

****FLORIDA PUBLIC SERVICE COMMISSION****

**DIVISION OF REGULATORY OVERSIGHT
CERTIFICATION SECTION**

**APPLICATION FORM FOR AUTHORITY TO PROVIDE
SHARED TENANT SERVICE
WITHIN THE STATE OF FLORIDA**

INSTRUCTIONS

020714-TS

- ◆ This form is used as an application for an original certificate or for approval of the assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee. No fee applies for approval of the assignment or transfer of an existing certificate to another certificated company.
- ◆ **Print or type** all responses to each item requested in the application. If an item is not applicable, please explain.
- ◆ Use a separate sheet for each answer which will not fit within the allotted space.
- ◆ Once completed, submit the original and six (6) copies of this form and a non-refundable **application fee of \$100.00** to:

**Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6770**

Attn: Mr. Williams

NOTE: No filing fee is required for an assignment or transfer of an existing certificate to another company.

- ◆ If you have questions about completing the form, contact:

**Florida Public Service Commission
Division of Regulatory Oversight
Certification Section
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6480**

1. This is an application for (Check One):

Original Certificate

Approval of Transfer of Existing Certificate

Example: a non-certificated company purchases a certificated company and desires to retain the original certificate of authority.

Approval of Assignment of Existing Certificate

Example: a certificated company purchases a certificated company and desires to retain the certificate of authority of that company.

Approval of transfer of control

Example: a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of company or name of individual (not fictitious name or d/b/a):

Florida College, Inc.

3. Name under which applicant will do business (fictitious name, etc.):

4. Official mailing address (including street name & number, Post Office Box, City, State, and Zip code):

119 N. Glen Arven Avenue

Temple Terrace, Florida 33617

5. Florida address (including street name & number, Post Office Box, City, State, and Zip code):

119 N. Glen Arven Avenue
Temple Terrace, Florida 33617

6. Structure of organization:

Individual Corporation
 Foreign Corporation Foreign Partnership
 General Partnership Limited Partnership
 Other: _____

7. If individual, provide:

Name: _____
Title: _____
Address: _____
City/State/Zip: _____
Telephone No.: _____ Fax No.: _____
Internet E-Mail Address: _____
Internet Website Address: _____

8. If incorporated in Florida, provide proof of authority to operate in Florida:

(a) Florida Secretary of State Corporate Registration
Number: ID # ~~520737002~~ 704352

9. If a foreign corporation, provide proof of authority to operate in Florida:

(a) Florida Secretary of State Corporate Registration
Number: _____

10. If using fictitious name d/b/a, provide proof of compliance with the fictitious name statute (Chapter 865.09, Florida Statutes) to operate in Florida:

(a) Florida Secretary of State Fictitious Name Registration
Number: _____

11. If a limited liability partnership, provide proof of registration to operate in Florida:

(a) Florida Secretary of State Registration
Number: _____

12. If partnership, provide name, title and address of all partners and a copy of the partnership agreement:

(a) Name: _____
Title: _____
Address: _____
City/State/Zip: _____
Telephone No.: _____ Fax No.: _____
Internet E-Mail Address: _____
Internet Website Address: _____

(b) Name: _____
Title: _____
Address: _____
City/State/Zip: _____
Telephone No.: _____ Fax No.: _____
Internet E-Mail Address: _____
Internet Website Address: _____

13. If a foreign limited partnership, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, Florida Statutes):

(a) The Florida Registration

Number: _____

14. Provide F.E.I. Number (if applicable): _____

15. Who will bill for your services?

Name: Florida College

Address: 119 N. Glen Arven Avenue

City/State/Zip: Temple Terrace, Florida 33617

Telephone No.: 813-988-5131
~~813-899-6708~~

16. Who will serve as liaison to the Commission with regard to the following?

(a) The application: Bill Williams

Name: _____

Title: Communications Consultant

Address: 119 N. Glen Arven Avenue

City/State/Zip: Temple Terrace, Florida 33617

Telephone No.: 813-368-7023 Fax No: 813-360-3770

Internet E-Mail Address: billwilliams4@earthlink.net

Internet Website Address: _____

(b) Official Point of Contact for ongoing company operations including complaints and inquiries:

