustees expired on June 30, 2004. The buildings are currently rented on a month to month basis.

NOTE M - STUDENT HOUSING SYSTEM

The Foundation has a sublease agreement with the Florida Board of Education of the State of Florida on behalf of the University for use of land and certain existing student housing facilities. The lease requires the Foundation to construct additional student housing facilities and to operate the facilities as a consolidated housing system on behalf of the University. The Student Housing System consists of six projects. The six student housing facilities are identified as The 1966 Project, The 1972 Project, The 1997 Project (Phase I), The 1998 Project (Phase II), The 1999 Project (Phase III) and the 2002 Project which was completed during the year ended June 30, 2004.

The terms of the sub-lease require the Foundation to pay the University rents of \$10 per year plus variable rent equal to 100% of the Surplus Earnings from the Student Housing System. Surplus Earnings represent cash flows after payment of the operating costs, debt service and reserves. No variable rent was due for either 2004 or 2003.

University of West Florida Foundation, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE N - COMMITMENTS

On June 18, 2004 the Foundation's Board of Directors accepted an offer by the Florida Institute for Human and Machine Cognition (FIHMC) to purchase the Alcaniz rental property. Under the offer, FIHMC will purchase the property for \$4.2 million and the Foundation will finance the entire purchase price for a three year interest only loan at 5%. At the end of the three year period, FIHMC must either pay the balance or refinance. The carrying value of the Alcaniz property was \$3,574,418 at June 30, 2004. Net earnings from the Alcaniz Property included in activities for the year then ended approximated \$250,000.

NOTE O - CONCENTRATIONS

The Foundation maintains an operating cash account at the Bank of Pensacola. Balances may periodically exceed the Federal Deposit Insurance Corporation (FDIC) insurance limit of \$100,000. Management monitors the soundness of the financial institution and feels the Foundation's risk is negligible.

NOTE P - CONTINGENCIES

An arbitrage transaction occurs when the proceeds from a loan are invested to yield a higher rate of return than the interest rate on the borrowing. At June 30, 2004 the Foundation has a contingent arbitrage rebate liability, related to the 2002 Project bonds, of approximately \$148,000. Management intends to comply with the two-year exception to the rebate requirements. Compliance with the exception within two years of the date of issuance of December 20, 2002 will eliminate the liability.

NOTE Q - ASSET IMPAIRMENT

Financial Accounting Standards Board (FASB) Statement No. 144, *Accounting for Impairment or Disposal of Long-Lived Assets* requires that long-lived assets used in operations be tested for recoverability whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable.

University of West Florida Foundation, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE Q - ASSET IMPAIRMENT -- (Continued)

The Foundation has identified significant damage due to water intrusion in the Village East student housing complex. Management of the Foundation has received a preliminary report from an engineering firm outlining possible remediation actions and a range of estimated costs for repair or replacement. These circumstances indicate existence of a potential impairment loss to the building structure. If indicators of impairment are present, FASB Statement No. 144 requires the Foundation to determine whether the total undiscounted future cash flows from the assets in question are less than the carrying amount of the assets; and if less, to recognize an impairment loss equal to the excess of the carrying amounts of the assets over their fair values. The carrying value of the Village East complex at June 30, 2004 amounted to approximately \$7.1 million. The Foundation has not completed such an evaluation and has not recognized an impairment loss in the financial statements. The Foundation has filed suit against the development company, the architect, and the surety company seeking recovery of damages up to the total cost of constructing the facility, lost rentals, attorney's fees and various other expenditures.

NOTE R - SUBSEQUENT EVENTS

In order to resolve a disagreement between the University of West Florida and The Institute for Human and Machine Cognition (IHMC) related to allocation of indirect cost funds from grants and contracts of IHMC, the Foundation entered into an agreement on August 31, 2004 to pay certain expenses of IHMC not to exceed \$100,000 per fiscal year until a total of \$200,000 has been paid. The allowable expenses are to be paid by the Foundation upon presentation of invoices by IHMC and are intended to cover lobbying expenses, public relations expenses, and certain consulting expenses related to the start up of The Florida Institute of Human and Machine Cognition.

On September 16, 2004 Hurricane Ivan made landfall near the Pensacola area causing significant damage to properties owned by the Foundation. Management has not quantified the extent of the damages or accurately estimated the potential loss, if any, for damages in excess of any insurance coverage in place. Facilities are insured under the Florida State Self-Insurance Pool as well as private insurance carriers. In addition the Foundation intends to file a claim with the Federal Emergency Management Agency (FEMA) to recover uninsured losses.

University of West Florida Foundation, Inc.
SCHEDULES OF STUDENT HOUSING SYSTEM REVENUES AND EXPENSES
For the years ended June 30, 2004 and 2003

	2004	2003
REVENUES		
Rent	\$ 4,411,651	\$ 4,162,066
Interest	153,991	236,604
Other	143,953	116,434
Total revenues	<u>4,709,595</u>	<u>4,515,104</u>
EXPENSES		
Salaries and wages	811,051	715,334
Bad debts	-	2,640
Administrative and general	463,328	337,167
Maintenance and repairs	182,963	216,286
Other expenses	122,433	49,649
Replacements	3,985	24,443
Insurance	134,524	110,340
Utilities	411,902	330,294
Interest	1,474,991	1,457,427
Depreciation	1,207,397	1,056,228
Amortization	67,552	65,615
Total expenses	<u>4,880,126</u>	<u>4,365,423</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	<u>\$ (170,531)</u>	<u>\$ 149,681</u>

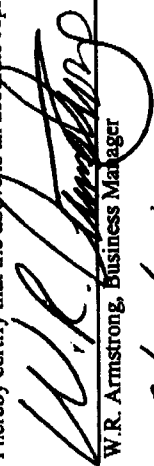
University of West Florida Foundation, Inc.
SCHEDULES OF OTHER PROGRAM SERVICES AND GENERAL AND ADMINISTRATIVE EXPENSES
For the year ended June 30, 2004, with comparative totals for 2003

	Foundation General	Academic Affairs	Student Affairs	University General	2004 Total	2003 Total
OTHER PROGRAM SERVICES						
Salaries	\$ -	334,634	2,339	854,026	\$ 1,190,999	\$ 1,003,765
Travel and entertainment	-	128,380	43,188	68,769	240,337	324,312
Professional development	-	42,241	3,353	25,883	71,477	73,464
Office	-	23,329	10,944	31,890	66,163	109,177
Equipment	-	208,455	7,558	27,672	243,685	341,272
Professional services	-	25,164	2,919	127,249	155,332	151,601
Public relations	-	43,698	12,680	47,766	104,144	171,941
Recruitment	-	6,629	-	4,000	10,629	14,367
Cultivation and recognition	-	-	-	-	-	-
Service charges and other fees	-	2,435	1,912	11,357	15,704	7,009
Student and staff support	-	2,759	-	10,811	13,570	10,367
University support	-	2,240	19,562	44,218	66,020	575,636
Public radio program	-	-	-	182,825	182,825	158,083
Miscellaneous program	-	23,834	17,336	24,193	65,363	53,767
Total other program services	\$ -	\$ 843,798	\$ 121,791	\$ 1,460,659	\$ 2,426,248	\$ 2,994,761
GENERAL AND ADMINISTRATIVE						
Salaries	\$ 309,845	\$ -	\$ -	\$ -	\$ 309,845	\$ 338,073
Travel and entertainment	42,467	-	-	-	42,467	49,591
Professional development	10,299	-	-	-	10,299	12,778
Office	45,066	-	-	-	45,066	48,187
Equipment	2,107	-	-	-	2,107	1,161
Insurance	15,201	-	-	1,069	16,270	14,770
Professional services	292,161	-	-	15,879	308,040	116,278
Public relations	20,573	-	-	-	20,573	130,060
Recruitment	798	-	-	-	798	-
Service charges and other fees	13,724	-	-	-	13,724	11,005
Student and staff support	1,926	-	-	-	1,926	2,193
University support	61,530	-	-	-	61,530	20,024
Rental	30,625	80,540	2,035	90,456	203,656	199,040
Investment fees	-	100,839	2,580	111,448	214,867	163,814
Consultant fees	-	29,668	759	32,782	63,209	64,408
Bad debts	-	4,307	-	8,451	12,758	48,530
Miscellaneous	4,146	-	-	-	4,146	10,946
Depreciation	14,867	76,691	1,962	84,471	177,991	167,448
Total general and administrative	\$ 865,335	\$ 292,045	\$ 7,336	\$ 344,556	\$ 1,509,272	\$ 1,398,306

University of West Florida Foundation, Inc.
CHAIRS UNDER EMINENT SCHOLARS PROGRAM
SCHEDULE OF RECEIPTS, EXPENSES AND ENDOWMENT BALANCES
For the year ended June 30, 2004

Name of Gift	Beginning Corpus Balance	Beginning Net Balance	Corpus Contributed During the Year	Net Investment Earnings	Expenditures	Other Expenditures and Transfers	Ending Corpus Balance	Ending Total Balance
William Craig Nystul Chair	\$1,210,852	\$1,396,535	\$ -	\$ 255,866	\$ -	\$79,851	\$1,210,852	\$1,572,550
John C. Pace, Sr., Business Chair	1,000,000	1,149,224	-	210,555	0	65,711	1,000,000	1,294,068
John C. Pace, Sr., Memorial Eminent Scholarship	6,611,250	7,768,113	-	1,423,236	-	444,167	6,611,250	8,747,182
Mary Ball Washington Chair	1,320,155	1,401,993	-	256,866	-	80,164	1,320,155	1,578,695
Total - Eminent Scholars Program	\$ 10,142,257	\$ 11,715,865	\$ -	\$ 2,146,523	\$ -	\$ 669,893	\$ 10,142,257	\$ 13,192,495

I hereby certify that the above is an accurate representation of the activity for this program.


W.R. Armstrong, Business Manager

8/18/04
Date

University of West Florida Foundation, Inc.
MAJOR GIFTS PROGRAM
SCHEDULE OF RECEIPTS, EXPENSES AND ENDOWMENT BALANCES
For the year ended June 30, 2004

Name of Gift	Beginning Corpus Balance	Beginning Net Balance	Corpus Contributed During the Year	Net Investment Earnings	Expenditures	Other Expenditures and Transfers	Ending Corpus Balance	Ending Total Balance
Alexander Memorial Scholarship	282,852	268,945	-	48,080	-	15,262	282,852	301,763
Banker's Fund	166,692	208,730	-	38,243	-	11,935	166,692	235,038
Baptist Hospital Fund	170,530	204,417	-	37,453	-	11,688	170,530	230,182
Barnett Bank Endowment	150,000	145,870	-	26,852	-	8,353	150,000	164,369
Orville Beckford Scholarship Endowment	150,050	161,034	-	29,504	-	9,208	150,050	181,330
Orville Beckford Scholarship Endowment	150,000	167,522	16,434	39,162	-	10,432	166,434	212,686
Chadbourne Foundation	200,000	170,510	-	30,850	-	9,712	200,000	191,648
Chadbourne Foundation Business Ethics	150,000	155,990	-	27,213	-	2,154	150,000	181,049
CHARLOTTE	177,422	209,291	-	38,346	-	11,967	177,422	235,670
Dyson I Fund	162,282	188,106	-	34,464	-	10,756	162,282	211,814
Dyson II Fund	100,000	91,934	-	17,886	-	5,358	100,000	104,462
C. L. Fountain Family Business Ethics	200,000	204,181	-	40,220	-	20,463	200,000	223,938
Seymour Gitenstein Scholarship Endowment	175,343	213,018	-	39,028	-	12,180	175,343	239,866
E. W. Hopkins Jr., Professorship	163,443	197,787	-	36,237	-	11,309	163,443	222,715
Mattie M. Kelly Music Education Fund	340,000	288,811	-	54,515	-	16,669	340,000	326,657
Kerrigan Daughters' Endowment	-	-	-	-	-	-	-	-
Kugelman Family Grant Endowment	185,563	225,502	-	41,368	-	12,899	185,563	253,971
Kugelman Family Scholarship Endowment	575,920	622,746	-	114,096	-	35,607	575,920	701,235
Levin / Mable	150,000	158,531	-	29,046	-	9,065	150,000	178,512
Harold E. & Pat Marcus History / Archaeology	150,000	166,008	-	30,416	-	9,492	150,000	186,932
Dorothy Martin Endowment	111,574	111,913	51,236	18,492	-	6,836	162,810	174,805
Maygarden Lecture Series	164,297	190,524	-	34,907	-	10,894	164,297	214,537
Medical Center Clinic Endowment	150,000	126,829	-	23,874	-	7,314	150,000	143,389
Cacilda Prado Pace Library Fund	8,592,090	9,968,314	-	1,826,346	-	569,971	8,592,090	11,224,689
John C. Pace, Jr., Memorial Endowment	7,740,150	9,045,527	-	1,657,279	-	517,207	7,740,150	10,185,599
John C. Pace, Jr., Memorial Scholarship Fund	1,700,000	1,399,930	-	265,388	-	80,909	1,700,000	1,584,409
Katherine C. Pace Memorial Endowment	160,132	184,245	-	33,756	-	10,535	160,132	207,466
Pickens Educational Endowment	165,338	213,808	-	39,175	-	12,225	165,338	240,758
Pre-Professional Endowment	105,000	97,368	-	17,426	-	5,527	105,000	109,267
Rotary Business Ethics	163,897	200,762	-	36,783	-	11,479	163,897	226,066
Sacred Heart Allied Health Endowment								

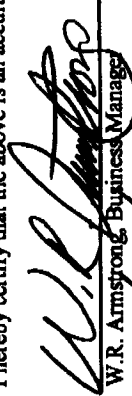
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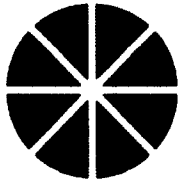
See independent auditor's report on financial statements.

