

Florida State University

1998-1999

Annual Report



Introduction from the Senior Vice President For Finance and Administration	2
President's Report	3
Florida State University Overview	8
Statistics	10
Financial Highlights	12
Combined Balance Sheet	14
Combined Statement of Changes in Fund Balances	16
Statement of Current Funds Revenues, Expenditures and Other Changes	18
Summary of Significant Accounting Policies	19
Notes to the Financial Statements	22
Financial Aid Administered	28

This annual report provides a summary of the financial condition and operating performance of the University for the 1998-1999 fiscal year with comparative statements for the prior year.

This publication is available in alternative format upon request.

Introduction from the Senior Vice President for Finance and Administration

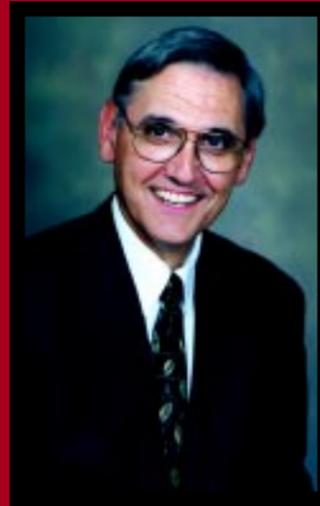
John Carnaghi

I am pleased to present Florida State University's Annual Report for the 1998-99 fiscal year. Included are President D'Alemberte's 1999 State of the University report, general purpose financial statements, and charts containing key financial and statistical data.

With a reputation for operational efficiency, as well as academic excellence, Florida State University has enjoyed responsible state support during this fiscal year, along with success in raising private support through our FSU Foundation and Seminole Boosters. Private funding has become critical to attracting excellent students and outstanding faculty by providing support for scholarships, faculty, facilities, and research. In the 1998-99 fiscal year, university-wide fund-raising efforts generated more than \$74 million in gift commitments. Because of these extraordinary efforts and a favorable investment market, the University's endowment is valued at almost \$250 million, almost five times its value four years ago. This endowment will ensure that Florida State University will be on solid financial ground as we enter the new millennium.

We continue to invest in our staff. Broad-based training opportunities have been implemented for the campus community to ensure that we have the awareness and skills in place to protect the integrity of our financial stewardship. Recognizing that training and development are important at all levels of our organization, we annually select some of our financial and administrative managers to participate in a comprehensive executive training program sponsored by our College of Business. We also encourage participation in our regional and national association

activities. This year, we established a new trainee program. Its goal is to help us prepare for the future by hiring college graduates and training and exposing them to as many operational aspects of our organization as possible before placing them in established positions. In addition to improved coordination and synergy, we expect this program to generate some highly skilled and knowledgeable future leaders in university finance and administration.



With the year 2000 fast approaching we are confident that we have minimized our "Y2K" exposure through early and responsible preparation and appropriate allocation of resources. We have embraced new technologies, which continue to improve and expand service delivery to the University community. Such initiatives include a wide array of coordinated and seamless Web-based student services that allow our students to conduct much of their University business transactions from the comfort of their homes, dorm rooms, or at strategically placed kiosks around campus. Also, we are implementing imaging and

workflow technologies to make our operations more efficient.

The face of the campus continues to change with the realization of projects outlined in the Campus Master Plan, ranging from campus beautification to major construction, such as the completion of the South End Zone building in the University Center. The renovation and remodeling of numerous facilities, in addition to the planning and design of new buildings that will serve many needs, are reflective of the University's commitment to strengthening all areas of campus life, from recreation to research.

The close of the century affords us the opportunity to review Florida State University's long history of achievement as we prepare ourselves for the challenges of the future. With an outstanding student body, talented faculty and staff, and the generosity and support of our alumni and friends, I have no doubt that these challenges will be met with the characteristic spirit of innovation, cooperation, and a shared commitment to excellence.



Report of the President Talbot D'Alemberte

As we approach the turn of the century, the temptation to reflect on our past and try to envision the future is irresistible. Both the past and the vision for the future reflect great credit on this university.

The gift of hindsight makes it easier for us to understand how important events of the past have been in the life of the university, but I believe that we are going through transforming events in our own time.

Construction

Certainly pictures of our campus at the end of the 20th century will show change. A decade ago, open ditches crossed our campus, many of our dormitories had no central air conditioning, and some of our most beautiful buildings suffered gross neglect. Today, all that has changed.

Between 1990 and 2010, we expect to have added nearly 4 million square feet of facilities; we will have renovated nearly 3 million square feet; and we will

have spent well over a billion dollars. We are on the right track for shaping the proper atmosphere for higher education at Florida State University.

Faculty

Though facilities are important, an excellent faculty is the one essential element of a university. For several decades, we have had little growth in the number of faculty, but now we have the prospect of more faculty — and they are not burdened with large numbers of new students. Using the funding in Chancellor Adam Herbert's plan for differential missions, we should be able to hire more faculty, reduce class sizes and support new research.

This year we are welcoming our first Francis Eppes Professors. Charles McClure comes to our School of Information Studies by way of Syracuse University. Our second Eppes Professor is an alumna and a Pulitzer Prize winner in music composition, Ellen Taaffe Zwilich. We hope to hire as many as 11 Eppes Professors this year.

We are also adding Eminent Scholars and endowed professorships — educators who expose students to the top minds in their disciplines and bring new research. We expect to have 50 Eppes Professors and Eminent Scholars within the next two years. They join our Lawton, Flory and MacKenzie professors who have contributed so much.

Resources

We could not recruit this high level of faculty or support our students in important new ways without the solid resources that we've built through our staff, wonderful alumni and other supporters. The change in our alumni culture and in the attitude of our deans and administrators has brought consistent support of this university, particularly the growth of our endowment.

The growth has been phenomenal. The FSU endowment has climbed from \$50 million in 1994 to nearly \$250 million this year. In comparison with other institutions, since 1994, we have moved from 256th

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place to 177th place in national rankings of endowments, and we should be in the top 100 within the next three years.

In addition, research awards at FSU are defying national trends and going up. This year, we topped the \$100-million mark for the first time.



For a public university to attract that kind of support without the advantage of either a medical or agricultural school is remarkable. We anticipate that the research dollars will continue to increase sharply, particularly as we build our science and medical research programs, and our School of Computational Science and Information Technology, which was established this summer.

Students

We have our best freshman class ever. That comes from recruiting the right students and looking beyond SAT scores and grade point averages. We are now taking a look at transcripts and selecting students who have earned good grades in challenging courses, rather than sliding through.

I also believe that we are attracting better students because we are paying considerably more attention to supporting them on cam-



pus, with renovated housing and services tailored to the needs of today's students.

Technology

The challenge most noticed in the university is technology, which will bring us new ways of thinking about the way we teach and learn, where we teach and learn, and who teaches and learns.

I think no institution surpasses us in web-based and web-supported courses. We have more than 1600 such courses on line, and many more are being developed.

Difficult questions must arise when we go to places we have not been before, and certainly that is true with new technology.

An important question is, "How do we know that this new method of learning will be effective for our students?" The best answer is to ask a broader question: "How do we deliver the best learning experience to our students, whether on campus or at a distance?" If we honestly ask what is best for our students and accommodate ourselves to the answer, we will thrive on this frontier. We ought not fear having classes that are too small or programs that are too large, but we should keep one constant fear, whether teaching at a distance or here on campus: the fear of lowering standards, allowing shoddy



teaching or a bad learning environment.

The Residential Campus

If technology is so important, why are we spending so much on our campus and plant? The answer is that we are trying to serve students the very best way we can. Technology serves students, especially those who are place bound and those who seek continuing education long after they have left our campus.

But the core of Florida State will remain the place that Tallahassee Mayor Francis Eppes selected in the middle of the last century. We will serve those whose destiny is linked with this university by assuring that there is a core and that it is both functional and beautiful.

In developing specialized residential living-and-learning programs, we are transforming the halls and making them centers of learning excellence.

International Education

We create other living/learning experiences outside Tallahassee. All our institutions today must face the fact that our world is being shaped by the international economy and events far from North Florida. We know that our students who study abroad come back more interested in their classes and in the larger realm of knowledge.

Now we have year-round programs in four countries and summer programs in 18. Next year, we will add programs in China and Vietnam, and we expect to be

ready for a year-round study center in France. I hope to add a permanent study center in Asia.

Diversity

I expect another dramatic change in a very few years. The demographers tell us that America is on the eve of large ethnic transformations. Just as the racial and ethnic makeup of our nation has changed during the past decade and continues to change dramatically, so too has the student body here at Florida State.

Our black students were 7 percent in 1990 and are almost 12 percent today. Hispanic students were less than 4 percent of our enrollment in 1990. Today they are 8 percent. As these changes continue, we must develop our welcoming atmosphere for students and faculty of diversity.



Research and Creativity

The arrival of the great “49ers” generation, who came to us as this university became coeducational, coupled with the massive funding in the post-Sputnik era, transformed Florida State. Something similar is going on now.

Much as in the post World War II days, we are blessed now with legislative and Board of Regents leaders who care about this university.

Those who are so important to our destiny are not in full agreement. The principal divide is between those

who urge us to concentrate on basic science and those who envision a medical school at Florida State. The Legislature has instructed us to conduct studies on medical education and bring back a plan for preparing medical students to serve the elderly and those in rural and other underserved areas.

The discussion and decisions that will follow are not at all clear, but that kind of discussion will advance this university. The Board and the legislative leadership see that FSU has a distinguished record of using new resources and developing new programs. We will bring important new science programs to this campus, no matter which direction is taken.