Name: Mr. David Rudder

Title: Mgr. Financial Affairs

Address: 119 Glen Arven Avenue

City/State/Zip: Temple Terrace, Florida 33617

Telephone No.: 813-899-⁶⁷⁰⁸~~6708~~ Fax No.: 813-899-6772

Internet E-Mail Address: ruddend@FLCOLL.EDU

Internet Website Address: _____

(c) Complaint/Inquiries from Customers:

Name: David Rudder
Title: Mgr, Financial Affairs
Address: 119 N. Glen Arven Avenue
City/State/Zip: Temple Terrace, Florida 33617
Telephone No.: 813-899-6708 **Fax No.:** _____
Internet E-Mail Address: _____
Internet Website Address: _____

17. List the states in which the applicant:

- (a) has applications pending to be certificated as a shared tenant service provider.**

Florida Only

- (b) is certificated to operate as a shared tenant service provider.**

None

- (c) has been denied authority to operate as a shared tenant service provider and the circumstances involved.**

None

- (d) has had regulatory penalties imposed for violations of telecommunications statutes, rules, or orders and the circumstances involved.**

None

(e) has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

None

18. Indicate if any officers, directors, or any of the ten largest stockholders have previously been:

(a) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. If so, provide explanation: _____

None

(b) Officer, director, partner or stockholder and any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

None

19. Submit the following:

A. Managerial Capability

Give resumes of employees and officers of the company that would indicate sufficient managerial experiences of each.

B. Technical Capability

Give resumes of employees and officers of the company that would indicate sufficient technical experience or indicate what company has been contracted to perform technical service.

C. Financial Capability

The application must contain the applicant's audited financial statements for the most recent 3 years. If the applicant does not have audited financial statements, it shall so be stated.

The unaudited financial statements must be signed by the applicant's chief executive officer and chief financial officers affirming that the financial statements are true and correct and must include:

1. the balance sheet,
2. income statement, and
3. statement of retained earnings.

NOTE: This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.

Further, the following (which includes supporting documentations) must be provided:

1. A written explanation that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.
2. A written explanation that the applicant has sufficient financial capability to maintain the requested service.
3. A written explanation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

- 19A. Management Capability: Florida College is a 50-year old private institution of higher learning, maintaining significant internal management and administration capabilities. Shared Tenant Services will be organized under our Office of Financial Affairs. Mr. David Rudder, Manager of Financial Affairs, will assume the role of Principle in all aspects of the STS issues. Mr. Rudder has an Accounting degree, and several years of experience with Sprint Communications. He can be reached at 813-899-6708.
- 19B. Technical Capabilities: Florida College maintains significant in-house IT capabilities, degrees and certifications responsible for technical issues on the Florida College campus. Florida College will be assisted by long-term maintenance agreements and relationships including manufacturers (Cisco/Avaya/Paradyne) and distributors: Comtel, Tampa, Florida, and Qualstrat, Clearwater, Florida. For technical information contact Mr. Michael Butler at 813-623-3974, or Mr. Bill Williams at 813-368-7023, or Mr. Dennis Ward at 727-461-5099.
- 19C. Financial Capabilities: Florida College is a private non-profit corporation. Tax ID# 59-0737882. If any further information is requested, please contact David Rudder, Manager of Financial Affairs, at 813-899-6708.

By Mr. Rudder's signature he is certifying that Florida College has sufficient financial capabilities to maintain the service and leases necessary in the geography served. Also attached are the most recent financial records of Florida College.