University of West Florida Foundation, Inc.
MAJOR GIFTS PROGRAM
SCHEDULE OF RECEIPTS, EXPENSES AND ENDOWMENT BALANCES -- (Continued)
For the year ended June 30, 2004

Name of Gift	Beginning Corpus Balance	Beginning Net Balance	Corpus Contributed During the Year	Net Investment Earnings	Expenditures	Other Expenditures and Transfers	Ending Corpus Balance	Ending Total Balance
John L. Switzer Business Ethics	195,688	176,654	-	33,917	-	10,251	195,688	200,320
Charles & Fran Switzer Business Ethics	198,775	183,625	-	33,992	-	10,533	198,775	207,084
Switzer Brothers Professorship	190,171	172,222	290,733	40,086	-	13,115	480,904	489,926
Women's Athletic Trust Fund	165,232	184,033	50	33,720	-	10,524	165,282	207,279
Elizabeth R. Woolf	169,795	206,476	-	37,830	-	11,806	169,795	232,500
	\$ 23,772,236	\$ 26,511,163	\$ 358,453	\$ 4,885,950	\$ -	\$ 1,523,635	\$ 24,130,689	\$ 30,231,931
Encumbered:								
Blue Cross & Blue Shield Nursing Scholarship	\$ -	\$ -	\$ 100,000	\$ 929	\$ -	\$ 1,324	\$ 100,000	\$ 99,605
Jane & Fred Seigman Endowment	-	-	138,167	5,081	-	3,769	138,167	139,479
	-	-	238,167	6,010	-	5,093	238,167	239,084
Total	\$ 23,772,236	\$ 26,511,163	\$ 596,620	\$ 4,891,960	\$ -	\$ 1,528,728	\$ 24,368,856	\$ 30,471,015

I hereby certify that the above is an accurate representation of the activity for this program.


 W.R. Armstrong, Business Manager
 8/18/04
 Date



O'SULLIVAN CREEL, LLP

Certified Public Accountants & Consultants

316 South Baylen Street - Suite 200 - Pensacola, FL 32502

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Trustees
University of West Florida Foundation, Inc.
Pensacola, Florida

We have audited the financial statements of the University of West Florida Foundation, Inc. (the Foundation) as of and for the year ended June 30, 2004, and have issued our report thereon dated August 18, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

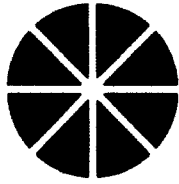
In planning and performing our audits, we considered the Foundation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course

of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. We noted another matter involving the internal control over financial reporting that we have reported to management of the Foundation in a separate letter dated August 18, 2004.

This report is intended solely for the information and use of the Board of Trustees, management and others within the Foundation. However, this report is a matter of public record and its distribution is not limited.

O'Sullivan Creel, LLP

August 18, 2004



O'SULLIVAN CREEL, LLP

Certified Public Accountants & Consultants

316 South Baylen Street - Suite 200 - Pensacola, FL 32502

MANAGEMENT LETTER

Board of Directors
University of West Florida Foundation, Inc.

In planning and performing our audit of the financial statements of the University of West Florida Foundation, Inc. for the year ended June 30, 2004, we considered the Foundation's internal control structure in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure. During our audit we became aware of the following items that provide opportunities for strengthening internal control and to help insure compliance with the Foundation's bond agreements. This letter does not affect our report dated August 18, 2004 on the financial statements of the Foundation.

Approval of Journal Entries

- ❖ The Foundation's internal control policies require approval of journal entries prepared by the accounting staff. This approval has typically been done by the Business Manager/Executive Director. During our review of journal entries, we noted that the required approval was not included in some instances.
- ❖ We recommend that all journal entries be approved in accordance with the Foundation's control policies. With the Business Manager/ Executive Director position currently vacant, we recommend that the Foundation determine an appropriate individual to perform this function until the position is filled.

Arbitrage Rebate Liability

- ❖ An arbitrage transaction occurs when the proceeds from a loan are invested to yield a higher rate of return than the interest rate on the borrowing. At June 30, 2004 the Foundation has a contingent arbitrage rebate liability, related to the 2002 Project bonds, of approximately \$148,000. The bond documents require that no use will be made of the proceeds of the 2002 Notes which would cause the bonds to be arbitrage bonds.

- ❖ We recommend the Foundation review the 2002 Project bond resolution with bond counsel to determine an appropriate course of action to comply with the two-year exception to the rebate requirements. Compliance with the exception within two years of the date of issuance of December 20, 2002 will eliminate the liability. We also recommend the Foundation review the June 30, 2003 Certificates of Participation, 2003 Series, with bond counsel to insure the Foundation is in compliance with the arbitrage requirements of the Certificates.

Debt Service Requirement

- ❖ As discussed in Note J of the financial statements, the Foundation failed to meet the rate covenant requirement for the Student Housing System bonds. The requirement is that student housing rental rates be maintained at levels that provide net revenues at least equal to 120% of annual debt service. The debt service ratio for the year ended June 30, 2004 fell slightly below this requirement and was 119.73%.
- ❖ In order to comply with Section 6.4 of the First Supplemental Loan Agreement of 1999, the Foundation must provide the Trustees, within 60 days of receipt of the audit report, a report prepared by a management consultant setting forth in detail the reasons for such deficiency and adopt a specific plan setting forth steps designed to achieve the required ratio. Provided the rate is not less than 100%, failure to comply with the rate covenant, is not considered an event of default under the Loan Agreement, so long as the Foundation takes all action within its control to comply with the procedures set forth in Section 6.4 for preparing and implementing a report and plan for correcting such deficiency.

Status of prior year recommendations

- ❖ As recommended in the prior year, the Foundation's Board of Directors adopted the University of West Florida Foundation, Inc. Statement of Investment Policy.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss these items in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended solely for the information and use of the Board of Directors, management and others within the organization.

O'Sullivan Cuel, LLP

August 18, 2004

UWF Board of Trustees
Finance, Administration & Audit Committee
February 25, 2005

Issue: Review and acceptance of UWF Financial Audit by the Auditor General.

Proposed action: Accept

Background information: Annually a financial audit is conducted by the university's external auditors, Florida Auditor General.

The audit of the financial statements of the University of West Florida for the fiscal year ended June 30, 2004, was conducted pursuant to the provisions of Section 11.45, Florida Statutes, and applicable standards contained in Government Auditing Standards issued by the Comptroller General of the United States.

The scope of this audit included an examination of the financial statements of the University, a component unit of the State of Florida, and a determination as to whether management has complied with applicable laws, administrative rules, regulations, contracts, and grant agreements and other matters that are material to the financial statements. An examination of Federal awards administered by the University was included in the Auditor General's Statewide audit of Federal awards administered by the State of Florida.

The following provides a summary of the findings of the Auditor General's audit of the financial statements of the University:

- The University's financial statements presented fairly, in all material respects, the financial position of the University as of June 30, 2004; the revenues, expenses, and changes in net assets; and the cash flows for the fiscal year then ended.
- No matters involving the University's internal control over financial reporting and its operation that we considered to be material weaknesses.
- Testwork disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Supporting documentation: UWF Financial Audit (REPORT NO. 2005-092)

Prepared by: Betsy Bowers
Associate Vice President
Internal Auditing & Management Consulting
474-2637



AUDITOR GENERAL
WILLIAM O. MONROE, CPA



UNIVERSITY OF WEST FLORIDA
Financial Audit

For the Fiscal Year Ended June 30, 2004

During the audit period, the President of the University was Dr. John Cavanaugh. Members of the University's Board of Trustees who served during the audit period are listed below:

Board Member

J. Collier Merrill, Chair
Eddie E. Phillips, Vice Chair
Honor Bell, Sr.
Travis Bowden to 8-22-03 (2)
Kenneth C. Clark
Dr. Lornetta Taylor Epps
Martha "Marny" Alice Gilluly
Sharon Hess Herrick
Retired General Charles A. Horner
JoAnn H. Morgan
Steven Patrick Russell from 5-21-04 (1)
Erin Sandonato to 5-20-04 (1)
Roy W. Smith, Jr.
Dr. Pat Wentz

Notes: (1) The student body president, who is a voting member of the Board in accordance with Section 1001.71(1), Florida Statutes.
(2) Position remains vacant.

UNIVERSITY OF WEST FLORIDA

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EXECUTIVE SUMMARY

The audit of the financial statements of the University of West Florida for the fiscal year ended June 30, 2004, was conducted pursuant to the provisions of Section 11.45, Florida Statutes, and applicable standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

The scope of this audit included an examination of the financial statements of the University, a component unit of the State of Florida, and a determination as to whether management has complied with applicable laws, administrative rules, regulations, contracts, and grant agreements and other matters that are material to the financial statements. An examination of Federal awards administered by the University is included in our Statewide audit of Federal awards administered by the State of Florida.

The following provides a summary of the findings of our audit of the financial statements of the University:

- We found that the University's financial statements presented fairly, in all material respects, the financial position of the University as of June 30, 2004; the revenues, expenses, and changes in net assets; and the cash flows for the fiscal year then ended.
- We noted no matters involving the University's internal control over financial reporting and its operation that we considered to be material weaknesses.
- The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This audit was conducted by Edward H. Brewton, CPA, and supervised by James W. Kiedinger, Jr., CPA. Please address inquiries regarding this report to James E. Raulerson, CPA, Audit Manager, via e-mail at jimraulerson@aud.state.fl.us or by telephone at (850) 487-4468. This report, as well as other audit reports prepared by the Auditor General, can be obtained on our Web site (<http://www.state.fl.us/audgen>); by telephone at (850) 487-9024; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.



WILLIAM O. MONROE, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450



850/488-5534/SC 278-5534
Fax: 488-6975/SC 278-6975

The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the University of West Florida, a component unit of the State of Florida, and its aggregate discretely presented component units as of and for the fiscal year ended June 30, 2004, as shown on pages 13 through 38. These financial statements are the responsibility of the University's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units, as described in note 1 to the financial statements, which comprise 100 percent of the transactions and account balances of the discretely presented component units column. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for these entities, is based solely upon the reports of the other auditors.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

The financial statements of the University of West Florida Foundation, Inc. (Foundation), a discretely presented component unit, were audited by other auditors whose report on financial statements was qualified because the Foundation failed to recognize in its financial statements a potential asset impairment loss resulting from water intrusion in the Village East student housing complex. The Foundation's financial activities are included in the University's basic financial statements as a discretely presented component unit, and represent 98 percent, 99

percent, 95 percent, and 94 percent of the assets, liabilities, revenues, and expenses, respectively, of the University's aggregate discretely presented component units.

In our opinion, except for the effects of such adjustments and disclosures, if any, as might have been determined to be necessary had the other auditors been able to obtain sufficient evidence regarding the potential impairment loss to the Village East student housing complex, the financial statements referred to above present fairly, in all material respects, the respective financial position of the University of West Florida and of its aggregate discretely presented component units as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the University of West Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, administrative rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The **MANAGEMENT'S DISCUSSION AND ANALYSIS** on pages 5 through 12 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Respectfully submitted,



William O. Monroe, CPA
December 20, 2004



WILLIAM O. MONROE, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450



850/488-5534/SC 278-5534
Fax: 488-6975/SC 278-6975

The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited the financial statements of the University of West Florida, a component unit of the State of Florida, and its aggregate discretely presented component units as of and for the fiscal year ended June 30, 2004, and have issued our report thereon included under the heading **INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our report on the financial statements included disclosures regarding our reference to the reports of other auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the University's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the University's internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, administrative rules, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, Federal and other granting agencies, and applicable management. Copies of this report are available pursuant to Section 11.45(4), Florida Statutes, and its distribution is not limited.

Respectfully submitted,



William O. Monroe, CPA
December 20, 2004

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management's discussion and analysis of the University of West Florida's financial statements provides an overview of the University's financial activities for the fiscal year ended June 30, 2004. Management has prepared the financial statements and the related note disclosures along with the management's discussion and analysis. Responsibility for the completeness and fairness of this information rests with the University. The management's discussion and analysis is designed to focus on current activities, resulting change, and currently known facts. The management's discussion and analysis contains information about the financial activities of the University and its component units, University of West Florida Foundation, Inc., Research Foundation of the University of West Florida, Inc., and West Florida Historic Preservation, Inc., and should be read in conjunction with the accompanying financial statements.

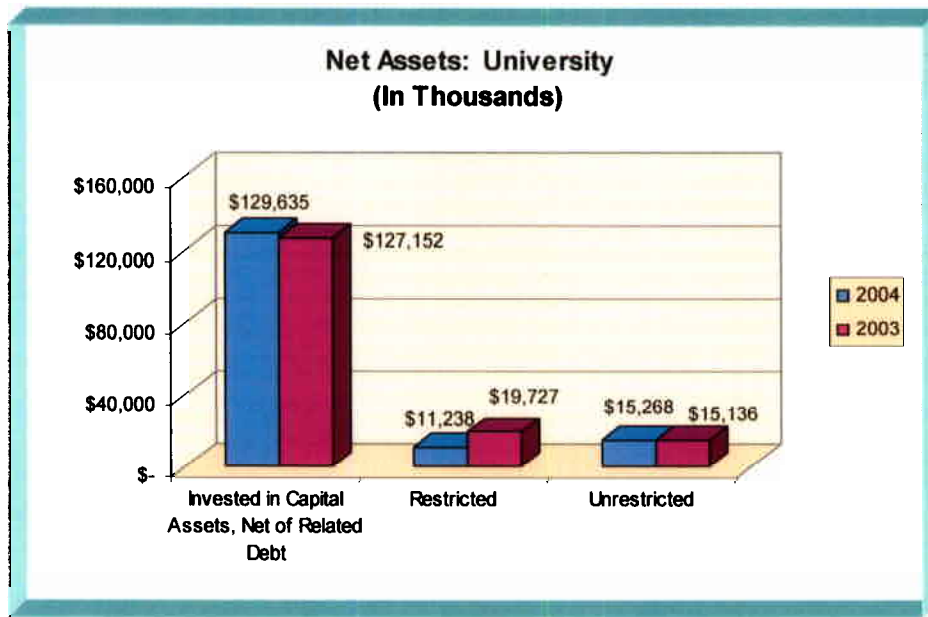
USING THIS ANNUAL REPORT

This report consists of three basic financial statements. The statement of net assets; the statement of revenues, expenses, and changes in net assets; and the statement of cash flows provide information on the University as a whole and present a long-term view of the University's finances. The following activities are included in the University's basic financial statements, including the notes to financial statements:

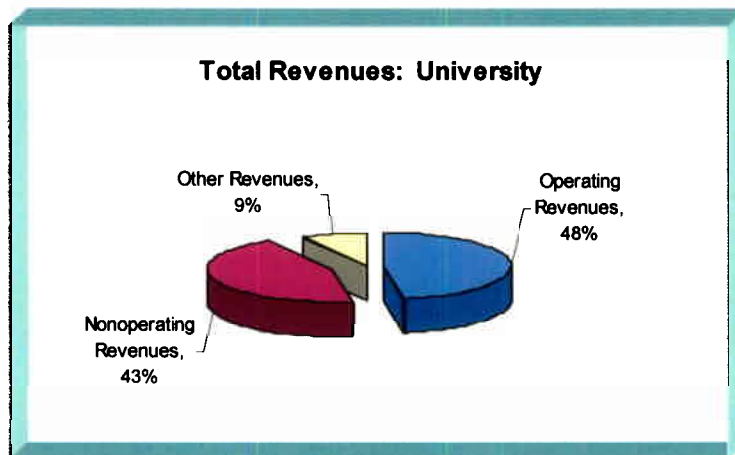
- University of West Florida (Primary Institution) – Overall financial activities of the University of West Florida.
- University of West Florida Foundation, Inc. (Component Unit) – Financial activities of the University of West Florida Foundation, Inc.
- Research Foundation of the University of West Florida, Inc. (Component Unit) – Financial activities of the Research Foundation of the University of West Florida, Inc.
- West Florida Historic Preservation, Inc. (Component Unit) – Financial activities of the West Florida Historic Preservation, Inc.