We have greatly benefited from the Chancellor’s idea that research institutions should not depend on enrollment growth. The increase in our faculty resources owes much to the Chancellor and to the legislative agreement on this issue.

Thanks to generous donors, the state’s matching gifts and the scientific initiative of Dr. Bob Holton and his synthesis of Taxol, we are able to recruit new eminent scholars. Given the large number of eminent scholar

Given the large number of eminent scholar chairs and the development of our Eppes Scholars program, I expect that we will one day talk about the “99ers” with the same awe that we have talked about the “49ers.”

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Physical Structures

In the next three years, this campus will have an incredible infusion of resources. In science, there will be a new psychology building, a \$50-million basic science building and, we hope, a new chemistry building. Next year, we could begin a \$100-million enhancement of our science facilities.

In the arts, a new concert hall is our top priority. It is the next step in the ambitious Corner on the Arts program. We will continue to push for the private resources that will allow us to build this as soon as possible.

We are getting the resources we need to be a great research university.

As with all transformations, we worry — with good reason — about the threat to our traditional values. I like to recall the story told by this university’s great friend, Gov. LeRoy Collins, who did so much to face the challenges of a state that was transforming itself. Al Burt recounts the tale in his recent book, *The Tropic of Cracker*.

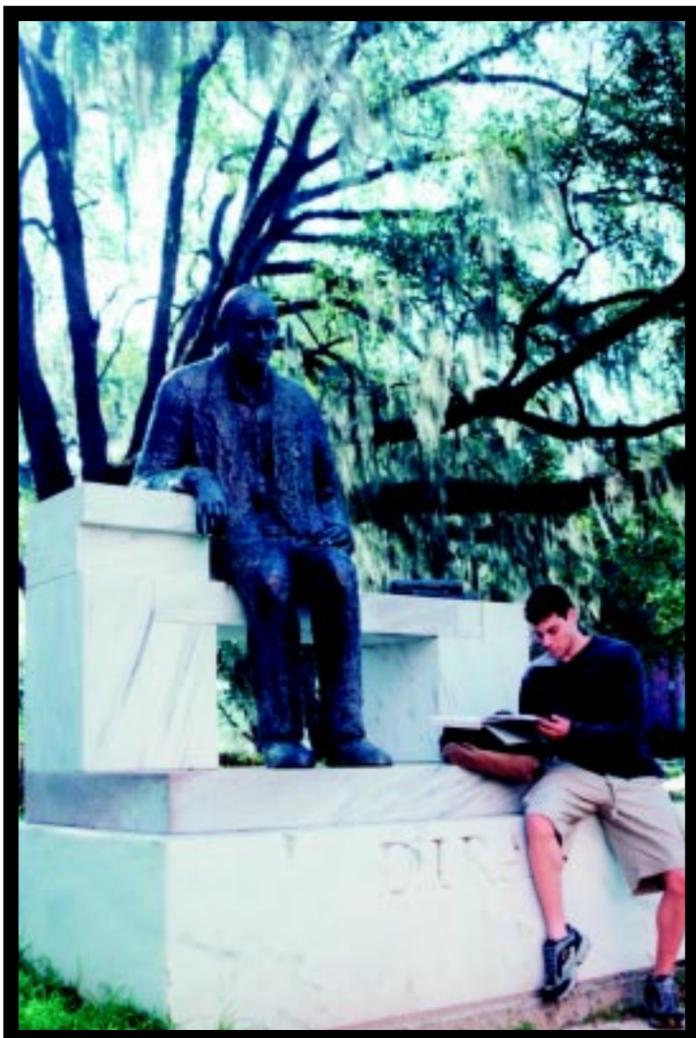
Collins told about an old-fashioned light fixture that held candles. When kerosene lamps arrived, some said the fixture should be discarded, but because it was so beautiful, it was adapted for kerosene. The argument was repeated when electricity came, but again its beauty won, and it was wired.

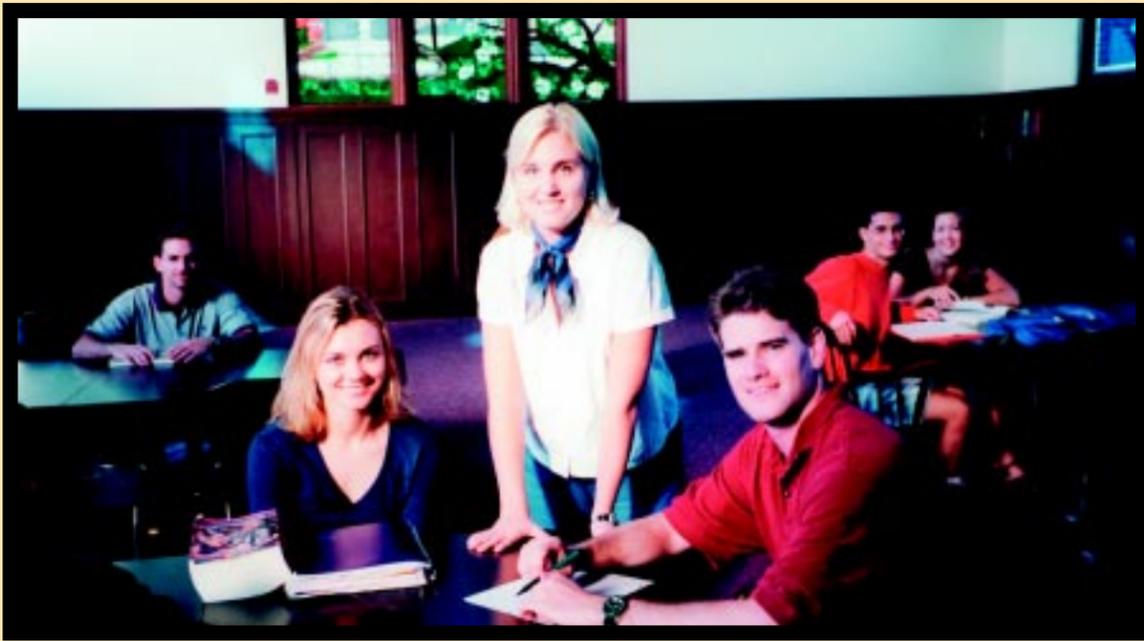
“This is what I believe in,” Collins concluded. “The value of the old ... the responsibility of adding new lights to old lamps. Every generation has this responsibility. Don’t listen to them when they say we should throw the old system out.”

This story has special meaning when we think about our own Florida State University symbols, the torches of Vires, Artes, and Mores. As we have so many times, we should let new challenges light our torches and excite us with an eagerness to take on new missions. We should bring renewed light to our old but revered torches.

“The value of the old ... the responsibility of adding new lights to old lamps. Every generation has this responsibility. Don’t listen to them when they say we should throw the old system out.”

LeRoy Collins





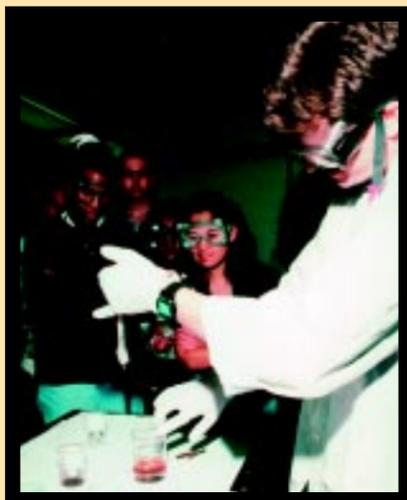
OVERVIEW

Mission

Florida State University is a comprehensive, graduate-research university with a liberal-arts base. It offers undergraduate, graduate, advanced graduate, and professional programs of study; conducts extensive research, and provides service to the public. The University's primary role is to serve as a center for advanced graduate and professional studies while emphasizing research and providing excellence in undergraduate programs.

In accordance with the University's mission, faculty members have been selected for their commitment to excellence in teaching, their ability in research and creative activity, and their interest in public service.

Given its history, location, and accomplishments, Florida State does not expect major changes in its mission during the next decade. Rather, it sees further refinement of that mission with concentration on its strong liberal-arts base and on quality improvement.



History

The Florida State University is one of the oldest of the ten institutions of higher learning in the State University System of Florida. It was established as the Seminary West of the Suwannee by act of the Florida Legislature in 1851 and first offered instruction at the post-secondary level in 1857. Its Tallahassee campus has been the site of an institution of higher education longer than any other site in the state. In 1905, the Buckman Act reorganized the higher education in the state and designated the Tallahassee school as the Florida Female College. In

1909, it was renamed Florida State College for Women. In 1947, the school returned to coeducational status, and the name was changed to Florida State University. It has grown from an enrollment of 4,056 in 1947 to an enrollment of 31,193 in the Fall Semester 1998.

Programs

The main university campus is spread over 455 acres in Tallahassee, Florida. A branch campus of the University includes 26 acres in Panama City, Florida. The University also operates centers in Florence, Italy; London, England; and Torremolinos, Spain; all open to students and faculty from any university. The Republic of Panama program provides undergraduate education to Panamanian citizens, U.S. residents of Panama and study-abroad students from the United States and other countries. Other programs conducted under University auspices include programs in Switzerland, Costa Rica, West Indies, France, Russia, and Spain.

Through the Center for Professional Development, the University also conducts off-campus

credit courses and degree programs as well as non-credit programs, workshops, seminars, and conferences. The Turnbull Conference Center served more than 55,000 participants and provided more than 1,900 non-credit and credit programs in 1998-99.