****APPLICANT ACKNOWLEDGMENT STATEMENT****

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of 0.15 of one percent of the gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra- and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra- and interstate revenues.
4. **APPLICATION FEE:** I understand that a non-refundable application fee of **\$100.00** must be submitted with the application.

UTILITY OFFICIAL:

David W. Rudder
Print Name

David W. Rudder
Signature

Manager- Financial Affairs
Title

July 9, 2002
Date

813-899-6708
Telephone No.

813-899-6772
Fax No.

Address: 119 N. Glen Arden Ave
Temple Terrace, FL 33617

AFFIDAVIT

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide shared tenant service in the State of Florida. I have read the foregoing and declare that, to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

I will comply with all current and future Commission requirements regarding shared tenant services. I understand that I am required to pay a regulatory assessment fee (minimum of \$50.00 per calendar year) and pay gross receipts tax. Furthermore, I agree to keep the Commission advised of any changes in the names or addresses listed in the application within 10 days of the change.

Further, I am aware that, pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083."

UTILITY OFFICIAL:

David W. Rudder
Print Name

David W. Rudder
Signature

Manager - Financial Affairs
Title

July 9, 2002
Date

813-899-6708
Telephone No.

813-899-6772
Fax No.

Address: 119 N. Glen Arven Ave.
Temple Terrace, FL 33617

CERTIFICATE TRANSFER OR ASSIGNMENT STATEMENT

I, (Name) _____

(Title) _____

of (Name of Company) _____

and current holder of Florida Public Service Commission Certificate Number # _____

have reviewed this application and join in the petitioner's request for a:

transfer

assignment

of the above-mentioned certificate.

UTILITY OFFICIAL:

Print Name

Signature

Title

Date

Telephone No.

Fax No.

Address: _____

Shared-Tenant Service Provider Regulatory Assessment Fee Return

STATUS:

- Actual Return
- Estimated Return
- Amended Return

PERIOD COVERED:

FIELD(3)

Florida Public Service Commission

(See Filing Instructions on Back of Form)

FIELD(1)

Please Complete Below If Official Mailing Address Has Changed

FOR PSC USE ONLY

Check# _____

\$ _____ 0603003

003001

\$ _____ P

0603003

004011

\$ _____ I

Postmark Date _____

Initials of Preparer _____

(Name of Company) (Address) (City/State) (Zip)

LINE NO.	ACCOUNT CLASSIFICATION	AMOUNT
1.	Gross Intrastate Operating Revenue	\$ _____
2.	LESS: Amounts Paid to Other Telecommunications Companies* <small>(see "2. Fees" on back)</small>	_____
3.	Net Intrastate Operating Revenue for Regulatory Assessment Fee <small>Calculation (Line 1 less Line 2)</small>	_____
4.	Regulatory Assessment Fee Due (Multiply Line 3 by 0.0015)	_____
5.	Penalty For Late Payment (see "3. Failure to File by Due Date" on back)	_____
6.	Interest For Late Payment (see "3. Failure to File by Due Date" on back)	_____
7.	TOTAL AMOUNT DUE	\$ _____

* These amounts must be intrastate only and must be verifiable.

AS PROVIDED IN SECTION 364.336, FLORIDA STATUTES, THE MINIMUM ANNUAL FEE IS \$50

I, the undersigned owner/officer of the above-named company, have read the foregoing and declare that to the best of my knowledge and belief the above information is a true and correct statement. I am aware that pursuant to Section 837.06, Florida Statutes, whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree.

(Signature of Company Official) (Title) (Date)

(Preparer of Form - Please Print Name) Telephone Number () Fax Number ()

FLORIDA PUBLIC SERVICE COMMISSION
Instructions For Filing Regulatory Assessment Fee Return
(Shared-Tenant Service Provider)

1. **WHEN TO FILE:** For companies which owed a total of \$10,000 or more of assessment fee for the preceding calendar year, this Regulatory Assessment Fee Return and payment must be filed or postmarked:

*On or before July 30 for the six-month period January 1 through June 30, AND
On or before January 30 for the six-month period July 1 through December 31.*

For companies which owed a total of less than \$10,000 of assessment fee for the preceding calendar year, this Regulatory Assessment Fee Return and payment must be filed or postmarked:

On or before January 30 for the prior twelve-month period January 1 through December 31.