FINANCIAL HIGHLIGHTS

The University's net assets by category for the fiscal years ended June 30, 2004, and 2003, are shown in the following graph:



The following chart provides a graphical presentation of the University’s revenues by category for the fiscal year ended June 30, 2004:



In the fiscal year ended June 30, 2004, University expenses exceeded revenues and other support, resulting in a net decrease in net assets of \$2,241,926. An additional decrease in net assets of \$3,632,630 resulted from an adjustment to beginning net assets to correct the cumulative effect of erroneously recording all capital asset disposals as fully depreciated in prior fiscal years. Nonoperating revenues, comprising 43 percent of total revenue, represent State appropriations with the purpose of supporting operating expenses. Component unit revenues and other support exceeded expenses during the 2003-04 fiscal year, resulting in an increase in net assets of \$4,756,337 million.

THE STATEMENT OF NET ASSETS AND THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

The statement of net assets and the statement of revenues, expenses, and changes in net assets report information on the University as a whole and on its activities in a way that helps the reader determine if the University is in a better position from one year to the next, and allows the reader to analyze the information over long periods of time. When revenues and other support exceed expenses, the result is an increase in net assets. When the reverse occurs, the result is a decrease in net assets. The relationship between revenues and expenses may be thought of as University of West Florida's operating results.

These two statements report University of West Florida's net assets and changes in them. The University's net asset amount, the difference between assets and liabilities, is one way to measure the University's financial health, or financial position. Over time, increases or decreases in the University's net assets are one indicator of whether its financial health is improving or deteriorating. However, many other nonfinancial factors, such as certain trends in Legislative funding, student enrollment and retention, condition of the buildings, and the safety of the campus, should be considered in assessing the overall health of the University.

These statements include all assets and liabilities for the University and its component units. The statements are prepared using the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

The statement of net assets presents the assets, liabilities, and net assets of the University as of the end of the fiscal year. Its purpose is to present to the readers of the financial statements a fiscal snapshot of the University of West Florida at a certain point in time. The statement of net assets presents end-of-year data concerning assets (current and noncurrent), liabilities (current and noncurrent), and net assets (assets minus liabilities).

From the data presented, readers of the statement of net assets are able to determine the assets available to continue the operations of the University. They are also able to determine how much the University owes vendors, employees, and others. Finally, the statement of net assets provides a picture of the net assets (assets minus liabilities) and their availability for expenditure by the University.

Net assets are divided into three major categories. The first category, invested in net assets, net of related debt, provides the University's equity in property, plant, and equipment. The second asset category is restricted net assets, which is divided into two categories, nonexpendable and expendable. Nonexpendable restricted net assets are generally available only for investment purposes. Expendable restricted net assets are available for expenditure by the University, but must be spent for purposes as determined by donors and external entities that have placed time and purpose restrictions on the use of the assets. The third asset category is unrestricted net assets. Unrestricted net assets are available for any lawful purpose of the University.

A condensed statement of assets, liabilities, and net assets for the University and its component units for the fiscal years ended June 30, 2004, and 2003, are presented below:

Condensed Statement of Assets, Liabilities, and Net Assets				
(In Thousands)				
	<u>University</u>		<u>Component Units</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Assets				
Current Assets	\$ 48,273	\$ 56,859	\$ 5,553	\$ 9,760
Other Noncurrent Assets	7,638	12,144	55,931	50,903
Capital Assets, Net	<u>134,754</u>	<u>133,474</u>	<u>35,192</u>	<u>33,674</u>
Total Assets	<u>190,665</u>	<u>202,477</u>	<u>96,676</u>	<u>94,337</u>
Liabilities				
Current Liabilities	18,970	24,702	2,490	3,368
Noncurrent Liabilities	<u>15,554</u>	<u>15,760</u>	<u>34,076</u>	<u>35,615</u>
Total Liabilities	<u>34,524</u>	<u>40,462</u>	<u>36,566</u>	<u>38,983</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	129,635	127,152	230	339
Restricted	11,238	19,727	56,677	51,006
Unrestricted	<u>15,268</u>	<u>15,136</u>	<u>3,203</u>	<u>4,009</u>
Total Net Assets	<u>\$ 156,141</u>	<u>\$ 162,015</u>	<u>\$ 60,110</u>	<u>\$ 55,354</u>
Increase (Decrease) in Net Assets	<u>\$ (5,874) -3.6%</u>		<u>\$ 4,756 8.6%</u>	

Changes in total net assets as presented on the statement of net assets are based on the activity presented in the statement of revenues, expenses, and changes in net assets. The purpose of the statement of revenues, expenses, and changes in net assets is to present the revenues received by the University, both operating and nonoperating, and the expenses paid by the University, both operating and nonoperating, and any other revenues, expenses, gains, and losses received or incurred by the University.

Operating revenues are received for providing goods and services to the various customers and constituencies of the University. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the University. Nonoperating revenues are revenues received for which goods and services are not provided. For example, State appropriations are nonoperating because they are provided by the Legislature to the University without the Legislature directly receiving commensurate goods and services for those revenues.

A summary of revenues and expenses of the University and its component units for the fiscal years ended June 30, 2004, and 2003, are presented below:

Revenues, Expenses, and Changes in Net Assets for the Fiscal Year				
(In Thousands)				
	<u>University</u>		<u>Component Units</u>	
	<u>2003-04</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2002-03</u>
Operating Revenues	\$ 61,358	\$ 61,591	\$ 7,145	\$ 8,295
Operating Expenses	(126,937)	(118,105)	(10,333)	(10,681)
Operating Loss	(65,579)	(56,514)	(3,188)	(2,386)
Nonoperating Revenues (Expenses)	52,052	52,393	7,435	(221)
Gain (Loss) Before Other Revenues, Expenses, Gains, or Losses	(13,527)	(4,121)	4,247	(2,607)
Capital Appropriations	10,224	2,796		
Capital Grants, Contracts, and Donations	1,062	1,478		
Other Revenues			509	474
Increase (Decrease) in Net Assets	(2,241)	153	4,756	(2,133)
Net Assets, Beginning of Year	162,015	161,862	55,354	57,487
Adjustments to Beginning Net Assets	(3,633)			
Net Assets, End of Year	<u>\$156,141</u>	<u>\$162,015</u>	<u>\$60,110</u>	<u>\$55,354</u>

Student tuition and fees are shown net of scholarship allowances (amounts received from other than students and third-party payers). Scholarship allowances include payments from certain Federal Title IV Student Aid programs and certain institutional scholarships. Scholarship allowances totaled \$5.7 million for fiscal year ended June 30, 2004, and \$4 million for the fiscal year ended June 30, 2003.

University investment income was reported as a net loss due to a decline in the fair market value of investments at June 30, 2004.

Capital appropriations primarily consist of Public Education Capital Outlay (PECO) appropriations received from the State. PECO appropriations by the State increased by approximately \$7.4 million during the 2003-04 fiscal year.

Capital grants, contracts, and donations primarily consist of the University's portion of State University System bond principal payments made on behalf of the University by the Florida Department of Education and capital assets donated to the University.

University operating expenses by functional classification for the fiscal years ended June 30, 2004, and 2003, are presented below:

Functional Classification	Operating Expenses (In Thousands)			
	University			
	2003-04	Percent	2002-03	Percent
Instruction	\$ 43,617	34	\$ 37,622	32
Research	10,374	8	11,171	9
Public Service	1,213	1	2,594	2
Academic Support	11,542	9	15,979	14
Student Services	6,616	5	5,987	5
Institutional Support	16,978	13	15,213	13
Operation and Maintenance of Plant	9,208	7	7,629	6
Scholarships and Fellowships	7,711	6	5,122	4
Auxiliary Operations	11,406	9	8,890	8
Loan Operating Expenses	1	1		
Depreciation	8,271	7	7,898	7
Total	\$126,937	100	\$118,105	100

THE STATEMENT OF CASH FLOWS

Another important factor to consider when evaluating the University's financial viability is its ability to meet financial obligations as they become due. The statement of cash flows helps in this evaluation. The statement of cash flows presents information related to cash inflows and outflows summarized by operating, capital and noncapital financing, and investing activities. The statement of cash flows also helps users assess:

- The University's ability to generate future net cash flows.
- The ability to meet its obligations as they come due.
- The need for external financing.

A summary of the University's cash flows for the fiscal years ended June 30, 2004, and 2003, are presented below:

	Cash Flows for the Fiscal Year (In Thousands)	
	University	
	2003-04	2002-03
Cash Provided (Used) by:		
Operating Activities	\$(56,102)	\$(48,710)
Noncapital Financing Activities	52,374	54,880
Capital and Related Financing Activities	(5,160)	(2,670)
Investing Activities	10,174	(5,952)
Net Increase (Decrease) in Cash	1,286	(2,452)
Cash and Cash Equivalents, Beginning of the Year	20,184	22,636
Cash and Cash Equivalents, End of the Year	\$ 21,470	\$ 20,184

The primary cash receipts from operating activities consist of tuition and grant revenues. Cash outlays include payment of salaries, benefits, supplies, and scholarships.

State appropriations are the primary source of noncapital financing inflows.

The primary capital and related financing activities include payments received under the Public Education Capital Outlay (PECO) appropriation and proceeds from capital debt. Outflows primarily include capital expenses incurred on several construction projects.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

At June 30, 2004, the University had \$134.8 million invested in capital assets, net of accumulated depreciation of \$88.5 million. Depreciation charges totaled \$8.3 million for the current fiscal year. Details of these assets for the 2003-04 fiscal year are shown in the following table:

Capital Assets - University (In Thousands)				
Capital Assets	Beginning Balance	Additions	Reductions	Ending Balance
Land	\$ 9,603	\$ 2	\$	\$ 9,605
Works of Art and Historical Treasures	8,527	539		9,066
Buildings	100,136	8,847	1,663	107,320
Other Improvements	11,460	15,206	391	26,275
Furniture and Equipment	31,413	2,680	2,167	31,926
Library Resources	25,886	915	231	26,570
Assets Under Capital Leases	740	1,071		1,811
Capital Leasehold Improvements	53	4		57
Construction in Progress	23,935	9,768	24,053	9,650
Other Capital Assets	1,350	346	716	980
Total	213,103	39,378	29,221	223,260
Less, Accumulated Depreciation:				
Buildings	35,490	4,238	929	38,799
Other Improvements	4,995	1,427	154	6,268
Furniture and Equipment	18,496	4,811	1,700	21,607
Library Resources	20,266	1,117	231	21,152
Assets Under Capital Leases	94	134		228
Capital Leases and Improvements	4	7		11
Other Capital Assets	284	169	12	441
Total Accumulated Depreciation	79,629	11,903 (1)	3,026	88,506
Capital Assets, Net	\$133,474	\$27,475	\$ 26,195	\$134,754

Note: (1) This amount includes a prior period adjustment to the beginning balance totaling \$3,632,630.35 and depreciation expense for the 2003-04 fiscal year totaling \$8,271,046.86. See note 20 for additional information.

The University has construction contract commitments with remaining balances at June 30, 2004, totaling \$10.4 million. Projects include the Health and Leisure Sports facility and Utilities Infrastructure. State appropriations are expected to finance these projects. The International House and Village was substantially completed during the 2003-04 fiscal year.

DEBT

At June 30, 2004, the University and its component units had \$44.9 million in capital debt outstanding. The table below summarizes these amounts by type of debt instrument for the University and its component units for the fiscal years ended June 30, 2004, and 2003:

	<u>University</u>		<u>Component Units</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Bonds and Revenue				
Certificates Payable	\$ 5,206	\$ 5,424	\$ 32,309	\$ 32,960
Capital Leases	4,111	4,059		
Certificates of Participation			2,997	3,700
Other Noncurrent Liabilities			238	274
Total	<u>\$ 9,317</u>	<u>\$ 9,483</u>	<u>\$ 35,544</u>	<u>\$ 36,934</u>

Principal bond payments of \$216,834 were made on behalf of the University by the State Board of Education during the 2003-04 fiscal year.

During the 2003-04 fiscal year, the University executed two new capital leases totaling approximately \$1.1 million for the acquisition of computer equipment. Capital lease principal payments totaling \$1.1 million were made by the University during the 2003-04 fiscal year.

At June 30, 2004, the component units had \$32 million in bonded capital debt (*Dormitory Revenue Bonds*), and a \$3 million liability for Certificates of Participation. The component units made debt repayments of \$1,378,358 during the 2003-04 fiscal year.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The economic position of the University of West Florida is closely tied to that of the State of Florida. State appropriations comprise approximately 44 percent of the University’s total operating and nonoperating revenues and are the largest source of funding. Since the State economy has slowed down, this will most likely result in smaller increases in State appropriations for higher education. At this time, the specific impact on the University is uncertain.