Students

As a major comprehensive residential state university, Florida State attracts students from every county in Florida, every state in the nation, and more than 100 foreign countries. The University is committed to high admission standards that ensure quality in its student body, which currently includes some 354 National Merit, National Achievement, and Hispanic scholars, as well as students with superior creative talents. It also provides alternative admis-

sions and highly successful retention programs for special student populations. Most students pursue a full-time course of study in normal progression from high school or undergraduate institutions. Graduate students, who comprise nearly 18 percent of the student body, are enrolled in 191 graduate degree programs of which 167, covering 120 fields, are doctoral.

Faculty

It is the official policy of the Florida State University to recruit the most talented faculty from leading centers of learning throughout the world. The University faculty has included five Nobel laureates and nine members of the National Academy of Sciences. Many of its members have received national and international recognition, and

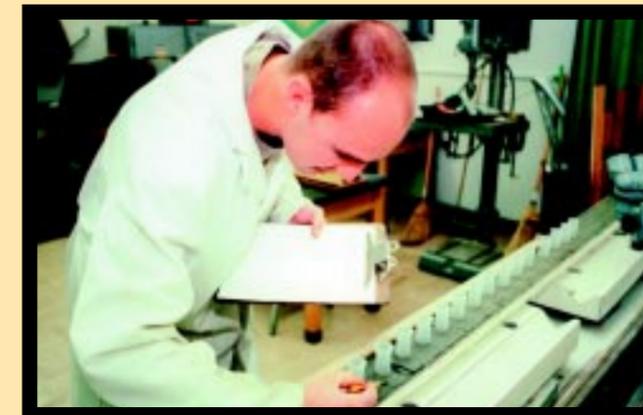
the University enjoys national ranking in a number of disciplines.

Libraries

Florida State University's library system encompasses four branch libraries and a law library. The main library, Robert Manning Strozier Library, is strategically located in the center of the main campus and occupies seven floors. The total collection of the Strozier Library and its branch libraries includes more than 2,260,000 volumes of books and periodicals, 168,000 maps, and 900,000 government documents for student and researcher use.

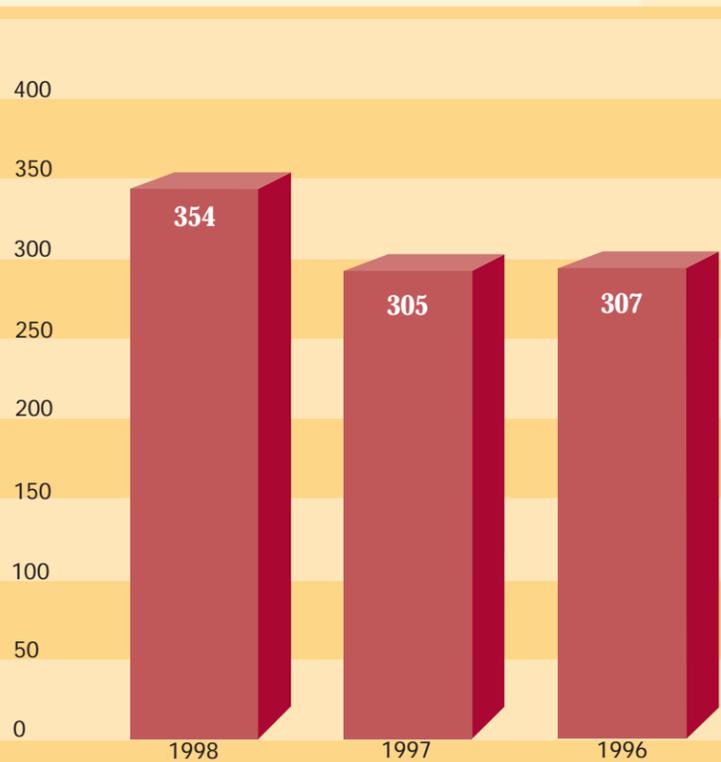
FSU Research

Since its designation as a university in 1947, Florida State University has built a reputation as a strong center for research in the sciences, the humanities, and in the arts. This year, Florida State University faculty and administrators will generate in excess of \$88 million in external funding to supplement state funds used for research. These external funds, derived through contracts and grants from various private foundations, industries, and government agencies, are used to provide stipends for graduate students, to improve research facilities, and to support the research itself.



1998-1999 Statistics

National Merit/ Achievement/Hispanic Scholars



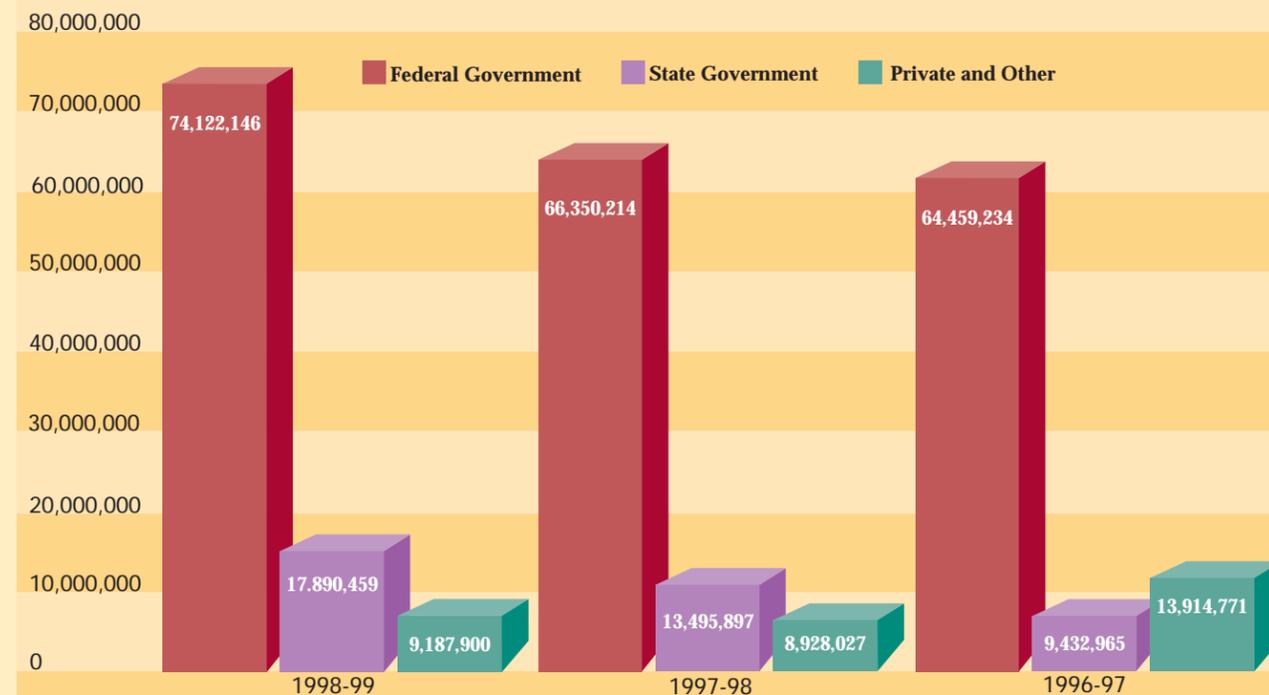
Enrollment by Colleges & Schools

(Fall Term)

School/College	1998	1997	1996
Arts & Sciences	6,360	6,375	6,753
Business	5,440	5,185	4,835
Criminology & Criminal Justice	1,260	1,233	1,348
Communication	1,831	1,642	1,505
Education	2,865	3,130	2,884
Engineering	1,086	1,077	1,140
Human Sciences	1,368	1,302	1,332
Law	654	641	626
Information Studies	557	422	310
Motion Pictures, TV & Recording Arts	235	231	201
Music	984	979	932
Nursing	665	679	635
Social Sciences	1,984	1,982	2,199
Social Work	697	712	695
Theatre	475	406	369
Visual Arts & Dance	914	835	827
Undecided/Special	3,818	3,688	3,673
Total	31,193	30,519	30,264



Contracts and Grants Awards (Received by Funding Source)



State Funded Full-Time Instructional Faculty

(9 and 12 Month, Fall Term)

Positions	Tenured Faculty			Non-Tenured Faculty		
	1998	1997	1996	1998	1997	1996
Professors	448	450	456	14	14	18
Associate Professors	272	276	288	35	34	33
Assistant Professors	0	1	3	191	172	167
Instructors	0	0	0	11	14	12
Lecturers	0	0	0	10	10	3
Total	720	727	747	261	244	233

Degrees Awarded

(Bachelor, Masters, JD, & Doctoral)

All degree programs offered by Florida State University are approved through the Board of Regents of the State University System of Florida.