However, if July 30 or January 30 falls on a Saturday, Sunday, or holiday, the Regulatory Assessment Fee may be filed or postmarked on the next business day, without penalty.

2. **FEES:** Each company shall pay 0.0015 of its gross operating revenues derived from intrastate business, as referenced in Rule 25-4.0161(1), F.A.C. Gross Operating Revenues are defined as the total revenues before expenses. Gross Intrastate Operating Revenues are defined as revenues from calls originating and terminating within Florida. Do not deduct any expenses, taxes, or uncollectibles from these amounts.

On Line 2, deduct any amounts paid to another telecommunications company for the use of any telecommunications network to provide service to its customers. *Do not deduct any taxes, federal subscriber line charges, interstate long distance access charges, or amounts paid for nonregulated services such as voice mail, inside wire maintenance, or equipment purchases/rentals.* **DEDUCTIONS MUST BE INTRASTATE ONLY AND MUST BE VERIFIABLE.**

3. **FAILURE TO FILE BY DUE DATE:** Failure to file a return by the established due date will result in a penalty being added to the amount of fee due, 5% for each 30 days or fraction thereof, not to exceed a total penalty of 25% (Line 5). In addition, interest shall be added in the amount of 1% for each 30 days or fraction thereof, not to exceed a total of 12% per year (Line 6). A Regulatory Assessment Fee Return must be completed, signed, and filed even if there are no revenues to report or if the minimum amount is due.

When a company fails to timely file a Regulatory Assessment Fee Return, the Commission has the authority to order the company to pay a penalty and/or cancel the company's certificate. The company will have an opportunity to respond to any proposed Commission action.

4. **EXTENSION:** A request for an extension of time up to 30 days may be made by filing the enclosed *Request for Extension to File Regulatory Assessment Fee Return* form (PSC/ADM-124), two weeks prior to the filing date. When an extension is granted, a charge shall be added to the amount due:

0.75% of the fee to be remitted for an extension of 15 days or less, or
1.5% of the fee for an extension of 16 to 30 days.

In lieu of paying the charges outlined above, a company may file a return and remit payment based upon estimated gross operating revenues. If such return is filed by the normal due date, the company shall be granted a 30-day extension period in which to file and remit the actual fee due without paying the above charges, provided the estimated fee payment remitted is at least 90% of the actual fee due for the period. An automatic 30-day extension to file an actual return may be obtained by checking the "Estimated Return" space in the top left-hand corner on the reverse side.

5. **FEE ADJUSTMENTS:** You will be notified as to the amount and reason for any fee adjustment. Penalty and interest charges may be applicable to additional amounts owed the Commission by reason of the adjustment. The company may file a written request for a refund of any overpayments. The request should be directed to Fiscal Services at the below-referenced address.
6. **MAILING INSTRUCTIONS:** Please complete this form, make a copy for your file, and return the original in the enclosed preaddressed envelope. Use of this envelope should assure a more accurate and expeditious recording of your payment. **Make your check payable to the Florida Public Service Commission.** If you are unable to use the enclosed envelope, please address your remittance as follows:

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

ATTENTION: Fiscal Services



**Florida Telecommunications Relay, Inc.
Monthly Surcharge Collection Report**

Date: _____

Company Name: _____

For Period: _____

Date surcharge remitted to fund administrator (FTRJ): _____

Payment method: _____ Check _____ Transfer Payment

Number of access lines billed: _____

Were any of the access lines pro-rated the surcharge? _____

- | | |
|--|----------|
| 1. Total surcharge billed | \$ _____ |
| 2. Less surcharge not collected | \$ _____ |
| 3. Plus surcharge collected attributed to prior period | \$ _____ |
| 4. Subtotal | \$ _____ |
| 5. Less 1% of surcharge collected | \$ _____ |
| 6. Total amount remitted to fund administrator | \$ _____ |