FINANCIAL SECTION

UNIVERSITY OF WEST FLORIDA
A COMPONENT UNIT OF THE STATE OF FLORIDA
STATEMENT OF NET ASSETS
As of June 30, 2004

	<u>University</u>	<u>Component Units</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 16,762,833.55	\$ 1,271,137.00
Investments	10,081,331.03	
Investments with State Treasury Under Securities		
Lending and Reverse Repurchase Agreements	3,227,850.69	
Receivables, Net	5,945,370.32	3,997,470.00
Due from State	12,129,228.00	
Due from University		8,345.00
Inventories	48,567.67	4,596.00
Loans and Notes Receivable, Net	78,121.72	223,377.00
Other Assets		48,204.00
Total Current Assets	<u>48,273,302.98</u>	<u>5,553,129.00</u>
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	4,707,841.48	5,167,359.00
Restricted Investments		49,396,313.00
Loans and Notes Receivable, Net	2,912,370.27	
Other Assets	18,154.58	1,367,401.00
Building, Equipment, and Other Depreciable		
Capital Assets, Net	106,431,958.91	33,119,497.00
Land and Other Nondepreciable Capital Assets	28,321,692.00	2,072,712.00
Total Noncurrent Assets	<u>142,392,017.24</u>	<u>91,123,282.00</u>
TOTAL ASSETS	<u>\$ 190,665,320.22</u>	<u>\$ 96,676,411.00</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 2,179,021.89	\$ 322,394.00
Salaries and Wages Payable	2,541,064.83	52,813.00
Construction Contracts Payable	1,344,342.42	
Deposits Payable	507,652.78	
Due to Component Units	8,345.00	
Deferred Revenue	7,083,773.30	269,832.00
Obligations Under Securities Lending and		
Reverse Repurchase Agreements	3,227,850.69	
Other Liabilities		378,043.00
Long-Term Liabilities - Current Portion:		
Bonds and Revenue Certificates Payable	229,539.19	1,466,995.00
Capital Leases Payable	1,137,547.66	
Compensated Absences Payable	710,980.13	
Total Current Liabilities	<u>18,970,117.89</u>	<u>2,490,077.00</u>
Noncurrent Liabilities:		
Bonds and Revenue Certificates Payable	4,976,048.68	33,838,194.00
Capital Leases Payable	2,973,667.12	
Compensated Absences Payable	7,604,583.73	
Other Liabilities		238,003.00
Total Noncurrent Liabilities	<u>15,554,299.53</u>	<u>34,076,197.00</u>
TOTAL LIABILITIES	<u>34,524,417.42</u>	<u>36,566,274.00</u>

**UNIVERSITY OF WEST FLORIDA
A COMPONENT UNIT OF THE STATE OF FLORIDA
STATEMENT OF NET ASSETS (Continued)
As of June 30, 2004**

	University	Component Units
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	\$ 129,635,043.66	\$ 230,155.00
Restricted:		
Nonexpendable:		
Endowment	179,290.88	37,532,409.00
Expendable:		
Loans	3,701,824.72	
Capital Projects	6,659,820.10	
Other Restricted Net Assets	696,922.72	19,145,043.00
Unrestricted	15,268,000.72	3,202,530.00
Total Net Assets	156,140,902.80	60,110,137.00
TOTAL LIABILITIES AND NET ASSETS	\$ 190,665,320.22	\$ 96,676,411.00

The accompanying notes to financial statements are an integral part of this statement.

UNIVERSITY OF WEST FLORIDA
A COMPONENT UNIT OF THE STATE OF FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
For the Fiscal Year Ended June 30, 2004

	University	Component Units
REVENUES		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarship Allowances of \$5,737,348.90	\$ 23,129,108.03	\$
Federal Grants and Contracts	21,983,892.58	
State and Local Grants and Contracts	4,667,871.24	
Nongovernmental Grants and Contracts	1,891,349.20	
Sales and Services of Educational Departments	174,617.41	
Auxiliary Enterprises	5,018,212.28	
Sales and Services of Component Units		70,492.00
Royalties and Licensing Fees		44,400.00
Interest on Loans Receivable	48,099.37	
Gifts and Donations		1,448,607.00
Other Operating Revenues	4,444,623.90	5,581,002.00
Total Operating Revenues	61,357,774.01	7,144,501.00
EXPENSES		
Operating Expenses:		
Compensation and Employee Services	79,527,511.54	
Services and Supplies	27,910,373.25	8,909,707.00
Utilities	3,517,103.48	
Scholarships and Fellowships	7,711,407.74	
Depreciation	8,271,046.86	1,423,545.00
Total Operating Expenses	126,937,442.87	10,333,252.00
Operating Loss	(65,579,668.86)	(3,188,751.00)
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	56,222,431.00	
Investment Income (Loss), Net	(434,146.66)	7,426,149.00
Other Nonoperating Revenues	330,930.74	
Interest on Capital Asset-Related Debt	(350,387.42)	
Other Nonoperating Expenses	(3,716,735.38)	9,461.00
Net Nonoperating Revenues	52,052,092.28	7,435,610.00
Gain (Loss) Before Other Revenues, Expenses, Gains, or Losses	(13,527,576.58)	4,246,859.00
Capital Appropriations	10,223,606.00	
Capital Grants, Contracts, and Donations	1,062,044.47	
Additions to Permanent Endowments		509,478.00
Total Other Revenues	11,285,650.47	509,478.00
Increase (Decrease) in Net Assets	(2,241,926.11)	4,756,337.00
Net Assets, Beginning of Year	162,015,459.26	55,353,800.00
Adjustment to Beginning Net Assets	(3,632,630.35)	
Adjusted Net Assets, Beginning of Year	158,382,828.91	55,353,800.00
Net Assets, End of Year	\$ 156,140,902.80	\$ 60,110,137.00

The accompanying notes to the financial statements are an integral part of this statement.

**UNIVERSITY OF WEST FLORIDA
A COMPONENT UNIT OF THE STATE OF FLORIDA
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2004**

	University
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and Fees	\$ 22,974,190.41
Grants and Contracts	29,241,690.38
Sales and Services of Educational Departments	174,617.41
Auxiliary Enterprises	5,018,212.28
Interest on Loans Receivable	42,894.22
Other Receipts	4,809,252.16
Payments to Employees	(78,504,790.81)
Payments to Suppliers	(32,069,766.86)
Payments for Scholarships and Fellowships	(7,711,407.74)
Loans Issued to Students	(76,703.03)
	(56,101,811.58)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Appropriations	56,222,431.00
Operating Subsidies and Transfers	(3,109,602.00)
Federal Direct Loan Receipts	17,101,477.52
Federal Direct Loan Disbursements	(17,101,477.52)
PLUS Loan Receipts	1,074,580.85
PLUS Loan Disbursements	(1,074,580.85)
Funds Held for Others	36,688.15
Other Receipts	330,930.74
Other Expenses	(1,106,117.43)
	52,374,330.46
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Capital Debt	1,067,450.74
Capital Appropriations	7,723,606.00
Capital Grants and Gifts Received	1,062,044.47
Capital Subsidies and Transfers	1,877,000.81
Purchase of Capital Assets	(15,307,341.91)
Principal Paid on Capital Debt and Capital Leases	(1,231,682.77)
Interest Paid on Capital Debt and Capital Leases	(350,844.91)
	(5,159,767.57)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Investments	(40,269,152.27)
Sales of Investments	50,830,476.40
Investment Income	(387,419.69)
	10,173,904.44
Net Increase in Cash and Cash Equivalents	1,286,655.75
Cash and Cash Equivalents, Beginning of Year	20,184,019.28
Cash and Cash Equivalents, End of Year	\$ 21,470,675.03

**UNIVERSITY OF WEST FLORIDA
A COMPONENT UNIT OF THE STATE OF FLORIDA
STATEMENT OF CASH FLOWS (Continued)
For the Fiscal Year Ended June 30, 2004**

	University
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	\$(65,579,668.86)
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	8,271,046.86
Changes in Assets and Liabilities:	
Receivables, Net	1,105,882.19
Inventories	68,357.92
Loans and Notes Receivable, Net	(96,253.94)
Accounts Payable	(691,097.14)
Salaries and Wages Payable	585,173.17
Deposits Payable	44,800.29
Compensated Absences	437,547.56
Deferred Revenue	<u>(247,599.63)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>\$(56,101,811.58)</u>

The accompanying notes to financial statements are an integral part of this statement.

UNIVERSITY OF WEST FLORIDA
A COMPONENT UNIT OF THE STATE OF FLORIDA
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity. The University is a separate public instrumentality that is part of a State university system of public universities. A constitutional amendment effective January 7, 2003, created a board of governors to be responsible for the management of the State university system. A separate board of trustees shall administer each public university.

The University Board of Trustees (Trustees) consists of thirteen members. The Governor appoints six citizen members and the Board of Governors appoints five citizen members. These members are confirmed by the Florida Senate and serve staggered terms of five years. The chair of the faculty senate and the president of the student body of the University also are members. The Board of Governors establishes the powers and duties of the Trustees. The Trustees are responsible for setting policies for the University, which provides governance in accordance with Florida law, State Board of Education rules, and the Board of Governors. The Trustees select the University President and the State Board of Education must ratify the candidate selected. The University President serves as the executive officer and the corporate secretary of the Trustees and is responsible for administering the policies prescribed by the Trustees for the University.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. Application of these criteria determines potential component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the primary government's financial statements to be misleading or incomplete. Based on the application of these criteria, the University is a component unit of the State of Florida and its financial activity is reported in the State's Comprehensive Annual Financial Report by discrete presentation.

Discretely Presented Component Units. Based on the application of the criteria for determining component units, the following organizations are included within the University reporting entity as discretely presented component units. Additional condensed financial statements for the University's component units are shown in a subsequent note.

Direct-Support Organizations. The University's direct-support organizations, as provided for in Section 1004.28, Florida Statutes, and Rule 6C-9.011, Florida Administrative Code, are considered component units of the University and therefore the latest audited financial statements of these organizations are included in the

UNIVERSITY OF WEST FLORIDA
A COMPONENT UNIT OF THE STATE OF FLORIDA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2004

financial statements of the University by discrete presentation. These are separate, not-for-profit corporations 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. The Statute authorizes these organizations to receive, hold, invest and administer property and to make expenditures to or for the benefit of the University. These not-for-profit corporations and their purposes are explained as follows:

- University of West Florida Foundation, Inc. (Foundation): This organization provides funding and services to support and foster the pursuit of higher education at the University. Although the Foundation is chartered as a private not-for-profit corporation, it operates solely for the benefit of the University and its mission of teaching, research, and service. The Foundation serves as the vehicle whereby taxpayers who want to advance the cause of higher education and to pay more than their share of the cost of education may do so. The Foundation does not serve any private causes, but generally benefits the public.
- Research Foundation of the University of West Florida, Inc. (Research Foundation): The Research Foundation was organized for the purpose of promotion and encouragement of and assistance to the research activities of the University's faculty, staff, and students. The Research Foundation provides a means by which inventions and copyrightable materials may be developed, patented, applied and utilized in order that the results of University research shall be made available to the public and that funds be made available from inventions and copyrightable materials to support education and research of the University.
- West Florida Historic Preservation, Inc.: This not-for-profit corporation was established under State law on May 31, 1968, to engage in the restoration and exhibition of historical landmarks in the Pensacola, Florida vicinity. On July 1, 2001, this organization was designated as a direct-support organization of the University in order to conduct certain activities and programs that will assist and promote the purposes of the University.

An annual audit of each organization's financial statements is conducted by independent certified public accountants. The annual report is submitted to the Auditor General and the University Board of Trustees. Additional information on the University's component units, including copies of audit reports, is available by contacting the University Financial and Procurement Services Office.

Basis of Presentation. The University's accounting policies conform to generally accepted accounting principles applicable to public colleges and universities as prescribed by the Governmental Accounting Standards Board (GASB). The National Association of College and University Business Officers (NACUBO) also provides the University with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB and the Financial Accounting Standards Board (FASB).

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In November 1999, GASB issued Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. This Statement includes public colleges and universities within the financial reporting guidelines of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. GASB Statement No. 35 allows public colleges and universities the option of reporting as a special-purpose government engaged in only business-type activities, engaged in only governmental activities, or engaged in both governmental and business-type activities. The University has elected to report as an entity engaged in only business-type activities. This election requires the adoption of the accrual basis of accounting and entity-wide reporting including the following components:

- Management's Discussion and Analysis
- Basic Financial Statements:
 - Statement of Net Assets
 - Statement of Revenues, Expenses, and Changes in Net Assets
 - Statement of Cash Flows
 - Notes to Financial Statements

The University is a component unit of the State of Florida for financial reporting purposes. The financial balances and activities included in these financial statements are, therefore, also included in the State's Comprehensive Annual Financial Report.

Basis of Accounting. Basis of accounting refers to when revenues, expenses, and related assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The University's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met.

Interdepartmental transactions of auxiliary service departments have been accounted for as reductions of expenses and not revenues of those departments.

The University's principal operating activities consist of instruction, research and public service. Operating revenues and expenses generally include all fiscal transactions directly related to these activities plus administration, operation and maintenance of plant assets, and depreciation on capital assets. Nonoperating

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revenues include State appropriations, investment income and funding for capital construction projects. Interest on asset-related debt is a nonoperating expense.

The University follows FASB statements and interpretations issued after November 30, 1989, unless those pronouncements conflict with GASB pronouncements.

The statement of net assets is presented in a classified format to distinguish between current and noncurrent assets and liabilities. When both restricted and unrestricted resources are available to fund certain programs, grants, etc., it is the University's policy to first apply the restricted resources to such programs followed by the use of the unrestricted resources.

The statement of revenues, expenses, and changes in net assets is presented by major sources and is reported net of tuition scholarship allowances. Tuition scholarship allowances are the differences between the stated charge for goods and services provided by the University and the amount that is actually paid by the student or third party making payment on behalf of the student. The University applied "The Alternate Method" as prescribed in NACUBO Advisory Report 2000-05 to determine the tuition scholarship allowances reported in the statement of revenues, expenses, and changes in net assets. Under this method, the University computes these amounts by allocating the cash payments to students, excluding payments for services, on a ratio of total aid to the aid not considered to be third-party aid.

The statement of cash flows is presented using the direct method and is in compliance with GASB Statement No. 9, *Reporting Cash Flow for Proprietary and Nonexpendable Trust Funds*.

Capital Assets. University capital assets consist of land, buildings, other improvements, furniture and equipment, assets under capital leases, capital leasehold improvements, library resources, works of art and historical treasures, construction in progress, and other capital assets. These assets are capitalized and recorded at cost at the date of acquisition or at appraised value at the date received in the case of gifts or purchases of State surplus property. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The University has a capitalization threshold of \$1,000 for all tangible personal property and a \$50,000 threshold for building renovations and improvements. Depreciation is computed on the straight-line basis over the estimated useful life of the related assets.

The following ranges of estimated useful lives were used to determine depreciation expense:

- Buildings and Improvements – 20 to 50 Years, Depending on Construction
- Other Improvements – 12 to 50 Years

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- Capital Leasehold Improvements – 5 to 20 Years or the Term of Lease, Whichever is Greater
- Furniture and Equipment:
 - Equipment (Nonoffice) – 10 to 20 Years
 - Computer Equipment – 3 to 7 Years
 - Moveable Equipment – 3 to 20 Years
- Assets Under Capital Leases – 3 to 20 Years
- Library Resources – 10 Years
- Computer Software – 5 Years

2. CASH AND CASH EQUIVALENTS

The amount reported as cash and cash equivalents consists of cash-on-hand, cash-in-demand accounts, and cash held in the State Treasury. Cash-in-demand accounts are held in banks qualified as a public depository in accordance with the provisions of Chapter 280, Florida Statutes. All such accounts are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes. Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, and to purchase or construct capital or other restricted assets are classified as restricted.