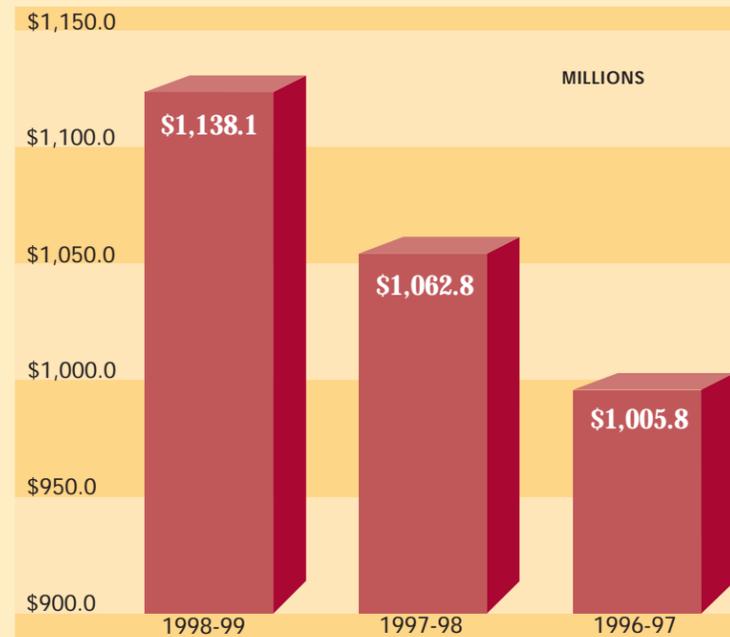
School/College	98-99	97-98	96-97
Arts & Sciences	1,487	1,423	1,545
Business	1,326	1,299	1,209
Criminology & Criminal Justice	421	403	512
Communication	469	456	384
Education	1,093	1,073	922
Engineering	207	194	223
Human Sciences	395	371	418
Law	206	162	202
Information Studies	166	158	168
Motion Picture, TV & Recording Arts	45	44	47
Music	206	199	181
Nursing	169	169	146
Social Sciences	778	755	827
Social Work	347	336	285
Theatre	82	80	84
Visual Arts & Dance	222	219	223
Total	7,619	7,341	7,376

1998
1999

Financial Highlights

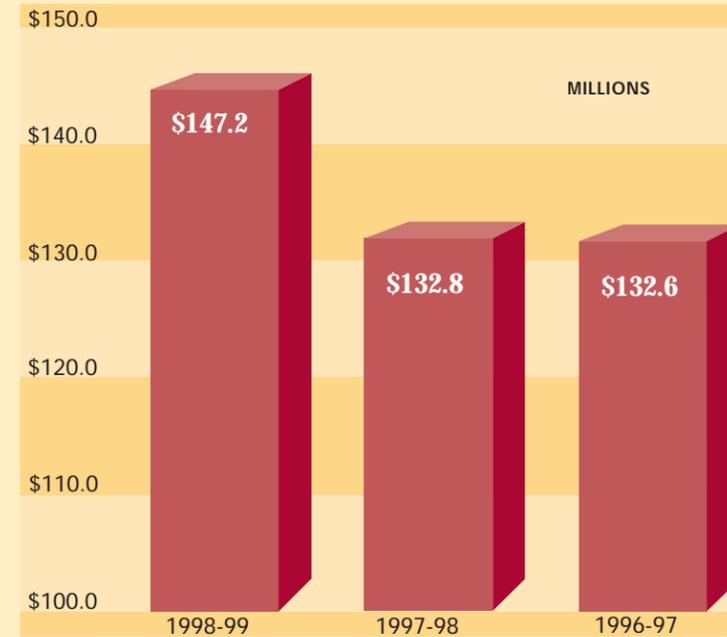
Total Assets

FSU assets totaled \$1,138.1 million at the end of FY 1998 - 99. This is a net increase of \$75 million or 7.09% over the 1997 - 98 level. Buildings and improvements of \$541.8 million represented the largest assets.



Total Liabilities

As of June 30, 1999, liabilities were \$147.2 million, compared to \$132.8 million at the end of the previous fiscal year. Long-term debt of \$71.9 million represented the largest liability.



Fund Balances

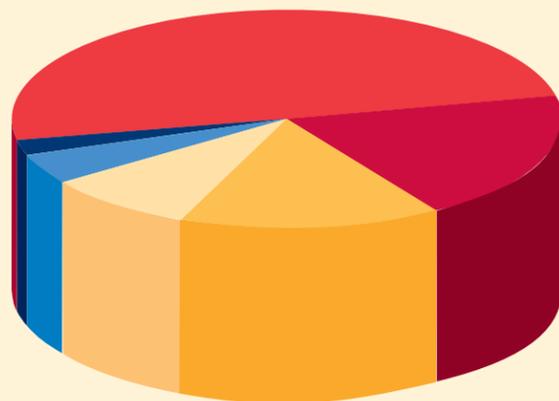
At June 30, 1999, FSU's fund balances were \$990.9 million compared to \$930.0 million one year ago. Fund balances, in millions at June 30, 1999, were as follows:

Current Unrestricted	\$ 71.4
Current Restricted	22.9
Loan	19.1
Plant	877.5



1998-1999 Operating Budget

During fiscal year 1998 - 99, the University operated under a budget that totaled \$525,038,986. Approximately 51.5 percent of this amount funded Education and General activities. Budget percentages by major activity were as follows:

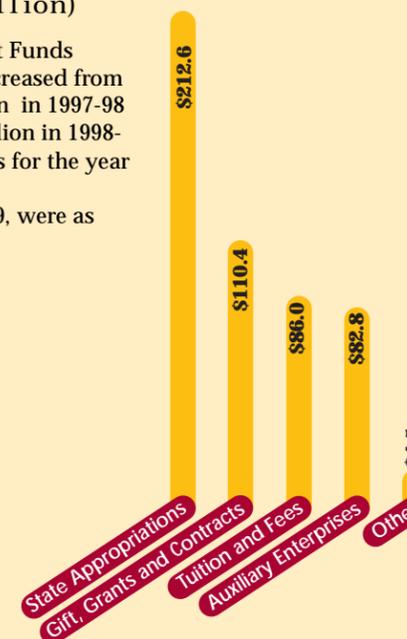


- Education and General 51.5%
- Contracts and Grants 17.0%
- Auxiliary Enterprises 14.1%
- Financial Aid 10.0%
- Athletics 5.5%
- Student Activities 1.8%
- Concessions 0.1% (not shown)

1998-99 Current Funds Revenue Sources

(\$496.3 Million)

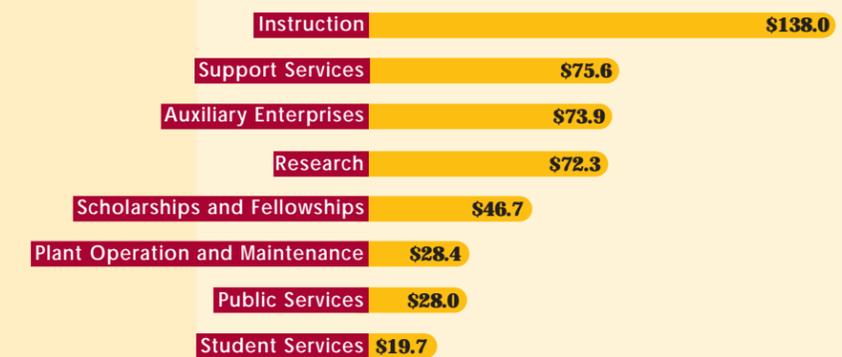
Total Current Funds Revenues increased from \$447.4 million in 1997-98 to \$496.3 million in 1998-99. Revenues for the year ending June 30, 1999, were as follows:



1998-99 Current Funds Expenditures and Transfers

(482.6 Million)

Total Current Funds expenditures and mandatory transfers increased from \$438.8 million in fiscal year 1997-98 to \$482.6 million in fiscal year 1998-99. Expenditures for the year ending June 30, 1999, were as follows:



Combined Balance Sheet

Florida State University
June 30, 1999, with comparative totals for June 30, 1998