Prepared By: _____
(Please Print Clearly)

Phone: _____

Please remit report to:

Attn: Accounts Receivable Department
Florida Telecommunications Relay, Inc.
1311 N. Paul Russell Road, Suite 101-B
Tallahassee, FL 32301-4860
Phone: (850) 671-2998

FLORIDA COLLEGE, INC.

Consolidated

Financial Statements

and

Auditor's Report

May 31, 1999

ALAN K. GEER, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

TAMPA, FLORIDA

FLORIDA COLLEGE, INC.
INDEX TO FINANCIAL STATEMENTS
MAY 31, 1999

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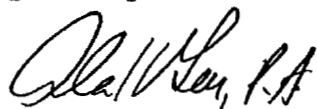
Independent Auditor's Report

The Board of Directors
Florida College, Inc.
Temple Terrace, Florida

We have audited the accompanying Consolidated Statement of Financial Position of Florida College, Inc. as of May 31, 1999 and the related Consolidated Statements of Activities and Cash Flows for the year then ended. These financial statements are the responsibility of the Institution's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of Florida College, Inc. as of May 31, 1999, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.



Tampa, Florida
January 10, 2000

FLORIDA COLLEGE, INC.
Consolidated Statement of Financial Position
May 31, 1999

	Total All Funds
Assets:	
Cash and cash equivalents	\$323,730.04
Accounts receivable (net of allowance of \$289,239 for uncollectible accounts)	309,900.17
Pledges receivable	1,638,445.83
Notes receivable	984,705.87
Inventories	205,292.93
Investments:	
Securities	12,174,820.64
Mortgages	435,927.39
Undeveloped land	18,000.00
Prepaid expenses	106,991.08
Land and Fixed Assets (Net)	14,374,955.62
Total assets	\$30,572,769.57
Liabilities and net assets:	
Accounts payable	\$243,176.02
Customer prepayments and deposits	132,377.05
Accrued liabilities and other payables	645,636.53
Notes and leases payable	63,343.02
Retirement liability	521,046.62
Assets held in trust for agencies	612,058.13
Total liabilities	\$2,217,637.37
Net Assets:	
Unrestricted	\$14,592,095.28
Temporarily restricted	2,533,870.28
Permanently restricted	11,229,166.64
Total net assets	\$28,355,132.20
Total liabilities and net assets	\$30,572,769.57

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

FLORIDA COLLEGE, INC.
Consolidated Statement of Activities
For the Year Ended May 31, 1999