3. INVESTMENTS

The University places cash with the State Treasury in accordance with the provisions of Section 17.61, Florida Statutes. The investments conform with the guidelines established by Section 215.47, Florida Statutes, and are reported at market value of \$10,081,331.03.

Generally accepted accounting principles require the classification of credit risk of investments into the following three categories:

- Risk Category 1 – Insured or registered, or securities held by the entity or its agent in the entity's name.
- Risk Category 2 – Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the entity's name.
- Risk Category 3 – Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the entity's name.

University investments managed by the State Treasury cannot be categorized because the University's investments are not evidenced by specific, identifiable investment securities.

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Under the State Treasury’s authority to purchase and sell securities, it has entered into securities lending and reverse repurchase agreements. A security lending agreement is a loan of securities for collateral with a simultaneous agreement to return the collateral for the same securities in the future. A reverse repurchase agreement is a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. As required by generally accepted accounting principles, the University has reported investments and an offsetting current liability of \$3,227,850.69 in order to account for these transactions. Required note disclosures for these agreements are reported in the State’s Comprehensive Annual Financial Report.

Investments held by the University’s component units at June 30 are reported at market value except for the real estate investment trust which is carried at cost less distributions in excess of earnings and are shown in the following table:

	Investments			Market Value
	Risk Category			
	1	2	3	
Bonds and Notes	\$ 8,732,451.00	\$	\$	\$ 8,732,451.00
Stocks	38,940,164.00			38,940,164.00
Total Classified Investments	\$ 47,672,615.00	\$	\$	47,672,615.00
Real Estate Agreements				427,851.00
Money Market and Mutual Funds				1,295,847.00
Total Component Units Investments				\$ 49,396,313.00

4. RECEIVABLES

Accounts Receivable. Accounts receivable reported in the statement of net assets represent amounts for student fees and various student services provided by the University, various auxiliary services provided to students and third parties, interest accrued on investments, and contracts and grants. Accounts receivable are reported net of an allowance of \$580,697.67. Contracts and grants receivable of \$4,695,957.34 represent grant reimbursements due from third parties and are deemed fully collectible.

Loans and Notes Receivable. Loans and notes receivable represent all amounts owed on promissory notes from debtors, including student loans made under the Federal Perkins Loan Program and other loan programs. Loans and notes receivable are reported net of an allowance for uncollectible loans and notes of \$121,797.51.

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Allowances for Uncollectible Receivables. The University provides allowances for uncollectible accounts and loans and notes receivable based upon management's best estimate of uncollectible accounts and notes at fiscal year-end, considering type, age, collection history of receivables, and any other factors as considered appropriate.

5. DUE FROM STATE

This amount represents Public Education Capital Outlay allocations for construction of University facilities due to the University at June 30, 2004.

6. DUE FROM/TO UNIVERSITY/COMPONENT UNITS

The University receives State appropriated general revenue funds to pay operational liabilities of the West Florida Historic Preservation, Inc., a component unit of the University. This amount represents general revenue funds due to the West Florida Historic Preservation, Inc. at June 30, 2004, for the cost of five computers.

7. INVENTORIES

Inventories have been categorized into the following two types:

- Departmental Inventories – Those inventories maintained by departments and not available for resale. Departmental inventories are comprised of such items as classroom and laboratory supplies, teaching materials, and office supply items, which are consumed in the teaching and work process. These inventories are normally expensed when purchased, and therefore are not reported on the statement of net assets.
- Merchandise Inventories – Those inventories maintained which are available for resale to individuals and other University departments, and are not expensed at the time of purchase. These inventories are reported on the statement of net assets, and are valued at cost using either the moving average method or the first-in, first-out method.

8. CAPITAL ASSETS

The activity of the University's major classes of capital assets for the 2003-04 fiscal year is presented in the following table:

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	Beginning Balance	Additions	Deletions	Ending Balance
Nondepreciable Capital Assets:				
Land	\$ 9,603,084.31	\$ 2,455.00	\$	\$ 9,605,539.31
Construction in Progress	23,934,995.21	9,768,110.73	24,053,339.25	9,649,766.69
Works of Art and Historical Treasures	8,527,243.00	539,143.00		9,066,386.00
Total Nondepreciable Capital Assets	42,065,322.52	10,309,708.73	24,053,339.25	28,321,692.00
Depreciable Capital Assets				
Buildings	100,136,022.63	8,846,694.42	1,662,938.16	107,319,778.89
Other Improvements	11,460,076.63	15,206,331.05	390,549.96	26,275,857.72
Furniture and Equipment	31,412,513.64	2,679,753.45	2,166,958.58	31,925,308.51
Assets Under Capital Leases	740,247.83	1,070,554.54		1,810,802.37
Capital Leasehold Improvements	53,303.35	4,000.00		57,303.35
Library Resources	25,885,887.31	915,059.95	230,949.96	26,569,997.30
Other Capital Assets	1,349,692.56	345,988.91	716,318.40	979,363.07
Total Depreciable Capital Assets	171,037,743.95	29,068,382.32	5,167,715.06	194,938,411.21
Less, Accumulated Depreciation:				
Buildings	35,490,423.86	4,238,385.14	929,460.50	38,799,348.50
Other Improvements	4,994,885.77	1,426,556.87	154,227.54	6,267,215.10
Furniture and Equipment	18,496,179.76	4,811,494.54	1,700,370.39	21,607,303.91
Assets Under Capital Leases	94,080.98	133,854.18		227,935.16
Capital Leasehold Improvements	3,462.93	6,978.58		10,441.51
Library Resources	20,266,209.60	1,117,257.98	230,949.96	21,152,517.62
Other Capital Assets	284,090.25	169,149.92	11,549.67	441,690.50
Total Accumulated Depreciation	79,629,333.15	11,903,677.21 (1)	3,026,558.06	88,506,452.30
Total Depreciable Capital Assets, Net	91,408,410.80	17,164,705.11	2,141,157.00	106,431,958.91
Total Capital Assets, Net	\$ 133,473,733.32	\$ 27,474,413.84	\$ 26,194,496.25	\$ 134,753,650.91

Note: (1) This amount includes a prior period adjustment to the beginning balance totaling \$3,632,630.35 and depreciation expense for the 2003-04 fiscal year totaling \$8,271,046.86. See note 20 for additional information.

9. LONG-TERM LIABILITIES

Long-term liabilities of the University include bonds and revenue certificates, capital leases, and compensated absences.

The following table presents the University's long-term liabilities activity for the fiscal year ended June 30, 2004:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds and Revenue Certificates Payable	\$ 5,423,903.15	\$	\$ 218,315.28	\$ 5,205,587.87	\$ 229,539.19
Capital Leases Payable	4,058,613.10	1,067,450.74	1,014,849.06	4,111,214.78	1,137,547.66
Compensated Absences Liability	7,878,016.30	1,330,156.50	892,608.94	8,315,563.86	710,980.13
Total Long-Term Liabilities	\$ 17,360,532.55	\$ 2,397,607.24	\$ 2,125,773.28	\$ 17,632,366.51	\$ 2,078,066.98

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Bonds and Revenue Certificates Payable. Bonds and revenue certificates payable were issued to construct University facilities, including academic and student service facilities. Bonds and revenue certificates outstanding include both term and serial bonds. The building fee and capital improvement fee, collected as a part of tuition and remitted to the State Board of Education, is used to retire the revenue certificates for the academic and student service facilities.

A summary of pertinent information related to the University's bond indebtedness is presented in the following table:

Bonds	Amount of Original Issue	Total Retired	Amount Outstanding		Interest Rate (Percent)	Annual Maturity To
			Principal	Interest		
Academic and Student Services Facilities Bonds:						
1997	\$ 740,204.31	\$ 137,663.33	\$ 602,540.98	\$ 353,868.19	5.00 - 5.60	2022
1997A	1,258,740.30	84,586.46	1,174,153.84	444,447.30	4.25 - 5.00	2016
1998	2,231,366.56	339,322.13	1,892,044.43	996,556.30	4.00 - 5.00	2023
2001	904,778.33	54,225.97	850,552.36	524,629.96	4.00 - 5.00	2026
2003A	792,411.19	93,201.78	699,209.41	175,061.03	5.00	2013
Subtotal	5,927,500.69	708,999.67	5,218,501.02	2,494,562.78		
Less, Bond Discounts	73,731.92	19,008.37	54,723.55			
Add, Bond Premium	78,655.17	10,149.29	68,505.88			
Less, Refunding Loss	30,650.37	3,954.89	26,695.48			
Total Bonds	\$5,901,773.57	\$ 696,185.70	\$ 5,205,587.87	\$2,494,562.78		

Principal and interest requirements on the bonded debt outstanding as of June 30, 2004, are presented in the following table:

Fiscal Year Ending June 30	Principal	Interest	Total
2005	\$ 229,539.19	\$ 249,740.32	\$ 479,279.51
2006	242,768.41	239,276.06	482,044.47
2007	256,745.77	228,351.20	485,096.97
2008	286,176.82	216,794.89	502,971.71
2009	290,709.47	203,871.88	494,581.35
2010-2014	1,626,298.26	792,910.47	2,419,208.73
2015-2019	1,233,876.96	413,169.41	1,647,046.37
2020-2024	935,691.86	142,068.80	1,077,760.66
2025-2026	116,694.28	8,379.75	125,074.03
Subtotal	5,218,501.02	2,494,562.78	7,713,063.80
Less, Bond Discounts	54,723.55		54,723.55
Add, Bond Premium	68,505.88		68,505.88
Less, Refunding Loss	26,695.48		26,695.48
Total	\$ 5,205,587.87	\$ 2,494,562.78	\$ 7,700,150.65

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On April 10, 2003, the State Board of Education issued \$50,545,000 of University System Improvement Revenue Refunding Bonds, Series 2003A. The University's portion of the refunding bonds (\$792,411.20) was used to defease \$835,523.89 of outstanding University System Improvement Revenue Bonds, Series 1993. Securities were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the defeased bonds. The trust assets and the liability for the defeased bonds are not included in the University's statement of net assets. As a result of the refunding, the University reduced its debt service requirement by \$89,979 over the next 10 years and obtained an economic gain of \$80,585. At June 30, 2004, the outstanding balance of the defeased bonds was \$750,317.53.

Bonds and Certificates of Participation Payable – Component Units. A summary of the component units bonds and certificates of participation payable as of June 30, 2004, is shown in the following table:

<u>Revenue Bonds</u>	<u>Amount</u>
\$15,400,000 Dormitory Revenue Bonds, Series 1998, Due in Annual Installments of \$260,000 to \$925,000, from June 1, 1999, Through June 1, 2028, with Interest Ranging from 3.5 Percent to 4.75 Percent Due Semiannually, June 1 and December 1	\$ 13,685,000
\$13,455,000 Dormitory Revenue Bonds, Series 1999, Due in Annual Installments of \$195,000 to \$895,000, from June 1, 2002, Through June 1, 2031, with Interest Ranging from 4.4 Percent to 5.75 Percent Due Semiannually, June 1 and December 1	12,850,000
\$6,500,000 Housing System Revenue Bonds, Series 2002, Due in Annual Installments of \$150,000 to \$725,000, from June 1, 2004, Through June 1, 2017, with Variable Interest Rates Tied to PSA Municipal Swap Index Plus 34 Basis Points Due Monthly	6,350,000
Total	32,885,000
Less, Bond Discounts	<u>576,453</u>
Total Revenue Bonds	<u>32,308,547</u>
<u>Certificates of Participation</u>	
\$3,700,000 Certificates of Participation, Series 2003, Due in Monthly Installments from August 1, 2003, Through June 30, 2008, with Interest of 2.44 Percent	<u>2,996,642</u>
Total Revenue Bonds and Certificates of Participation	<u><u>\$ 35,305,189</u></u>

Maturities of the component units bonds and certificates of participation are shown in the following table:

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Fiscal Year Ending June 30	Revenue Bonds	Certificates of Participation	Total
2005	\$ 745,000	\$ 721,995	\$ 1,466,995
2006	820,000	739,811	1,559,811
2007	890,000	758,065	1,648,065
2008	970,000	776,771	1,746,771
2009	1,045,000		1,045,000
2010-2014	6,490,000		6,490,000
2015-2019	6,915,000		6,915,000
2020-2024	6,225,000		6,225,000
2025-2029	7,045,000		7,045,000
2030-2031	1,740,000		1,740,000
Subtotal	32,885,000	2,996,642	35,881,642
Less, Bond Discounts	576,453		576,453
Total	\$ 32,308,547	\$ 2,996,642	\$ 35,305,189

Capital Leases Payable. The classes and amounts of property being acquired under capital leases are as follows:

	<u>Asset Balance</u>
Information Technology Equipment	\$ 1,127,002.37
Software	683,800.00
Total	\$ 1,810,802.37

Principal and interest requirements on the capital leases outstanding as of June 30, 2004, are presented in the following table:

Fiscal Year Ending June 30	Principal	Interest	Total
2005	\$ 1,137,547.66	\$ 73,545.51	\$ 1,211,093.17
2006	1,024,915.40	60,072.50	1,084,987.90
2007	963,166.86	36,543.79	999,710.65
2008	985,584.86	14,127.32	999,712.18
Total	\$ 4,111,214.78	\$ 184,289.12	\$ 4,295,503.90

The stated interest rates range from 2.15 to 3.92 percent.

The University entered into a financing arrangement on June 30, 2003, which arrangement was characterized as a lease-purchase agreement, with the University of West Florida Foundation, Inc. (Foundation). The University secured financing of certain software, costing \$683,800, and the services for installation, implementation and testing, costing \$3,016,194, as described in a contract between the University and a

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private software vendor dated February 11, 2003, (the Series 2003 Project) in the amount of \$3,700,000. The financing was accomplished through the issuance of Certificates of Participation, Series 2003, by the Foundation, to be repaid from the proceeds of rents paid by the University.

As a condition of the financing arrangement, the University has given a ground lease on University property to the Foundation, with a rental fee of \$10 per year. The initial term of the ground lease commenced on June 26, 2003, and ends on the earlier of the date on which the Series 2003 Certificates have been paid or provision for their payment has been made, or June 30, 2009. The properties covered by the ground lease are leased back to the University. If the University fails to renew the lease and to provide for the rent payments through to term, the University may be required to surrender the property included under the ground lease for the benefit of the securers of the Series 2003 Certificates.

University property included in the ground lease under this financing arrangement includes:

- All computer equipment and any part of the software and licenses included in the Series 2003 Project (Premises).
- All property of the University upon which the Premises or the Series 2003 Project is located, together with any property reasonably needed for pedestrian and vehicular ingress, egress and access to and from the Premises; together with any property upon which the Premises may be dependent upon for utility and other enjoyment of the Premises.