	Current Funds			Loan Fund	Plant Funds				Agency Fund	Total University Funds (Memorandum Only)		Component Units	Combined Totals (Memorandum Only)
	Unrestricted	Restricted	Total		Unexpended	Renewal & Replacement	Retirement of Indebtedness	Investment in Plant		1999	1998		1999
■ Assets:													
Cash (Note 1)	\$ 35,797,148	\$ 787,675	\$ 36,584,823	\$ 480,335	\$ 4,745,735	\$ -	\$ 3,542	\$ -	\$ 1,210,228	\$ 43,024,663	\$ 41,763,892	\$ 14,051,207	\$ 57,075,870
Investments (Note 2)	72,064,565	19,095,656	91,160,221	3,940,195	2,039,856	649,860	2,161,095	-	3,470,768	103,421,995	82,755,882	242,794,568	346,216,563
Net Receivables (Note 3)	3,668,732	39,243	3,707,975	14,961,077	-	-	-	-	3,948,527	22,617,579	21,607,643	34,447,829	57,065,408
Interest Receivable	174,298	55,386	229,684	9,723	4,337	568	7,144	-	29,977	281,433	475,968	1,534,512	1,815,945
Inventories (Note 4)	1,101,720	-	1,101,720	-	-	-	-	-	-	1,101,720	1,094,809	130,523	1,232,243
Due from Other Funds	9,168,586	370,533	9,539,119	246,551	7,448,500	-	-	-	2,788,685	20,022,855	12,475,173	-	20,022,855
Due from Other State Agencies	1,245,489	-	1,245,489	-	72,664,056	-	-	-	-	73,909,545	68,727,017	-	73,909,545
Due from Component Units	3,237,000	-	3,237,000	-	-	-	-	-	-	3,237,000	4,910,000	21,237,079	24,474,079
Contracts and Grants Receivable	-	6,015,738	6,015,738	-	-	-	-	-	-	6,015,738	4,744,196	-	6,015,738
Land (Note 5)	-	-	-	-	-	-	-	24,074,985	-	24,074,985	22,035,215	12,578,517	36,653,502
Buildings and Improvements (Note 5)	-	-	-	-	-	-	-	541,815,635	-	541,815,635	519,030,728	22,176,141	563,991,776
Equipment (Note 5)	-	-	-	-	-	-	-	191,187,682	-	191,187,682	180,303,173	55,010,491	246,198,173
Library Resources (Note 5)	-	-	-	-	-	-	-	89,609,495	-	89,609,495	84,783,831	-	89,609,495
Construction in Progress (Note 5)	-	-	-	-	-	-	-	13,795,831	-	13,795,831	14,900,884	-	13,795,831
Other Assets	1,588,627	62,979	1,651,606	20,100	34,457	-	-	2,292,756	-	3,998,919	3,185,225	29,803,763	33,802,682
Total Assets	\$ 128,046,165	\$ 26,427,210	\$ 154,473,375	\$ 19,657,981	\$ 86,936,941	\$ 650,428	\$ 2,171,781	\$ 862,776,384	\$ 11,448,185	\$ 1,138,115,075	\$ 1,062,793,636	\$ 433,764,630	\$ 1,571,879,705
■ Liabilities:													
Accounts Payable and Accrued Expenses	\$ 6,234,817	\$ 2,194,785	\$ 8,429,602	\$ 20,100	\$ 2,887,058	\$ -	\$ -	\$ 91,874	\$ 2,933,585	\$ 14,362,219	\$ 15,293,170	\$ 3,425,484	\$ 17,787,703
Due to Other Funds	9,777,049	1,344,231	11,121,280	512,680	124,560	-	-	-	8,264,335	20,022,855	12,475,173	-	20,022,855
Due to Other State Agencies	13,911	-	13,911	-	-	-	-	-	250,265	264,176	196,836	-	264,176
Due to Component Units	-	-	-	-	-	-	-	-	-	-	-	25,024,435	25,024,435
Deferred Revenues (Note 6)	10,316,275	-	10,316,275	-	-	-	-	-	-	10,316,275	9,148,439	13,422,364	23,738,639
Liability for Compensated Absences (Note 7)	30,336,628	-	30,336,628	-	-	-	-	-	-	30,336,628	28,663,754	163,240	30,499,868
Long-Term Debt (Note 9)	-	-	-	-	9,020,799	-	-	62,849,931	-	71,870,730	66,995,175	106,522,707	178,393,437
Total Liabilities	\$ 56,678,680	\$ 3,539,016	\$ 60,217,696	\$ 532,780	\$ 12,032,417	\$ -	\$ -	\$ 62,941,805	\$ 11,448,185	\$ 147,172,883	\$ 132,772,547	\$ 148,558,230	\$ 295,731,113
■ Fund Balances:													
Reserve for Encumbrances	\$ 15,721,918	\$ 12,813,206	\$ 28,535,124	\$ -	\$ 12,276,726	\$ -	\$ -	\$ -	\$ -	\$ 40,811,850	\$ 39,937,177	\$ -	\$ 40,811,850
Refundable Government Grants	-	-	-	11,126,805	-	-	-	-	-	11,126,805	11,043,859	-	11,126,805
Unrestricted Fund Balance	85,982,195	-	85,982,195	-	-	-	-	-	-	85,982,195	73,910,646	50,972,441	136,954,636
Restricted Fund Balance	-	10,074,988	10,074,988	7,998,396	62,627,798	650,428	2,171,781	-	-	83,523,391	72,464,485	234,233,959	317,757,350
Investment in Plant	-	-	-	-	-	-	-	799,834,579	-	799,834,579	761,328,676	-	799,834,579
Amount Expected to be Financed in Future Years (Note 7)	(30,336,628)	-	(30,336,628)	-	-	-	-	-	-	(30,336,628)	(28,663,754)	-	(30,336,628)
Total Fund Balances	\$ 71,367,485	\$ 22,888,194	\$ 94,255,679	\$ 19,125,201	\$ 74,904,524	\$ 650,428	\$ 2,171,781	\$ 799,834,579	\$ -	\$ 990,942,192	\$ 930,021,089	\$ 285,206,400	\$ 1,276,148,592
Total Liabilities and Fund Balances	\$ 128,046,165	\$ 26,427,210	\$ 154,473,375	\$ 19,657,981	\$ 86,936,941	\$ 650,428	\$ 2,171,781	\$ 862,776,384	\$ 11,448,185	\$ 1,138,115,075	\$ 1,062,793,636	\$ 433,764,630	\$ 1,571,879,705

The accompanying summary of significant accounting policies (pages 19-21) and notes (pages 22-28) are an integral part of the Financial Statements

Combined Statement of Changes in Fund Balances

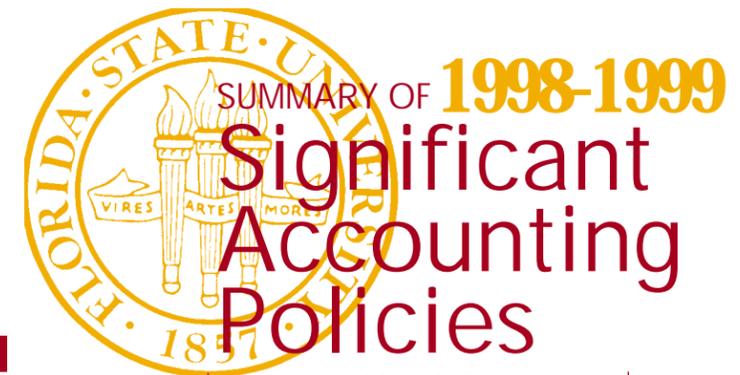
Florida State University
For the year ended June 30, 1999, with comparative
totals for June 30, 1998

	Current Funds			Loan Fund	Plant funds				Total University Funds (Memorandum Only)		Component Units	Combined Totals
	Unrestricted	Restricted	Total		Unexpended	Renewal & Replacement	Retirement of Indebtedness	Investment in Plant	1999	1998		(Memorandum Only)
■ Revenues and Other Additions:												
Educational and General	\$ 304,076,117	\$ -	\$ 304,076,117	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 304,076,117	\$ 285,056,443	\$ -	\$ 304,076,117
Auxiliary Enterprises	82,830,195	-	82,830,195	-	-	-	-	-	82,830,195	71,457,799	-	82,830,195
Gifts, Grants and Contracts												
Governmental	-	102,080,307	102,080,307	-	-	-	-	-	102,080,307	89,632,867	-	102,080,307
Private	-	4,192,587	4,192,587	-	-	-	-	-	4,192,587	3,901,469	-	4,192,587
Investment Earnings - Restricted (Note 2)	-	1,022,904	1,022,904	132,744	113,513	37,240	160,215	-	1,466,616	2,072,595	-	1,466,616
Interest on Loans Receivable	-	-	-	318,500	-	-	-	-	318,500	315,214	-	318,500
Federal Government Advances	-	-	-	161,334	-	-	-	-	161,334	52,759	-	161,334
Restricted State Appropriations	-	-	-	-	25,671,906	-	-	-	25,671,906	23,754,822	-	25,671,906
Acquisition of Plant Facilities	-	-	-	-	-	-	-	46,969,741	46,969,741	50,899,520	-	46,969,741
Retirement of Indebtedness	-	-	-	-	144,522	-	-	2,204,012	2,348,534	2,188,690	-	2,348,534
Resources Received From BOR/Univ.	3,045,875	-	3,045,875	-	-	-	-	-	3,045,875	-	-	3,045,875
Other Revenues and Additions	-	1,469	1,469	38,037	181,753	-	30,678	-	251,937	320,929	-	251,937
Component Unit Revenue: (Note 12)												
Fees and Charges	-	-	-	-	-	-	-	-	-	-	4,008,539	4,008,539
Grants, Contributions and Donations	-	-	-	-	-	-	-	-	-	-	36,728,240	36,728,240
Investment Earnings	-	-	-	-	-	-	-	-	-	-	25,188,455	25,188,455
Other Component Unit Revenue	-	-	-	-	-	-	-	-	-	-	75,900,481	75,900,481
Total Revenues and Other Additions	\$ 389,952,187	\$ 107,297,267	\$ 497,249,454	\$ 650,615	\$ 26,111,694	\$ 37,240	\$ 190,893	\$ 49,173,753	\$ 573,413,649	\$ 529,653,107	\$ 141,825,715	\$ 715,239,364
■ Expenditures and Other Deductions:												
Educational and General	\$ 299,364,189	\$ 109,364,063	\$ 408,728,252	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 408,728,252	\$ 373,918,450	\$ -	\$ 408,728,252
Auxiliary Enterprises	72,481,468	-	72,481,468	-	-	-	-	-	72,481,468	63,444,130	-	72,481,468
Indirect Cost Recovered	-	142,792	142,792	-	-	-	-	-	142,792	200,000	-	142,792
Loan Cancellations and Write-offs	-	-	-	314,852	-	-	-	-	314,852	361,185	-	314,852
Administrative and Collection Costs	-	-	-	61,417	-	-	3,957	-	65,374	55,322	-	65,374
Expended for Plant Facilities	-	-	-	-	27,447,830	-	-	-	27,447,830	32,350,699	-	27,447,830
Retirement of Indebtedness	-	-	-	-	-	-	950,000	-	950,000	950,000	-	950,000
Interest on Indebtedness	-	-	-	-	-	-	984,290	-	984,290	1,021,496	-	984,290
Disposal of Plant Facilities	-	-	-	-	-	-	-	10,579,562	10,579,562	8,247,808	-	10,579,562
Other Expenditures and Deductions	-	-	-	-	4,175	-	1,721	88,288	94,184	1,475,161	75,216,472	75,310,656
Resources Remitted to BOR/Univ.	-	-	-	-	-	-	-	-	-	27,695	-	-
Total Expenditures and Other Deductions	\$ 371,845,657	\$ 109,506,855	\$ 481,352,512	\$ 376,269	\$ 27,452,005	\$ -	\$ 1,939,968	\$ 10,667,850	\$ 521,788,604	\$ 482,051,946	\$ 75,216,472	\$ 597,005,076
■ Transfers - Additions (Deductions):												
Mandatory :												
Debt Service	\$ (1,372,004)	\$ -	\$ (1,372,004)	\$ -	\$ -	\$ 39,000	\$ 1,333,004	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Mandatory:												
Interfund Transfers	(10,939,176)	734,690	(10,204,486)	1,106,869	9,056,432	(47,017)	88,202	-	-	-	-	-
Transfers to/from Component Units/Primary Government	5,816,009	3,480,049	9,296,058	-	-	-	-	-	9,296,058	9,238,000	(6,086,372)	3,209,686
Total Transfers	\$ (6,495,171)	\$ 4,214,739	\$ (2,280,432)	\$ 1,106,869	\$ 9,056,432	\$ (8,017)	\$ 1,421,206	\$ -	\$ 9,296,058	\$ 9,238,000	\$ (6,086,372)	\$ 3,209,686
Net Change in Fund Balance	\$ 11,611,359	\$ 2,005,151	\$ 13,616,510	\$ 1,381,215	\$ 7,716,121	\$ 29,223	\$ (327,869)	\$ 38,505,903	\$ 60,921,103	\$ 56,839,161	\$ 60,522,871	\$ 121,443,974
Fund Balance Beginning of the Year	59,756,126	20,883,043	80,639,169	17,743,986	67,188,403	621,205	2,499,650	761,328,676	930,021,089	873,181,928	224,683,529	1,154,704,618
Fund Balance at End of Year	\$ 71,367,485	\$ 22,888,194	\$ 94,255,679	\$ 19,125,201	\$ 74,904,524	\$ 650,428	\$ 2,171,781	\$ 799,834,579	\$ 990,942,192	\$ 930,021,089	\$ 285,206,400	\$ 1,276,148,592