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains, and other support:				
Student tuition and fees	\$4,082,764.84			\$4,082,764.84
Auxiliary enterprise revenues	2,571,428.15			2,571,428.15
Contributions and bequests	1,013,689.03	1,446,009.91	116,738.01	2,576,436.95
Pledges		(730,826.87)		(730,826.87)
Dividends and interest	497,645.22	13,954.83	96,169.73	607,769.78
Gain (Loss) on sales of securities-net			(4,816.33)	(4,816.33)
Adjustment to Fair Market Value	384,528.26		(129,599.28)	254,928.98
Gain on Land Sale to County		575,000.00		575,000.00
Other revenues and transfers between funds	259,799.08	(68,576.55)	69,453.59	260,676.12
Net assets released from restrictions:				
Satisfaction of program restrictions	878,136.36	(768,913.44)	(109,222.92)	0.00
Satisfaction of equipment acquisition restrictions	6,005,539.79	(6,005,539.79)		0.00
Total revenues, gains and other support	\$15,693,530.73	(\$5,538,891.91)	\$38,722.80	\$10,193,361.62
Expenses and losses:				
Program Services:				
Instruction	\$1,787,768.58			\$1,787,768.58
Library	202,538.74			202,538.74
Student services	207,162.08			207,162.08
Scholarships and student aid	1,273,362.52			1,273,362.52
Academy	826,421.38			826,421.38
Bookstore	680,721.02			680,721.02
Cafeteria	679,159.36			679,159.36
Housing	422,800.17			422,800.17
Athletics	147,165.23			147,165.23
Total Program Services	\$6,227,099.08	\$0.00	\$0.00	\$6,227,099.08
Support Services:				
General administration	\$917,485.38			\$917,485.38
Admissions and marketing	261,811.79			261,811.79
Alumni and public relations	81,111.87			81,111.87
Publications, mail and Computer Services	297,587.91			297,587.91
Plant operations	827,332.04			827,332.04
Total Support Services	\$2,385,328.99	\$0.00	\$0.00	\$2,385,328.99
Fund Raising	\$289,138.22			\$289,138.22
Rental properties	9,566.62			9,566.62
Total expenses and losses	\$8,911,132.91	\$0.00	\$0.00	\$8,911,132.91
Change in net assets	6,782,397.82	(5,538,891.91)	38,722.80	1,282,228.71
Net assets at beginning of year	7,809,697.46	8,072,762.19	11,190,443.84	27,072,903.49
Net assets at end of year	\$14,592,095.28	\$2,533,870.28	\$11,229,166.64	\$28,355,132.20

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

FLORIDA COLLEGE, INC.
Consolidated Statement of Cash Flows
For the Year Ended May 31, 1999

	Unrestricted	Temporary	Permanent	Total
<u>Cash flows from operating activities:</u>				
Change in net assets	\$6,782,397.82	(\$5,538,891.91)	\$38,722.80	\$1,282,228.71
Adjustments to reconcile change in net assets to net cash used by operating activities:				
Amortization	370,472.69			370,472.69
Cash received, restricted for capital expenditures		(1,090,864.40)		(1,090,864.40)
(Increase) decrease in interfund receivables	(423,121.20)	(32,115.70)	(1,527,249.80)	(1,982,486.70)
Increase (decrease) in interfund payables	1,560,241.86	447,521.44	(24,400.24)	1,983,363.06
(Increase) decrease in receivables, pledges	(172,990.37)	479,598.66		306,608.29
Increase (decrease) in liabilities	(111,533.47)	37,557.82	167,756.84	93,781.19
(Increase) decrease in inventories	13,047.83			13,047.83
(Increase) decrease in Perkins receivables			12,843.88	12,843.88
(Increase) decrease in prepaid assets	38,871.40			38,871.40
(Increase) decrease in assets held in trust for others			4,669.83	4,669.83
Realized (gains) or losses on sales of securities	(1,807.43)		(23,409.21)	(25,216.64)
Unrealized (gains) losses on securities	(384,303.40)	240,962.69	130,512.60	(12,828.11)
Net cash from operating activities	<u>\$7,671,275.73</u>	<u>(\$5,456,231.40)</u>	<u>(\$1,220,553.30)</u>	<u>\$994,491.03</u>
 <u>Cash flows from investing activities:</u>				
Purchases of capital assets	(\$1,507,979.70)			(\$1,507,979.70)
Purchases of Investments	(163,299.70)	(549,308.39)	(2,285,013.99)	(2,997,622.08)
Proceeds from sale of Investments	68,865.43		1,955,222.25	2,024,087.68
Increase (decrease) in invested cash and equivalents	106,301.20		1,472,753.30	1,579,054.50
Payments on Mortgages	28,685.61		86,982.49	115,668.10
Net change in cash from investing activities	<u>(\$1,467,427.16)</u>	<u>(\$549,308.39)</u>	<u>\$1,229,944.05</u>	<u>(\$786,791.50)</u>
 <u>Cash flows from financing activities:</u>				
Proceeds from borrowings	\$48,033.42			\$48,033.42
Payments on notes receivable	(15,893.42)			(15,893.42)
Net cash flows from financing activities	<u>\$32,140.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$32,140.00</u>
Transfers to (from) other funds	(6,005,539.79)	6,005,539.79		0.00
Net Change in cash and cash equivalents	\$230,448.78	\$0.00	\$9,390.75	\$239,839.53
Cash and cash equivalents at beginning of year	66,202.71	0.00	17,687.80	83,890.51
Cash and cash equivalents at end of year	<u>\$296,651.49</u>	<u>\$0.00</u>	<u>\$27,078.55</u>	<u>\$323,730.04</u>