The lease payments are payable by the University monthly, on the first day of each month at an interest rate of 2.44 percent. Payments began on August 1, 2003, and continue for 60 months with the final payment due on June 30, 2008. The following is a schedule of future minimum payments remaining under the lease at fiscal year end:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 721,995.00	\$ 65,079.31	\$ 787,074.31
2006	739,811.00	47,264.28	787,075.28
2007	758,065.00	29,009.59	787,074.59
2008	776,771.00	10,304.54	787,075.54
Total	<u>\$ 2,996,642.00</u>	<u>\$ 151,657.72</u>	<u>\$ 3,148,299.72</u>

As of June 30, 2004, the University had spent \$683,800 of the proceeds to purchase software which is recorded as an asset under capital lease; \$1,553,796.86 of the proceeds to pay monthly implementation, support, and training costs, which the University elected to expense; and the remaining proceeds totaling \$1,462,403.14 were unexpended and reported as cash and cash equivalents. Since the University elected to

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expense the cost of services for installation, implementation and testing, the \$1,553,796.86 expended as of June 30, 2004, is not capitalized as property being acquired under capital leases.

Compensated Absences. Employees earn the right to be compensated during absences for annual leave (vacation) and sick leave earned pursuant to Florida Administrative Code Section 6C-5.920. 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 statement of net assets for employees' vested rights to receive compensation for future absences when certain conditions are met, whereas appropriations fund only the portion of accrued leave that is used or paid in the current fiscal year. Although the University expects the liability 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, 2004, the total estimated liability for annual, sick, and compensatory leave, which includes the University's share of the Florida Retirement System and FICA contributions, was \$4,184,121.05, \$4,084,981.96, and \$46,460.85, respectively. The current portion of the compensated absences liability is based on actual payouts over the last three years, calculated as a percentage of those years' total compensated absences liability. The University's total net assets balance at June 30, 2004, of \$156,140,902.80 would have been \$164,456,466.66 had the liability for compensated absences not been applied against it.

10. OPERATING LEASES

The University has long-term commitments for assets leased under operating lease agreements. These leased assets and the related commitments are not reported on the University's statement of net assets. Operating lease payments are recorded as expenses of the related funds when paid or incurred, and are reported in the statement of revenues, expenses, and changes in net assets. Future minimum lease commitments for noncancelable operating leases with remaining terms in excess of one year are shown in the following table:

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Fiscal Year Ending June 30	Land and Buildings	Equipment	Total Remaining Commitment
2005	\$ 752,371.37	\$ 216,697.33	\$ 969,068.70
2006	250,664.28	31,446.50	282,110.78
2007	209,636.14	15,759.00	225,395.14
2008	195,203.88	7,879.50	203,083.38
2009	187,066.36		187,066.36
Total Remaining Commitment	\$ 1,594,942.03	\$ 271,782.33	\$ 1,866,724.36

11. DEFERRED REVENUES

Deferred revenues include amounts received prior to the end of the fiscal year but related to subsequent accounting periods. As of June 30, 2004, the University reported the following amounts as deferred revenues:

<u>Description</u>	<u>Amount</u>
Capital Outlay Appropriations	\$ 6,912,191.00
Student Nautilus Card Prepayments	171,582.30
Total Deferred Revenues	\$ 7,083,773.30

12. FUNCTIONAL DISTRIBUTION OF OPERATING EXPENSES

The operating expenses on the statement of revenues, expenses, and changes in net assets are presented in the natural classifications. The following table presents those same expenses in functional classifications as recommended by NACUBO. The functional classification (*instruction, research, etc.*) is assigned to a department based on the nature of the activity, which represents the material portion of the activity attributable to the department. For example, activities of academic departments for which the primary departmental function is instruction may include some activities other than direct instruction such as research and public service. However, when the primary mission of a department consists of instructional program elements, all expenses of the department are reported under the instruction classification. The functional classification of expenses is summarized below:

UNIVERSITY OF WEST FLORIDA
A COMPONENT UNIT OF THE STATE OF FLORIDA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2004

<u>Function</u>	<u>Amount</u>
Instruction	\$ 43,616,869.92
Research	10,374,510.33
Public Service	1,213,083.99
Academic Support	11,542,047.27
Student Services	6,615,968.36
Institutional Support	16,977,730.60
Operations and Maintenance of Plant	9,208,314.24
Scholarships and Fellowships	7,711,407.74
Auxiliary Operations	11,406,414.12
Loan Operating Expenses	49.44
Depreciation	8,271,046.86
Total Operating Expenses	\$ 126,937,442.87

13. CONSTRUCTION COMMITMENTS

A summary of construction commitments at June 30, 2004, is presented in the following table:

<u>Project Name</u>	<u>Current Commitment</u>	<u>Expenses</u>	<u>Commitment Balance</u>
Health and Leisure Sports Facility	\$ 15,177,984.16	\$ 6,079,932.39	\$ 9,098,051.77
Utilities Infrastructure	2,422,071.51	1,174,352.90	1,247,718.61
International House and Village	2,424,301.29	2,395,481.40	28,819.89
Total	\$ 20,024,356.96	\$ 9,649,766.69	\$ 10,374,590.27

14. OTHER COMMITMENTS

The University executed an agreement with a software company on February 11, 2003, which allows the University to purchase maintenance and enhancements for new releases of the SCT Banner Finance, SCT Banner Human Resources, and Campus Pipeline Luminis Premier Package software systems during the period March 1, 2003, through February 28, 2013. The agreement provides that fees for the second contract year will total \$117,330 and each subsequent contract year through February 28, 2013, will not increase by more than four percent over the fee for the immediate preceding contract year.

The University also executed an agreement with the software provider on February 11, 2003, whereby the University agreed to pay \$3,016,194 for the implementation, support, and training relating to the SCT Banner Finance, SCT Banner Human Resources, and Campus Pipeline Luminis Premier Package software systems. The committed services are to be provided over a 30-month period beginning February 11, 2003. The agreement provides that payment for the committed services be made in 33 equal monthly installments. At June 30, 2004, the outstanding commitment for the services totaled \$1,462,397.14.

UNIVERSITY OF WEST FLORIDA
A COMPONENT UNIT OF THE STATE OF FLORIDA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2004

The University executed an agreement with the Central Florida Regional Data Center, an auxiliary of the University of South Florida, effective June 1, 2003, which allows the University of West Florida to purchase certain computer support services for the new SCT Banner software during the period June 1, 2003, through June 30, 2006. The agreement establishes the following fees for the remaining contract period:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2005	\$ 244,250
2006	<u>241,000</u>
Total Payments Required	<u>\$ 485,250</u>

15. RETIREMENT PLANS

Florida Retirement System. 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 (Plan). Plan provisions are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code, wherein plan eligibility, contributions, and benefits are defined and described in detail. Participating employers include all State departments, counties, district school boards, universities and community colleges. Many municipalities and special districts have elected to be participating employers. Essentially all regular employees of participating employers are eligible and must enroll as members of the Plan.

The Florida Legislature has reduced the vesting period from 10 to 6 years of service. Any member employed in a regularly established position on July 1, 2001, with a total of 6 or more years of creditable service will be considered vested. Former members who are not employed with a participating Plan employer on July 1, 2001, must return to covered employment for one year to become eligible for the six-year vesting provision. An exception to this one-year requirement applies to former members who are within one year of vesting under the pre-2001 vesting requirements. These members will only be required to work the lesser of one year or the amount of time it would have taken to vest in their class of membership prior to July 1, 2001. All members are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, which may include up to 4 years of credit for military service. The Plan also includes an early retirement provision, but imposes a penalty for each year a member retires before the specified retirement age. The Plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments, as well as supplements for certain employees to cover social security benefits lost by virtue of retirement system membership.

UNIVERSITY OF WEST FLORIDA
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NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2004

A Deferred Retirement Option Program (DROP), subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly retirement benefit payments while continuing employment with a Florida Retirement System employer. An employee may participate in the DROP for a period not to exceed 60 months after the participation election date. During DROP participation, the deferred monthly benefit accruing on behalf of the participant, plus interest compounded monthly, is held in the Florida Retirement System Trust Fund. Upon termination of employment, the participant receives the total DROP benefits and begins to receive previously determined retirement benefits.

The Plan's financial statements and other supplemental information are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services in Tallahassee, Florida. An annual report on the Plan, which includes its financial statements, required supplemental information, actuarial report, and other relevant information, is available from the Florida Department of Management Services, Division of Retirement in Tallahassee, Florida.

The State of Florida establishes contribution rates for Plan members. The following table presents the contribution rates for the employer during the 2003-04 fiscal year:

Class or Plan	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	0.00	7.39
Florida Retirement System, Senior Management Service	0.00	9.37
Florida Retirement System, Special Risk	0.00	18.53
Teachers' Retirement System, Plan E	6.25	11.35
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes or Plans	0.00	9.11
Florida Retirement System, Reemployed Retiree	(B)	(B)

Notes: (A) Employer rates include 1.11 percent for the post-employment health insurance supplement and .10 percent for administrative costs of the Public Employee Optional Retirement Program.

(B) Contribution rates are dependent upon the retirement class in which reemployed.

The University's liability for participation in the Plan is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the University. The University's total contributions made to the Plan (including employee contributions) for fiscal years ended June 30, 2002, June 30, 2003, and June 30, 2004, totaled \$2,186,146, \$1,737,735, and \$2,082,528, respectively, which were equal to the required contributions for each fiscal year.

UNIVERSITY OF WEST FLORIDA
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NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2004

State University System Optional Retirement Program. Pursuant to Section 121.35, Florida Statutes, the Florida Legislature created an Optional Retirement Program (Program) for eligible State University System faculty and administrators. The Program, which became effective July 1, 1984, was expanded in 1988 to include the State University System Executive Service. The Program is designed to aid the university system in recruiting employees by offering more portability to those employees who are not expected to remain in the Florida Retirement System for six or more years.

The 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 can make an irrevocable election to participate in the Program rather than the Florida Retirement System, and purchase retirement and death benefits through contracts provided by certain insurance carriers. The employing university contributes on behalf of the participant an amount equal to 10.43 percent of the participant's gross monthly compensation. A 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 deduction an amount not to exceed the percentage contributed by the University to the participant's annuity account.

There were 467 University participants during the 2003-04 fiscal year. Required contributions made to the Program totaled \$3,929,258, including \$1,379,894 from employee contributions, on a covered payroll of \$37,672,656.

Public Employee Optional Retirement Program. Pursuant to Section 121.4501, Florida Statutes, effective June 1, 2002, the Florida Legislature created a Public Employee Optional Retirement Program, also known as the Florida Retirement System (FRS) Investment Program. The Program is a defined contribution plan, sponsored by the State of Florida, available as an option to the FRS, and is self-directed by the employee. University employees already participating in the State University System Optional Retirement Program or DROP are not eligible to participate in this program. With each pay period, the University contributes a percentage (same as FRS Rate) of the participating employees' earnings to an annuity plan. Pension benefits are determined by the dollars in the account at the time of retirement.

There were 36 University participants during the 2003-04 fiscal year. Required contributions made to the program totaled \$57,040.

UNIVERSITY OF WEST FLORIDA
A COMPONENT UNIT OF THE STATE OF FLORIDA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2004

Other Retirement Programs. Other retirement programs include the Florida Teacher's Retirement System. One employee was covered by the Florida Teacher's Retirement System during the 2003-04 fiscal year. Employer contributions were \$7,626, and employee contributions were \$4,199.

16. POST-EMPLOYMENT BENEFITS

Pursuant to Section 112.363, the Florida Legislature established the Retiree Health Insurance Subsidy (HIS) to assist retirees of all State-administered retirement systems in paying health insurance costs. During the 2003-04 fiscal year, the HIS program was funded by required contributions consisting of 1.11 percent assessed against the payroll for all active employees covered in State-administered retirement systems. This assessment is included in the Florida Retirement System contribution rates presented in note 15.

Eligible retirees, spouses, or financial dependents under any State-administered retirement system must provide proof of health insurance coverage, which can include Medicare. During the 2003-04 fiscal year, participants received an extra \$5 per month for each year of creditable service completed at the time of retirement; however, no eligible retiree or beneficiary may receive a subsidy payment of more than \$150 or less than \$30. If contributions fail to provide full subsidy benefits to all participants, the subsidy payments may be reduced or canceled.

17. RISK MANAGEMENT PROGRAMS

State Self-Insurance Fund. In accordance with a program for central insurance purchases adopted by the Florida Cabinet in 1969, the Florida Department of Management Services has 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 automotive liability. The University participates in these programs. Payments on tort claims are limited to \$100,000 per person and \$200,000 per occurrence as set by Section 768.28, Florida Statutes. Calculations of premiums consider the cash needs of the program and the amount of risk exposure for each participant. 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.

University employees may obtain health care services through participation in the State's group health insurance plan or through membership in a health maintenance organization plan under contract with the State. The State's risk financing activities associated with State group health insurance, such as risk of loss related to medical and prescription drug claims, are administered through the State Employees Group Health

**UNIVERSITY OF WEST FLORIDA
A COMPONENT UNIT OF THE STATE OF FLORIDA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2004**

Insurance Trust Fund. It is the practice of the State not to purchase commercial coverage for the risk of loss covered by this Fund. Additional information on the State's group health insurance plan, including the actuarial report, is available from the Florida Department of Management Services, Division of State Group Insurance in Tallahassee, Florida.

18. CONTINGENT LIABILITIES

The University is involved in several pending and threatened legal actions. The range of potential loss from all such claims and actions, as estimated by the University's attorney and management, should not materially affect future operations and the financial condition of the University.

19. SUBSEQUENT EVENTS

On September 16, 2004, the Pensacola area was devastated by Hurricane Ivan. The University sustained damage to landscape, buildings, and other property estimated at approximately \$15 million. It is expected that the University will receive reimbursement of approximately \$12 million from the State Risk Management Trust Fund and the Federal Emergency Management Agency (FEMA). The University is working through the Florida Department of Education and the Governor's Office to address the shortfall projected after the receipt of reimbursements from the State Risk Management Trust Fund and FEMA.