The accompanying summary of significant accounting policies (pages 19-21) and notes (pages 22-28) are an integral part of the Financial Statements

Statement of Current Funds Revenues, Expenditures and Other Changes

Florida State University
For the Year Ended June 30, 1999, with comparative totals for June 30, 1998



REPORTING ENTITY

	Memorandum Totals			
	Unrestricted	Restricted	1999	1998
Revenues:				
Educational and General				
Student Tuition and Fees	\$ 86,026,484	\$ -	\$ 86,026,484	\$ 76,659,030
State Appropriations	212,610,720	-	212,610,720	202,971,544
State and Local Grants and Contracts	987,364	27,328,821	28,316,185	19,613,845
Federal Grants and Contracts	-	77,719,296	77,719,296	68,461,928
Private Grants, Contracts and Gifts	-	4,314,477	4,314,477	3,787,970
Sales and Services of Educational Activities	1,545,087	-	1,545,087	1,868,795
Other Sources:				
Investment Income	1,210,073	-	1,210,073	840,058
Other	1,696,389	1,469	1,697,858	1,754,145
Total Educational and General Revenues	\$ 304,076,117	\$ 109,364,063	\$ 413,440,180	\$ 375,957,315
Auxiliary Enterprises:				
Sales and Services From Operations	\$ 68,232,539	\$ -	\$ 68,232,539	\$ 58,030,171
Student Fees	11,633,739	-	11,633,739	10,729,542
Investment Income	2,963,917	-	2,963,917	2,698,086
Total Auxiliary Revenues	\$ 82,830,195	\$ -	\$ 82,830,195	71,457,799
Total Current Revenues	\$ 386,906,312	\$ 109,364,063	\$ 496,270,375	447,415,114
Expenditures:				
Educational and General				
Instruction	\$ 134,307,430	\$ 3,709,930	\$ 138,017,360	133,110,094
Research	20,870,911	51,470,872	72,341,783	64,737,682
Public Services	2,659,592	25,317,363	27,976,955	22,029,516
Academic Support	34,456,857	8,992,674	43,449,531	39,617,083
Student Services	19,485,425	246,656	19,732,081	18,589,378
Institutional Support	29,494,462	2,643,812	32,138,274	30,351,802
Operation and Maintenance of Plant	28,370,066	250	28,370,316	26,788,784
Scholarships and Fellowships	29,719,446	16,982,506	46,701,952	38,694,111
Total Educational and General Expenditures	\$ 299,364,189	\$ 109,364,063	\$ 408,728,252	\$ 373,918,450
Auxiliary Enterprises:				
Auxiliary Expenditures	\$ 72,481,468	\$ -	\$ 72,481,468	\$ 63,444,130
Mandatory Transfers for:				
Principal and Interest	1,333,005	-	1,333,005	1,409,201
Renewals and Replacements	39,000	-	39,000	14,000
Total Auxiliary Enterprises	\$ 73,853,473	\$ -	\$ 73,853,473	\$ 64,867,331
Total Expenditures and Mandatory Transfers	\$ 373,217,662	\$ 109,364,063	\$ 482,581,725	\$ 438,785,781
Other Transfers and Additions (Deductions):				
Excess of Restricted Revenues and Other Additions over Expenditures and Other Deductions	\$ -	\$ (2,209,588)	\$ (2,209,588)	\$ 3,555,513
Interfund Transfers	(10,939,175)	734,690	(10,204,485)	(3,088,754)
Transfers to/from Component Units/Prim.Gov.	5,816,009	3,480,049	9,296,058	9,238,000
Resources Received from the Board of Regents	3,045,875	-	3,045,875	-
Resources Remitted to the Board of Regents	-	-	-	(27,695)
Total Transfers and Additions	\$ (2,077,291)	\$ 2,005,151	\$ (72,140)	\$ 9,677,064
Net Increase (Decrease) in Fund Balances	\$ 11,611,359	\$ 2,005,151	\$ 13,616,510	\$ 18,306,397

The University is considered a separate entity for financial reporting purposes; however, it is part of the State University System (SUS) and accordingly the University is governed, regulated, and coordinated by the Department of Education and the Board of Regents, subject to the general supervision of the State Board of Education. The President is responsible for the management of the University, and is under the general direction and control of the Chancellor of the State University System, who has ultimate responsibility for administering the policies prescribed by the Board of Regents.

Although one of the primary objectives of reporting is to account for resources received and used, there are instances where University resources are accounted for and reported by other entities. For example, the Plant Fund activity within the SUS General Revenue Fund is accounted for and reported by the Board of Regents. When the construction projects within this fund become substantially complete, they are included in the University's Investment in Plant Fund.

The financial operations and position of six University direct-support organizations are provided for in Section 240.299, Florida Statutes, and Section 6C-9.011, Rules of the Board of Regents, F.A.C. They are considered component units of the University and are included by discrete presentation in the University financial statements in a format prescribed by the Board of Regents. Amounts presented tie in total to the applicable financial statements of the component units. Additional summary financial data is included in the notes to the financial

statements. Although these organizations operate exclusively to provide the University with supplemental resources from private gifts and bequests, they are separately incorporated and managed by their own boards. An annual post-audit of each organization's financial statements is conducted by an independent certified public accountant. The audited financial statements are submitted to the Auditor General and the Board of Regents and are available upon request. These organizations are described as follows:

Florida State University Foundation, Inc.

The University's fund-raising and private support programs are accounted for and reported separately by the Florida State University Foundation, Inc. Foundation revenues include unrestricted and restricted gifts and grants, rental income and investment income. Foundation expenditures include scholarship distributions to students, departmental faculty and staff development support, various memorials and class projects, departmental research and administrative costs of the Foundation's development program.

Florida State University Alumni Association, Inc.

The purpose of the FSU Alumni Association is to promote and serve the general welfare of Florida State University as an institution for education, research and public service, and to involve, encourage, inform, and stimulate interest

among the University community and its alumni in its programs and progress. The Association utilizes memberships and contributions to operate its programs.

Florida State University International Programs Association, Inc.

The purpose of the Florida State University International Programs Association, Inc., is to promote inter-cultural activities among students, educators, and others by providing teaching, studying, research, and conference opportunities to U.S. students, scholars, other professionals, and community groups. These activities are provided through Florida State University Study-Abroad programs in London, Florence, Costa Rica, and other sites.

Seminole Booster, Inc.

The primary purpose of the Seminole Boosters is to stimulate and promote the education, health, and physical welfare of University students by providing financial support from the private sector for the intercollegiate athletic program. Funds raised by the Boosters are utilized for scholarships, recruiting expenses and authorized travel and entertainment in accordance with the rules and regulations of the National Collegiate Athletic Association.



Summary of 1998-1999 Significant Accounting Policies

BASIS OF ACCOUNTING

Florida State University Financial Assistance, Inc.

This direct-support organization was created for the purpose of securing bond financing in accordance with Florida Statutes. Florida State University Financial Assistance, Inc., was given the authority by the Florida Board of Regents to obtain bond financing not to exceed \$52.75 million for improvements to Doak Campbell Stadium, subject to approval by the Board of Regents.

Florida State University Research Foundation, Inc.

The Florida State University Research Foundation, Inc., was established on September 14, 1993. The purpose of this corporation includes the promotion and encouragement of and assistance to the research and training activities of faculty, staff, and students of the University through income from contracts, grants and other sources including, but not limited to, income derived from, or related to, the development and commercialization of University work products.

Financial statements were prepared in accordance with generally accepted accounting principles, instructions provided by the Board of Regents, and recommendations made by the National Association of College and University Business Officers, as published under the title of College and University Business Administration.

The accrual basis of accounting was used to prepare the financial statements; however, depreciation of fixed assets is not recognized.

Notes and accounts receivable are reported at face value, less an allowance for uncollectible accounts.

Physical plant and equipment are recorded at cost at date of acquisition or, in the case of gifts or purchases from the Bureau of Federal Property Assistance, at fair market value at date received. Likewise, improvements to existing property and equipment are recorded at cost at the time of completion. Some items of equipment purchased from the Bureau of Federal Property Assistance have title restrictions.