20. PRIOR PERIOD ADJUSTMENTS

Adjustments to beginning net assets were reported only when amounts were considered material in accordance with Accounting Principles Board Opinions Nos. 9 and 20 and FASB Statement No. 16. All other nonmaterial adjustments were reported through current year operations. The following table summarizes the total adjustments to beginning net assets reported in the statement of revenues, expenses, and changes in net assets:

<u>Description</u>	<u>Amount</u>
To Decrease Beginning Net Asset Balance to Correct Accumulated Depreciation for the Cumulative Effect of Prior Period Errors Made in Recording all Capital Asset Disposals as Fully Depreciated	\$ 3,632,630.35

UNIVERSITY OF WEST FLORIDA
A COMPONENT UNIT OF THE STATE OF FLORIDA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2004

21. COMPONENT UNITS

Summary financial information from the most recent available audited financial statements of direct-support organizations of the University, as mentioned in note 1, is presented in the following table:

	Direct-Support Organizations			
	University of West Florida Foundation, Inc. 6-30-04	Research Foundation of the University of West Florida, Inc. 6-30-04	West Florida Historic Preservation, Inc. 6-30-04	Total Direct- Support Organizations
CONDENSED STATEMENT OF NET ASSETS				
Assets:				
Due from University	\$	\$	\$ 8,345	\$ 8,345
Other Current Assets	4,482,349	89,477	972,958	5,544,784
Capital Assets, Net	34,587,054		605,155	35,192,209
Other Noncurrent Assets	55,930,462		611	55,931,073
Total Assets	\$ 94,999,865	\$ 89,477	\$ 1,587,069	\$ 96,676,411
Liabilities:				
Current Liabilities	\$ 2,095,893	\$ 16,141	\$ 378,043	\$ 2,490,077
Noncurrent Liabilities	34,076,197			34,076,197
Total Liabilities	36,172,090	16,141	378,043	36,566,274
Net Assets:				
Restricted - Endowment	37,532,409			37,532,409
Restricted - Other	19,123,134		21,909	19,145,043
Unrestricted	2,172,232	73,336	956,962	3,202,530
Invested in Capital Assets, Net of Related Debt			230,155	230,155
Total Net Assets	58,827,775	73,336	1,209,026	60,110,137
Total Liabilities and Net Assets	\$ 94,999,865	\$ 89,477	\$ 1,587,069	\$ 96,676,411
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS				
Operating Revenues	\$ 6,446,710	\$ 176,687	\$ 521,104	\$ 7,144,501
Operating Expenses	9,726,164	234,457	372,631	10,333,252
Operating Income (Loss)	(3,279,454)	(57,770)	148,473	(3,188,751)
Nonoperating Revenues:				
Investment Income, Net	7,423,055	60	3,034	7,426,149
Addition to Permanent Endowments	509,478			509,478
Other	9,461			9,461
Change in Net Assets	4,662,540	(57,710)	151,507	4,756,337
Net Assets, Beginning of Year	54,165,235	131,046	1,057,519	55,353,800
Net Assets, End of Year	\$ 58,827,775	\$ 73,336	\$ 1,209,026	\$ 60,110,137

Agenda information item:

UWF Board of Trustees
Finance, Administration & Audit Committee
February 25, 2005

Issue: Financial and Budget Related Documents

- 1) Statement of Net Assets
- 2) Statement of Cash Position
- 3) 2004/2005 Operating Budget Update
- 4) 2004/2005 Capital Budget Update

Proposed action: Informational

Background information:

- 1) Statement of Net Assets – The Statement of Net Assets represents at any given point in time the overall financial health or financial position of the University. The major components of this statement are assets and liabilities, and the difference between these two items represents the University’s net asset amount. This statement provides, in summary form, a fiscal snapshot of the assets that are available to the University to fund its total operations as of December 31, 2004.
 - 2) Statement of Cash Position – This statement presents the University cash position as of December 31, 2004.
 - 3) 2004/2005 Operating Budget Update – A summary of the University’s operating budget is provided to reflect projected budget revenues and expenditures to actual as of December 31, 2004.
 - 4) 2004/2005 Capital Budget – A financial summary which denotes commitments and prospects related to new construction, major renovations, minor projects, repairs and maintenance projects, and equipment as of December 31, 2004.
-

Supporting documentation: Statement of Net Assets, Statement of Cash Position Summary, 2004/2005 Operating Budget Summary and 2004/2005 Capital Budget Summary and Narrative

Prepared by: Dr. Cornelius Wooten 850-474-2209
Dr. James Barnett 850-474-2007
Ms. Valerie Moneyham 850-474-2041
Ms. Jan Woody 850-474-3025

University of West Florida
Statement of Net Assets
December 31, 2004

12/31/2004

ASSETS:

Cash & Cash Equivalents	\$26,653,102
Loans & Notes Receivable, Net	3,319,648
Due from Primary Government/Component Unit	13,590,262
Depreciable Capital Assets, Net	104,942,545
Land and Other Non-Depreciable Capital Assets	27,746,779

TOTAL ASSETS:

\$176,252,336

LIABILITIES:

Accounts Payable and Accrued Liabilities	\$430,812
Deposits Payable	1,298,187
Due to Primary Government/Component Unit	73,607
Capital Leases Payable	3,516,437
Compensated Absence Liability	8,315,564

TOTAL LIABILITIES:

\$13,634,607

NET ASSETS

\$162,617,729

TOTAL LIABILITIES AND NET ASSETS:

\$176,252,336

University of West Florida
Statement of Cash Position - Summary
As of 12-31-2004

	July	August	September	October	November	December	Total
Beginning Cash Balance	\$29,844,915.15	\$28,414,934.95	\$30,940,426.13	\$32,676,254.13	\$30,881,217.34	\$30,547,396.66	\$29,844,915.15
Total Revenue	\$8,891,925.11	\$28,168,658.44	\$6,290,326.46	\$14,442,460.04	\$11,218,373.20	\$7,936,644.92	\$76,948,388.17
Total Expenditures	\$11,542,161.47	\$26,518,594.62	\$12,511,603.14	\$14,816,542.82	\$12,714,440.11	\$12,784,497.43	\$90,887,839.59
Total Transfers	(\$32,263.83)	\$0.00	\$0.00	(\$1,094.63)	\$0.00	\$9,126.57	(\$24,231.89)
Total Open Liabilities	\$295,039.72	(\$199,408.88)	\$3,378,865.76	(\$3,215,576.04)	\$175,443.94	(\$29,918.69)	\$404,445.81
Total Other Adjustments	\$957,480.27	\$1,074,836.24	\$4,578,238.92	\$1,795,716.66	\$986,802.29	\$974,349.62	\$10,367,424.00
Ending Cash Balance	\$28,414,934.95	\$30,940,426.13	\$32,676,254.13	\$30,881,217.34	\$30,547,396.66	\$26,653,101.65	\$26,653,101.65

**The University of West Florida
Auxiliaries
2004-2005 Budget Summary
as of December 31, 2004**

	<u>Budgeted</u>	<u>% Budgeted</u>	<u>Realized</u>	<u>% Realized</u>	<u>Unrealized</u>	<u>% Unrealized</u>		
Beginning Fund Balance	<u>\$7,984,992</u>		<u>\$7,984,992</u>					
<u>Receipts/Revenues:</u>								
Transfers	\$6,795,758	32.2628%	\$0	0.0000%	\$6,795,758	100.0000%		
Sales of Goods/Services	\$2,610,000	12.3910%	\$772,015	29.5791%	\$1,837,985	70.4209%		
Fees	\$3,000,000	14.2425%	\$636,464	21.2155%	\$2,363,536	78.7845%		
Miscellaneous Receipts	\$6,000,000	28.4849%	\$1,475,696	24.5949%	\$4,524,304	75.4051%		
Rent	\$300,000	1.4242%	\$102,881	34.2937%	\$197,119	65.7063%		
Other Revenue	\$2,358,000	11.1946%	\$1,331,593	56.4713%	\$1,026,407	43.5287%		
Total Receipts/Revenues:	\$21,063,758	100.0000%	\$4,318,649	20.5027%	\$16,745,109	79.4973%		
Total Available Funds	\$29,048,750		\$12,303,641					
	<u>Budgeted</u>	<u>% Budgeted</u>	<u>Expended</u>	<u>% Expended</u>	<u>Encumbered</u>	<u>% Encumbered</u>	<u>Unencumbered</u>	<u>% Unencumbered</u>
<u>Operating Expenditures:</u>								
Salaries and Benefits	\$2,634,591	17.3879%	\$1,127,608	42.8001%	\$929,543	35.2823%	\$577,440	21.9176%
Other Personal Services	\$1,550,780	10.2349%	\$467,298	30.1331%	\$217,025	13.9946%	\$866,457	55.8723%
Expenses	\$7,910,238	52.2063%	\$4,814,582	60.8652%	\$1,594,710	20.1601%	\$1,500,946	18.9747%
OCO	\$2,072,436	13.6777%	\$880,989	42.5098%	\$135,582	6.5422%	\$1,055,865	50.9480%
Debt Service	\$983,843	6.4932%	\$299,302	30.4217%	\$0	0.0000%	\$684,541	69.5783%
Total Operating Expenditures:	\$15,151,888	100.0000%	\$7,589,779	50.0913%	\$2,876,860	18.9868%	\$4,685,249	30.9219%
<u>Non-Operating Expenditures:</u>								
Transfers	\$9,671,905	100.0000%	\$31,676	0.3275%	\$0	0.0000%	\$9,640,229	99.6725%
Total Non-Operating Expenditures:	\$9,671,905	100.0000%	\$31,676	0.3275%	\$0	0.0000%	\$9,640,229	99.6725%
Total Expenditures	\$24,823,793		\$7,621,455					
Ending Fund Balance	<u>\$4,224,957</u>		<u>\$4,682,186</u>					

Auxiliaries are ancillary support units on campus. Some of the fund major activities include: housing, food service, bookstore, student health center, facilities management, and computer and computer support. Expenses for Hurricane Ivan are being paid from the Auxiliary Fund. At the end of December, UWF has spent \$1,919,934.11 for Hurricane Ivan.

**The University of West Florida
Life-To-Date (LTD) Capital Budget
Fiscal Year 2004-2005 - Active Accounts
as of December 31, 2004**

Type of Capital Budget:	Life-To-Date Budget	Expended	Encumbered	Unencumbered
Public Education Capital Outlay (PECO) Major Projects:				
- Fieldhouse Renovation & Expansion: (Health/Leisure/Sports Facility (HLS))	\$14,626,414.00	\$8,537,336.83	\$5,592,695.08	\$496,382.09
- Utilities/Infrastructure/Capital Renewal/Roofs	\$16,500,000.00	\$9,876,193.83	\$3,196,909.47	\$3,426,896.70
- Critical Deferred Maintenance	\$1,311,281.00	\$1,305,429.73	\$5,851.27	\$0.00
Total Public Education Capital Outlay (PECO) Major Projects:	\$32,437,695.00	\$19,718,960.39	\$8,795,455.82	\$3,923,278.79
Public Education Capital Outlay (PECO) Formula Funds	\$3,852,602.00	\$2,113,718.64	\$469,729.60	\$1,269,153.76
Capital Improvement Trust Fund	\$300,000.00	\$299,325.00	\$675.00	\$0.00
Alec P. Courtelis Capital Matching Trust Fund	\$2,568,992.00	\$2,568,269.40	\$248.00	\$474.60
GRAND TOTAL - ALL ACTIVE LTD CAPITAL BUDGETS:	\$39,159,289.00	\$24,700,273.43	\$9,266,108.42	\$5,192,907.15

**The University of West Florida
Athletics
2004-2005 Budget Summary
as of December 31, 2004**

	<u>Budgeted</u>	<u>% Budgeted</u>	<u>Realized</u>	<u>% Realized</u>	<u>Unrealized</u>	<u>% Unrealized</u>		
Beginning Fund Balance	<u>\$652,324</u>		<u>\$652,324</u>					
<u>Receipts/Revenues:</u>								
Transfers	\$1,132,207	24.2848%	\$0	0.0000%	\$1,132,207	100.0000%		
Sales of Goods/Services	\$30,000	0.6435%	\$14,264	47.5467%	\$15,736	52.4533%		
Fees	\$3,000,000	64.3472%	\$1,252,219	41.7406%	\$1,747,781	58.2594%		
Miscellaneous Receipts	\$500,000	10.7245%	\$53,680	10.7360%	\$446,320	89.2640%		
Total Receipts/Revenues:	\$4,662,207	100.0000%	\$1,320,163	28.3163%	\$3,342,044	71.6837%		
Total Available Funds	\$5,314,531		\$1,972,487					
	<u>Budgeted</u>	<u>% Budgeted</u>	<u>Expended</u>	<u>% Expended</u>	<u>Encumbered</u>	<u>% Encumbered</u>	<u>Unencumbered</u>	<u>% Unencumbered</u>
<u>Operating Expenditures:</u>								
Salaries and Benefits	\$1,189,927	44.3336%	\$522,088	43.8756%	\$591,386	49.6994%	\$76,453	6.4250%
Other Personal Services	\$325,263	12.1184%	\$66,932	20.5778%	\$92,818	28.5363%	\$165,513	50.8859%
Expenses	\$1,092,359	40.6984%	\$356,430	32.6294%	\$80,385	7.3588%	\$655,544	60.0118%
OCO	\$76,483	2.8496%	\$35,729	46.7150%	\$0	0.0000%	\$40,754	53.2850%
Total Operating Expenditures:	\$2,684,032	100.0000%	\$981,179	36.5562%	\$764,589	28.4866%	\$938,264	34.9573%
<u>Non-Operating Expenditures:</u>								
Transfers	\$2,335,793	100.0000%	\$454,116	19.4416%	\$0	0.0000%	\$1,881,677	80.5584%
Total Non-Operating Expenditures:	\$2,335,793	100.0000%	\$454,116	19.4416%	\$0	0.0000%	\$1,881,677	80.5584%
Total Expenditures	\$5,019,825		\$1,435,295					
Ending Fund Balance	<u>\$294,706</u>		<u>\$537,192</u>					

Athletics - Revenues are primarily derived from student athletic fees, ticket sales, and sales of goods.

University of West Florida
Types of Capital Budget

Public Education Capital Outlay (PECO):

“Public education capital outlay (PECO) funded projects” refer to projects related site acquisition, renovation, remodeling, construction, and site improvements. PECO funds are used primarily to accommodate buildings, equipment, other structures, and special educational use areas that are built, installed, or established to serve the educational and instructional programs of district school board, community college board of trustees, or university board of trustees (Florida Statutes 1013.01 (16)).

1. Major Projects: Specific project appropriations from funds accruing under Article 12 of the State constitution that are allocated to the state system of public education as authorized by the Legislature. Revenues are generated from tax dollars on specific utilities. These funds are available for Public Schools, Community Colleges, Charter Schools, and the State University System.

Examples of UWF’s Major Projects:

- New Construction – Fieldhouse Renovation and Expansion Project (Health/Leisure/Sports Facility (HLS)). Projected completion date: May 2005.
- Utilities/Infrastructure/Capital Renewal/Roofs: Historic annual appropriations for multiple fixed capital projects to include major repairs, replacements, and rebuilding for major facility components that have a predictable cyclic life span. Examples of project work include replacing a chilled water line, replacing a roof, replacing or upgrading data cable fiber, and replacing HVAC equipment. All project planning related work including project identification, revision, and scope of work changes occurs on campus. Funds are appropriated to state universities based upon their top priorities. Project examples include:
 - *Roof replacement for buildings: 10, 11, 12, 36, 37, and 53.
Projected completion date: Fall 2005
 - *Building Automation System: Phased sequence buildings.
Projected completion date: Fall 2005
- Critical Deferred Maintenance: This was a “one-time” special appropriation of “catch-up” funds received in FY 2000 to address significant deferred maintenance issues.

2. Formula Funds: Funds annually appropriated based upon Educational and General (E&G) state-owned buildings, square footage, and space type. The project funds are used to address an accumulated and identifiable backlog of maintenance and repairs requirements. Funds are also used to address Americans with Disabilities Act (ADA) deficiencies, Health and Life Safety deficiencies, and renovation and remodeling requirements based upon curriculum revisions or new program functional requirements. Florida Statutes, Section 1013.64.

Project examples include:

- Restroom upgrades to meet ADA accessibility
- Elevator control and hydraulic upgrades
- Electronic classrooms (recurring each year to date 3-4 classrooms)

Capital Improvement Trust Fund (CITF):

This fund consists of state university student fee proceeds based upon a \$2.44 assessment per credit hour per semester. This allocation is made approximately every three years to the state university system. UWF is scheduled to receive approximately \$3,655,662 subsequent to the May 2005 Legislative session. Proposed projects include:

- | | |
|---|--------------------|
| • Building 54: Community Room addition to south elevation | \$ 679,238 |
| • HLS Fixed Equipment: Climbing Wall | \$ 156,500 |
| • Child Care Center | <u>\$2,819,924</u> |
| | \$3,655,662 |

Alec P. Courtelis Capital Facilities Matching Trust Fund:

Since the state cannot fund all of the SUS institutions' building requirements, Legislative provisions (Section 1013.79, Florida Statutes) have been made for private and non-governmental funds to be used to support special identified projects. Non-governmental support can be used to support up to one-half of the total cost of the project. The total required private funds must be on deposit by December 31 of each calendar year in order for a project to be included on a "submitted list." The "submitted list" must coincide with each institution's annual Five-Year Fixed Capital Outlay request that is due each August. An example of this type funding provision included the International House, which opened in June 2004.

**The University of West Florida
Contracts and Grants
2004-2005 Budget Summary
as of December 31, 2004**

	<u>Budgeted</u>	<u>% Budgeted</u>	<u>Realized</u>	<u>% Realized</u>	<u>Unrealized</u>	<u>% Unrealized</u>
Beginning Fund Balance	\$3,608,028		\$3,608,028			
Receipts/Revenues:						
US Grants	\$12,400,000	23.4761%	\$6,792,177	54.7756%	\$5,607,823	45.2244%
City or County Grants	\$600,000	1.1359%	\$99,741	16.6235%	\$500,259	83.3765%
State Grants	\$100,000	0.1893%	\$1,088,022	1088.0220%	(\$988,022)	-988.0220%
Other Grants and Donations	\$2,700,000	5.1117%	\$947,015	35.0746%	\$1,752,985	64.9254%
Transfers	\$29,469,670	55.7930%	\$3,463,206	11.7518%	\$26,006,464	88.2482%
Sales of Goods/Services	\$4,610,000	8.7278%	\$34,327	0.7446%	\$4,575,673	99.2554%
Fees	\$10,000	0.0189%	\$8,557	85.5700%	\$1,443	14.4300%
Miscellaneous Receipts	\$2,700,000	5.1117%	(\$56,787)	-2.1032%	\$2,756,787	102.1032%
Other Revenue	\$230,000	0.4354%	\$3,582	1.5574%	\$226,418	98.4426%
Total Receipts/Revenues:	\$52,819,670	100.0000%	\$12,379,840	23.4379%	\$40,439,830	76.5621%

Total Available Funds \$56,427,698 \$15,987,868

	<u>Budgeted</u>	<u>% Budgeted</u>	<u>Expended</u>	<u>% Expended</u>	<u>Encumbered</u>	<u>% Encumbered</u>	<u>Unencumbered</u>	<u>% Unencumbered</u>
Operating Expenditures:								
Salaries and Benefits	\$9,640,012	34.2667%	\$3,239,542	33.6052%	\$1,699,398	17.6286%	\$4,701,072	48.7662%
Other Personal Services	\$7,277,977	25.8705%	\$2,302,072	31.6307%	\$987,652	13.5704%	\$3,988,253	54.7989%
Expenses	\$8,401,111	29.8629%	\$7,064,889	84.0947%	\$3,590,248	42.7354%	(\$2,254,026)	-26.8301%
OCO	\$916,396	3.2575%	\$192,876	21.0472%	\$52,039	5.6787%	\$671,481	73.2741%
FL Demo Project-Direct Costs	\$1,896,809	6.7425%	\$0	0.0000%	\$0	0.0000%	\$1,896,809	100.0000%
Total Operating Expenditures:	\$28,132,305	100.0000%	\$12,799,379	45.4971%	\$6,329,337	22.4985%	\$9,003,589	32.0044%
Non-Operating Expenditures:								
Transfers	\$21,437,787	96.4245%	(\$67,989)	-0.3171%	\$0	0.0000%	\$21,505,776	100.3171%
Other Non-Operating	\$794,926	3.5755%	\$0	0.0000%	\$0	0.0000%	\$794,926	100.0000%
Total Non-Operating Expenditures:	\$22,232,713	100.0000%	(\$67,989)	-0.3058%	\$0	0.0000%	\$22,300,702	100.3058%

Total Expenditures \$50,365,018 \$12,731,390

Ending Fund Balance \$6,062,680 \$3,256,478

The Contracts and Grants budget contains activities in support of research, public service and training.

**The University of West Florida
Educational and General
2004-2005 Budget Summary
as of December 31, 2004**

	<u>Budgeted</u>	<u>% Budgeted</u>	<u>Realized</u>	<u>% Realized</u>	<u>Unrealized</u>	<u>% Unrealized</u>
Beginning Fund Balance	\$4,949,975		\$4,949,975			
Prior Year Encumbrances	\$3,171,556		\$3,171,556			
State Funds						
State Appropriated Funds:						
General Revenue	\$55,737,209	69.4131%	\$29,611,060	53.1262%	\$26,126,149	46.8738%
Enhancement Trust Fund (Lottery)	\$3,765,403	4.6893%	\$2,023,698	53.7445%	\$1,741,705	46.2555%
Total Appropriated Funds	<u>\$59,502,612</u>	74.1024%	<u>\$31,634,758</u>	53.1653%	<u>\$27,867,854</u>	46.8347%
Non-Appropriated Funds:						
Student Fee Trust Fund (Tuition)	<u>\$20,795,165</u>	25.8976%	<u>\$12,749,141</u>	61.3082%	<u>\$8,046,024</u>	38.6918%
Total Receipts/Revenues:	\$80,297,777	100.0000%	\$44,383,899	55.2741%	\$35,913,878	44.7259%
Total Available Funds	\$88,419,308		52,505,430			

	<u>Budgeted</u>	<u>% Budgeted</u>	<u>Expended</u>	<u>% Expended</u>	<u>Encumbered</u>	<u>% Encumbered</u>	<u>Unencumbered</u>	<u>% Unencumbered</u>
Operating Expenditures:								
Salaries and Benefits	\$59,878,481	74.5705%	\$25,137,875	41.9815%	\$27,933,264	46.6499%	\$6,807,342	11.3686%
Other Personal Services	\$4,907,023	6.1110%	\$3,169,296	64.5869%	\$1,544,381	31.4729%	\$193,346	3.9402%
Expenses	\$12,913,933	16.0826%	\$5,492,705	42.5332%	\$595,934	4.6147%	\$6,825,294	52.8522%
OCO	\$209,255	0.2606%	\$172,224	82.3034%	\$36,080	17.2421%	\$951	0.4545%
Library Resources	\$920,000	1.1457%	\$507,550	55.1685%	\$265,438	28.8520%	\$147,012	15.9796%
Risk Management	\$970,882	1.2091%	\$840,004	86.5197%	\$0	0.0000%	\$130,878	13.4803%
Financial Aid	\$455,703	0.5675%	\$227,851	49.9999%	\$0	0.0000%	\$227,852	50.0001%
Scholarships	\$42,500	0.0529%	\$0	0.0000%	\$0	0.0000%	\$42,500	100.0000%
Total Operating Expenditures:	\$80,297,777	100.0000%	\$35,547,505	44.2696%	\$30,375,097	37.8281%	\$14,375,175	17.9023%
Non-Operating Expenditures:								
Carry Forward	\$ 4,554,355	85.3728%	\$ 3,470,843	76.2093%	\$469,629	10.3116%	\$613,883	13.4790%
Other Non-Operating	\$ 780,310	14.6272%	\$0	0.0000%	\$0	0.0000%	\$780,310	100.0000%
Total Non-Operating Expenditures:	5,334,665	100.0000%	3,470,843	65.0621%	\$0	0.0000%	\$1,394,193	26.1346%
Total Expenditures	85,632,442		39,018,348					
Ending Fund Balance	2,786,866		13,487,082					

The Educational and General budget funds the University's general instruction, research, and public service operations. The funding sources include: General Revenue (primarily Florida's sales tax); the Educational Enhancement Trust Fund (Lottery sales); the Student and Other Fees Trust Fund (student matriculation and out-of-state fees, and miscellaneous revenues such as library fines,

**The University of West Florida
Financial Aid
2004-2005 Budget Summary
as of December 31, 2004**

	<u>Budgeted</u>	<u>% Budgeted</u>	<u>Realized</u>	<u>% Realized</u>	<u>Unrealized</u>	<u>% Unrealized</u>			
Beginning Fund Balance	\$1,079,571		\$1,079,571						
Receipts/Revenues:									
US Grants	\$32,149,258	89.8053%	\$10,598,237	32.9657%	\$21,551,021	67.0343%			
Transfers	\$3,034,568	8.4767%	\$303,202	9.9916%	\$2,731,366	90.0084%			
Miscellaneous Receipts	\$600,000	1.6760%	\$547,629	91.2715%	\$52,371	8.7285%			
Other Revenue	\$15,000	0.0419%	\$19,094	127.2933%	(\$4,094)	-27.2933%			
Total Receipts/Revenues:	\$35,798,826	100.0000%	\$11,468,162	32.0350%	\$24,330,664	67.9650%			
Total Available Funds	\$36,878,397		\$12,547,733						
	<u>Budgeted</u>	<u>% Budgeted</u>	<u>Expended</u>	<u>% Expended</u>	<u>Encumbered</u>	<u>% Encumbered</u>	<u>Unencumbered</u>	<u>% Unencumbered</u>	
Operating Expenditures:									
Expenses	\$33,777,052	100.0000%	\$12,034,240	35.6284%	\$0	0.0000%	\$21,742,812	64.3716%	
Total Operating Expenditures:	\$33,777,052	100.0000%	\$12,034,240	35.6284%	\$0	0.0000%	\$21,742,812	64.3716%	
Non-Operating Expenditures:									
Transfers	\$1,832,342	100.0000%	(\$522,401)	-28.5100%	\$0	0.0000%	\$2,354,743	128.5100%	
Total Non-Operating Expenditures:	\$1,832,342	100.0000%	(\$522,401)	-28.5100%	\$0	0.0000%	\$2,354,743	128.5100%	
Total Expenditures	\$35,609,394		\$11,511,839						
Ending Fund Balance	\$1,269,003		\$1,035,894						

Financial Aid - This fund represents the financial aid amounts for which the university is fiscally responsible. Examples include: student financial aid fees, bright futures, federal grants, college work study and scholarships.

**The University of West Florida
Student Activity
2004-2005 Budget Summary
as of December 31, 2004**

	<u>Budgeted</u>	<u>% Budgeted</u>	<u>Realized</u>	<u>% Realized</u>	<u>Unrealized</u>	<u>% Unrealized</u>		
Beginning Fund Balance	\$1,348,743		\$1,348,743					
Receipts/Revenues:								
Transfers	\$410,000	13.5987%	\$0	0.0000%	\$410,000	100.0000%		
Sales of Goods/Services	\$310,000	10.2819%	\$58,755	18.9532%	\$251,245	81.0468%		
Fees	\$2,000,000	66.3350%	\$908,309	45.4155%	\$1,091,691	54.5846%		
Miscellaneous Receipts	\$100,000	3.3167%	\$36,821	36.8210%	\$63,179	63.1790%		
Rent	\$100,000	3.3167%	\$9,733	9.7330%	\$90,267	90.2670%		
Other Revenue	\$95,000	3.1509%	\$6,213	6.5400%	\$88,787	93.4600%		
Total Receipts/Revenues:	\$3,015,000	100.0000%	\$1,019,831	33.8252%	\$1,995,169	66.1748%		
Total Available Funds	\$4,363,743		\$2,368,574					
	<u>Budgeted</u>	<u>% Budgeted</u>	<u>Expended</u>	<u>% Expended</u>	<u>Encumbered</u>	<u>% Encumbered</u>	<u>Unencumbered</u>	<u>% Unencumbered</u>
Operating Expenditures:								
Salaries and Benefits	\$774,656	32.9673%	\$335,702	43.3356%	\$348,975	45.0490%	\$89,979	11.6153%
Other Personal Services	\$780,384	33.2110%	\$251,723	32.2563%	\$126,679	16.2329%	\$401,982	51.5108%
Expenses	\$723,213	30.7780%	\$310,421	42.9225%	\$29,243	4.0435%	\$383,549	53.0340%
OCO	\$71,521	3.0437%	\$14,411	20.1493%	\$0	0.0000%	\$57,110	79.8507%
Total Operating Expenditures:	\$2,349,774	100.0000%	\$912,257	38.8232%	\$504,897	21.4870%	\$932,620	39.6898%
Non-Operating Expenditures:								
Transfers	\$464,216	100.0000%	\$47,555	10.2442%	\$0	0.0000%	\$416,661	89.7558%
Total Non-Operating Expenditures:	\$464,216	100.0000%	\$47,555	10.2442%	\$0	0.0000%	\$416,661	89.7558%
Total Expenditures	\$2,813,990		\$959,812					
Ending Fund Balance	\$1,549,753		\$1,408,762					

Student Activities - Supported primarily by student activity and service fees for the support and operation of the

student government association, cultural events, student organizations, and intramural/club sports.