Interdepartmental transactions between auxiliary service departments and other

instructional departments are reported as reductions of expenditures and not revenues of the auxiliary service departments.

The Reserve for Encumbrances portion of the Fund Balance is a representation of purchase commitments for which merchandise or services had not been received as of June 30, 1999.

To the extent that current funds are used to finance plant assets, the amounts provided are accounted for as: 1) expenditures, in the case of normal replacement of movable equipment and library books; 2) mandatory transfers, in the case of required provisions for debt amortization, interest, and equipment renewal and replacement; and 3) transfers of a non-mandatory nature for all other cases.

The Statement of Current Funds Revenues, Expenditures and Other Changes is a statement of financial activities of current funds related to the current reporting period. It does not purport to present the results of operations or the net income or loss for the period as would a statement of income or a statement of revenues and expenses.

FUND ACCOUNTING

In order to ensure observance of limitations and restrictions placed on the use of resources available to the University, the financial records and accounts of the University are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into one of the following fund groups:

Current Funds - This fund group includes those economic resources of the University which are expendable for operational purposes in performing the primary objectives (instruction, research, public service) of the University. Resources restricted by donors or other outside agencies for specific current operating purposes are reported as Restricted Current Funds.

Loan Funds - This fund group consists of loans to students and resources available for such purposes. The terms of the loan agreements usually specify that the money is to be managed on a revolving basis, i.e., repayments of principal and interest are loaned to other individuals.

Plant Funds - Plant fund groups are used to account for the transactions relating to investment in University property. Plant fund subgroups and their functions are as follows:

Unexpended Plant Funds account for the resources received directly by the University from various sources to finance the acquisition of long-lasting plant assets and their associated liabilities.

Renewal and Replacement Plant Funds provide for the renewal and replacement of plant fund assets as distinguished from additions and improvements to plant.

Retirement of Indebtedness Plant Funds account for the accumulation of resources received directly by the University for interest and principal payments, and other debt service charges, including contributions for sinking funds relating to plant fund indebtedness.

Investment in Plant Funds include all long-lasting assets in the service of the University, as well as all associated liabilities.

Agency Funds - This fund group consists of funds held by the University as custodian or fiscal agent for others (such as student organizations and groups).

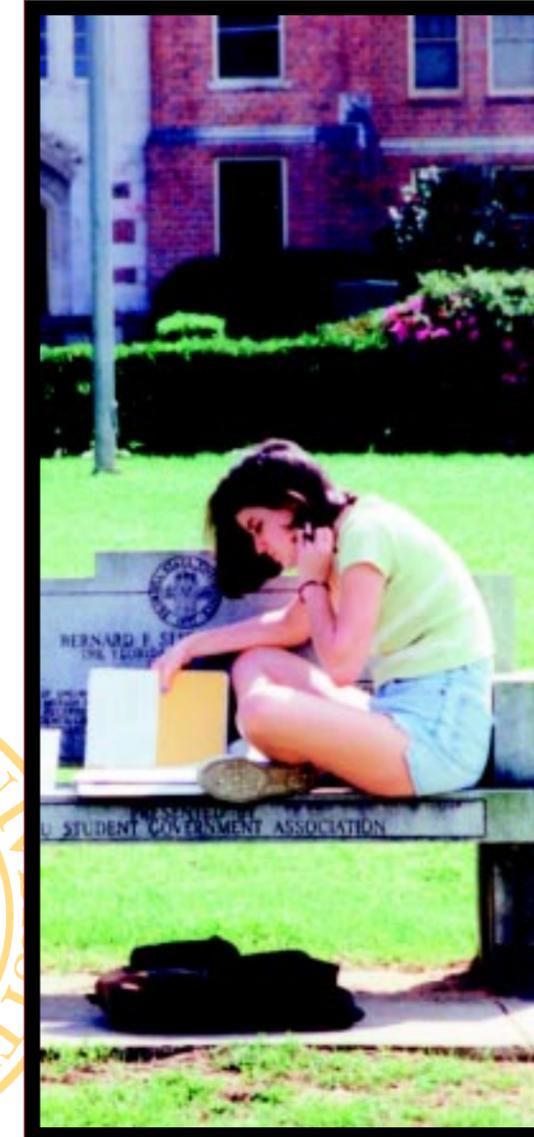
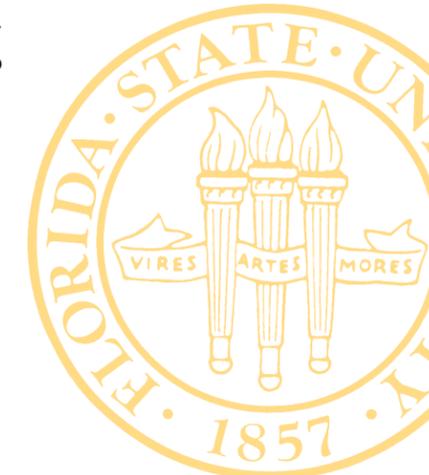
Component Units - This fund group consists of organizations for which the University is accountable, or for which the nature and significance of their relationship with the University is such that exclusion would cause the financial statements to be misleading or incomplete.

Within each fund group, fund balances restricted by outside sources are so indicated and are distinguished from unrestricted

funds allocated to specific purposes. Externally restricted funds may be utilized only in accordance with the purposes established by the donors or grantors.

OTHER SIGNIFICANT ACCOUNTING POLICIES

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



Notes to the Financial Statements

Unless specifically indicated, the following notes to the financial statements are not intended to apply to component units of the University.

1- CASH AND DEPOSITS

Amounts reported as cash consist of cash on hand, cash in demand accounts, and cash held by the State Treasurer on behalf of the University. Cash in demand accounts, except for amounts held in foreign banks, is held in banks qualified in accordance with the provisions of Chapter 280, Florida Statutes, as a public depository. Deposits are fully insured and collateralized by a mutual collateral pool held by the State or its agents in the State's or University's name. Also included in the cash amount reported is \$30,578,668 of Unexpended General Revenue Releases held by the State on behalf of the University.

2- INVESTMENTS

The University participates in investment pools through the State Treasurer and the State Board of Administration in accordance with the provisions of Sections 215.49 and 215.515, Florida Statutes. Investments consist of instruments listed in Section 18.10, Florida Statutes. The investments are recorded at cost; any difference between market value and the cost of investments is negligible. The University's pooled investments cannot be categorized by credit risk because the participant ownership is not evidenced by specific, identifiable investment securities of the pool. However, information pertaining to the carrying amounts, market values, and credit risk of the State Treasurer's investments is disclosed in the Florida Comprehensive Annual Financial Report.

Investment earnings, including interest earned on funds left on deposit with banks, for the year ended June 30, 1999, were \$5,640,606 (\$5,610,739 in 1998). Auxiliary Enterprise investment earnings are included with Current Unrestricted Fund revenues.

	1999	1998
Current Unrestricted Fund	\$4,173,990	\$3,538,144
Current Restricted Fund	1,022,904	1,136,638
Loan Fund	132,744	184,037
Plant Fund	310,968	751,920
Total	\$5,640,606	5,610,739

3- NET RECEIVABLES

Accounts and notes receivable are reported net of allowance for uncollectible accounts, which at year end was estimated to be \$3,874,252 (\$3,704,012 in 1998). The recorded net receivables consisted of the following items:

	Accounts & Notes Receivable	Allowance for Uncollectible Accounts	Net Receivables
Current Funds	\$4,686,358	\$978,383	\$3,707,975
Loan Fund	17,404,833	2,443,756	14,961,077
Agency Fund	4,400,640	452,113	3,948,527
Total	\$26,491,831	\$3,874,252	\$22,617,579

4- INVENTORIES

Merchandise inventories reflected on the Balance Sheet consisted primarily of goods available for resale. Inventories are valued according to methods based on the nature and activity of the inventory as prescribed by the Board of Regents, Chancellor's Memorandum: CM-76-35.4.

5- PHYSICAL PLANT AND EQUIPMENT

Changes in physical plant and equipment occurred as follows:

	July 1, 1998	Additions	Reductions	June 30, 1999
Land	\$22,035,215	\$2,039,770	\$ -	\$24,074,985
Building & Improvements	519,030,728	23,615,030	(830,123)	541,815,635
Equipment	180,303,173	20,196,958	(9,312,449)	191,187,682
Library Resources	84,783,831	5,192,117	(366,453)	89,609,495
Construction In Progress	14,900,884	-	(1,105,053)	13,795,831
Total	\$821,053,831	\$51,043,875	\$(11,614,078)	\$860,483,628

6- DEFERRED REVENUES

Major items collected as of June 30, 1999, and applicable to later periods, include housing fees of \$2,721,871 and athletic revenue of \$7,594,404. Deferrals at June 30, 1998, for these revenues were \$2,342,308 and \$6,806,131 respectively.

7- COMPENSATED ABSENCES LIABILITY

Employees earn the right to be compensated during absences for annual leave (vacation) and sick leave pursuant to the Florida Administrative Code, and to bargaining agreements between the Board of Regents and the United Faculty of Florida. Leave earned is accrued to the credit of the employee and records are kept on each employee's unpaid (unused) leave balances. Governmental Accounting Standards Board (GASB) Statement No. 16 requires that the University accrue a liability in the Current Funds for employees' rights to receive compensation for future absences when certain conditions are met, whereas State appropriations fund only the portion of accrued leave that is used or paid in the current fiscal year. Although the liability is expected to be funded primarily from future appropriations, generally accepted accounting principles do not permit recording a receivable in anticipation of future appropriations. Consequently, recording the liability for compensated absences without the corresponding recognition of such future resources results in the appearance of a reduced ability to meet current obligations. At June 30, 1999, the estimated liability for annual and sick leave was \$12,457,086 and \$17,879,542, respectively. The University's Unrestricted Current Fund Balance at June 30, 1999, amounting to \$71,367,485, would have been \$101,704,113 had such liability for compensated absences not been applied against it.

8- RETIREMENT PLANS

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

9- LONG-TERM DEBT

The University's long-term indebtedness of \$71,870,730 is reported in the Plant Fund and is classified according to the following types of indebtedness:

Additions	1998	Increases/(Reductions)	1999
Revenue Certificates & Bonds	\$66,373,912	\$5,117,019	\$71,490,931
Certificates of Participation	-	-	-
Installment Purchase Contracts	621,263	(241,464)	379,799
Total	\$66,995,175	\$4,875,555	\$71,870,730

Bonds and revenue certificates are issued to construct university facilities, including parking garages, student housing, academic and student service facilities. Bonds and revenue certificates outstanding, which include both term and serial bonds, are secured by a pledge of housing rental revenues, traffic and parking fees and various student fee assessments. The building fee and capital improvement fee collected as a part of tuition and remitted to the Board of Regents is used to retire the revenue certificates for the academic and student service facilities.

In prior fiscal years, the University defeased certain revenue certificates by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old revenue certificates. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the University's financial statements.

A. Revenue certificates and bonds:

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

Bond Series Title	Original Amount of Issue	Interest Rate	Outstanding Principal	Maturity Date
1959 Dormitory	\$ 1,925,000	3.000%	0	1999
1961 Apartment	1,486,000	3.500%	128,000	2001
1963 Dormitory	1,814,000	3.375%	185,000	2002
1963 Apartment	3,748,000	3.500%	351,000	2002
1964 Infirmary	476,000	3.625%	101,000	2004
1969 Apartment	1,880,000	3.000%	710,000	2009
1991 Trust Fund	15,723,536	5.900%-6.500%	260,133	2004
1992 Parking	8,000,000	4.400%-6.000%	6,679,286	2014
1993 Trust Fund	19,177,660	4.500%-5.375%	15,151,528	2013
1993 Housing	3,500,000	3.000%	3,065,000	2022
1994 Housing	7,700,000	5.200%-6.000%	7,212,911	2023
1996 Housing	13,120,000	4.800%-6.800%	12,985,830	2026
1997 Housing	5,135,842	5.000%-7.000%	4,732,464	2022
1997 Housing	13,060,541	3.850%-5.000%	12,700,900	2016
1998 Trust Fund	7,501,901	5.000%	7,227,879	2023
Total	\$ 104,248,480		\$ 71,490,931	

Five year maturities of these revenue certificates and bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2000	\$ 2,599,234	\$ 3,673,899	\$ 6,273,133
2001	2,716,944	3,550,609	6,267,553
2002	2,546,033	3,421,986	5,968,019
2003	2,664,800	3,296,395	5,961,195
2004	2,819,271	3,160,873	5,980,144
Later Years	58,978,484	28,543,581	87,522,065
Subtotal	72,324,766	45,647,343	117,972,109
Less Bond Discount	(833,835)	0	(833,835)
Total	\$ 71,490,931	\$ 45,647,343	\$ 117,138,274

B. Installment purchase contracts:

The University has other installment purchase agreements providing for the acquisition of machinery and equipment. Future minimum payments remaining under these contracts are:

Year Ending June 30,	Installment Purchase Contracts
2000	284,809
2001	76,849
2002	9,699
2003	9,699
2004	4,850
Total Minimum Payments	385,906
Less Interest	(6,107)
Total	\$379,799

10- STUDENT FEES AND OTHER COLLECTIONS

Student fee collections are remitted to the State Treasurer. Subsequently, these collections are returned to the University by state appropriation. Pursuant to generally accepted accounting principles, the total of budgeted revenues has been offset against total state appropriations reported for the Current Unrestricted Funds.

Capital Improvement and Building fees were assessed and collected on behalf of the Board of Regents. Collections of these fees are shown below:

	1999	1998
Capital Improvement Fees	\$2,099,497	\$2,041,683
Building Fees	1,861,321	1,815,565
Total	\$3,960,818	\$3,857,248

Tuition and fees totaling \$9,767,925 in 1999 (\$9,096,997 in 1998) were waived as permitted by Board of Regents rules.

11- CONTINGENT LIABILITIES

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

12- DIRECT SUPPORT ORGANIZATIONS

Summary financial information from the financial statements of each direct-support organization is as follows:

	Alumni Association 6/30/98	International Programs 6/30/98	FSU Foundation 6/30/98	Seminole Boosters 1/31/99	Financial Assistance 1/31/99	Research Foundation 6/30/98
Assets						
Unrestricted	\$ 312,603	\$ 2,015,522	\$ 29,790,407	\$ 15,593,954	\$ 58,622,765	\$ 68,171,431
Restricted	973,137	656,175	199,172,870	36,091,103	-	-
PP&E	61,681	9,945,872	4,998,274	321,699	-	7,037,137
Total	\$ 1,347,421	\$ 12,617,569	\$ 233,961,551	\$ 52,006,756	\$ 58,622,765	\$ 75,208,568
Liabilities						
Unrestricted	\$ 182,264	\$ 11,724,666	\$ 21,237,574	\$ 5,139,990	\$ 52,926,712	\$ 41,812,160
Restricted	-	-	5,034,821	5,806,371	-	4,693,672
PP&E	-	-	-	-	-	-
Total	\$ 182,264	\$ 11,724,666	\$ 26,272,395	\$ 10,946,361	\$ 52,926,712	\$ 46,505,832
Fund Balance	\$ 1,165,157	\$ 892,903	\$ 207,689,156	\$ 41,060,395	\$ 5,696,053	\$ 28,702,736
Revenues						
Unrestricted	\$ 863,133	\$ 2,373,056	\$ 21,305,276	\$ 9,864,378	\$ 1,855,546	\$ 50,768,320
Restricted	-	-	35,897,536	11,983,744	-	6,958,716
PP&E	-	-	-	(43,990)	-	-
Total	\$ 863,133	\$ 2,373,056	\$ 57,202,812	\$ 21,804,132	\$ 1,855,546	\$ 57,727,036
Expenditures						
Unrestricted	\$ 829,752	\$ 2,069,359	\$ 13,852,613	\$ 6,516,018	\$ 4,824,773	\$ 37,980,156
Restricted	-	-	-	2,697,672	-	6,393,542
PP&E	-	-	-	52,587	-	-
Total	\$ 829,752	\$ 2,069,359	\$ 13,852,613	\$ 9,266,277	\$ 4,824,773	\$ 44,373,698
Transfers						
Unrestricted	\$ -	\$ -	\$ (3,848,919)	\$ (1,778,787)	\$ 2,376,834	\$ -
Restricted	-	-	-	(1,440,214)	-	-
PP&E	-	-	-	(1,395,286)	-	-
Total	\$ -	\$ -	\$ (3,848,919)	\$ (4,614,287)	\$ 2,376,834	\$ -

1998-1999 Notes to the Financial Statements

13- Year 2K Compliance

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the University's operations as early as fiscal year 1999.

Although this is a complex problem, the University has been working on addressing this issue for some time. More than two and half years ago we completed an inventory of information resources that were not Year-2000 compliant. Our main focus was to identify those items that were considered critical to the mission of the University. The critical applications were determined to be the centralized operations systems that make up the core processes of the University. Broadly speaking, these included University Data Administration, Student Financial Systems, Financial Aid Systems, Student Academic Support, Payroll Personnel Systems, Human Resource Systems, Financial Management, Student Affairs, Database Administration and Applied Systems Support. Remediation efforts for these systems were completed by June 30, 1999; and the validation/testing stage is now in progress. All of the systems were remediated by in-house staff, therefore there were no outside contracted amounts for this project.

Through aggressive management and with our campus-wide cooperation, we are confident that the University will be fully compliant well before the turn of the century. However, because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the University is or will be entirely Year 2000 ready, that the University's remediation efforts will be successful in whole or in part, or that parties with whom the University does business will be Year-2000 ready.

Financial Aid Administered

	For the year ended June 30, 1999	Number of Recipients	Aid Disbursed
Federal Programs			
Pell Grants	5,944		\$ 11,864,587
Supplemental Educational Opportunity Grants	838		1,023,733
Federal College Work Study	702		926,006
Perkins Student Loans	1,018		2,696,729
Stafford Loans			
Subsidized	11,221		53,904,619
Unsubsidized	7,556		28,982,929
Total Federal Financial Aid Administered	27,279		\$ 99,398,603
State Programs			
Florida Student Assistance Grants (FSAG)	2,403		\$ 2,349,610
Bright Futures Scholarships	9,513		12,201,309
Other States' Scholarships	64		102,504
Total State Scholarships & Grants Administered	11,980		\$ 14,653,423
Institutional Programs			
FSU Delayed Delivery Loans & Emergency Loans	6,324		\$ 5,348,720
Merit Scholarships	1,538		3,914,585
Florida State University Grants	7,079		8,007,022
Other Institutional Grants	130		14,486
Total Institutional Loans, Scholarships & Grants Administered	15,071		\$ 17,284,813
Other Scholarships			
Private Scholarships	2,496		\$ 3,600,352
Total Private Scholarships Administered	2,496		\$ 3,600,352
Tuition Waivers	8,934		\$ 9,767,925
Total Tuition Waivers Administered	8,934		\$ 9,767,925
Total Financial Aid Administered			\$ 144,705,116