Supplemental disclosures:

Cash paid for interest was \$199,171.58 for the period June 1, 1998 to May 31, 1999.

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

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 1999

NOTE A - NATURE OF ACTIVITIES

Florida College, Inc. (the College) is a four year liberal arts college located on a 124 acre campus in Temple Terrace Florida. The college was chartered in 1946 and was a two year institution until 1996, at which time it was accredited as a four year institution. The College has an enrollment of approximately 460 students of which about 25% come from the state of Florida, 2% international and the balance from throughout the United States. The College is primarily supported by tuition, room, board, contributions from alumni and supporters of the College and earnings on endowments.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis and then consolidated with Florida College Foundation, Inc. as required by generally accepted accounting principles.

Principles of Consolidation

The consolidated financial statements include the accounts of Florida College, Inc. and Florida College Foundation, Inc. The two related entities are consolidated because the College has both an economic interest in and control of the Foundation through a majority voting interest in its governing board. All material interorganizational transactions have been eliminated.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under those provisions, net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions as follows:

- * Unrestricted net assets -- Net assets that are not subject to donor-imposed stipulations.
- * Temporary restricted net assets -- Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the College pursuant to those stipulations or that expire by the passage of time.
- * Permanently restricted net assets -- Net assets subject to donor-imposed stipulations that they be maintained permanently by the College. Generally, the donors of such assets permit the College to use all or part of the income earned on the assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates primarily because of pledges, depreciation and estimated uncollectible accounts for receivables and pledges.

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 1999

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash equivalents include time deposits, certificates of deposits, and all highly liquid debt instruments with original maturities of three months or less, except for investments purchased with endowment assets or other restricted deposits which are classified as long-term investments.

Investments

Investments in marketable securities are stated at fair market value. Real estate investments are stated primarily at current appraised value. Investment income is distributed as appropriate when restrictions are met during the period.

Inventory

Inventory is stated at the lower of cost or market, using the first-in, first-out method.

Land, Buildings and Equipment

Land, buildings and equipment are stated primarily at cost less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets (5 to 40 years). Expenditures for new construction, major renewals and replacements, and equipment costing over \$200 are capitalized.

Fair value of Financial Instruments

The carrying amounts of cash and cash equivalents and unconditional promises to give, (Pledges) to be received in less than one year approximate their fair value because of the short maturity of those financial instruments. The fair value of pledges to be received in more than one year is estimated based on future cash flows discounted at 8% to present value and further adjusted downward 10% to net realizable value for estimated uncollectible accounts. See note C. The fair value of long-term investments and deposits with trustees are based upon values provided by an external investment manager. In those cases where such market values are not available, historical cost is used as an estimate of market value.

A reasonable estimate of the fair value of the loans to students under government loan programs could not be made because notes receivable are not salable and can only be assigned to the U.S. government or its designees; the fair value of notes receivable from students under the College loan programs approximates carrying value.

The carrying amount of notes payable approximates fair value because those financial instruments bear interest at rates that approximate current market rates for notes with similar maturities and credit quality.

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 1999

The College's financial instruments at May 31, 1999 are summarized as follows:

	Carrying Amount	Fair Value
Financial Assets:		
Cash and cash equivalents	\$323,730.04	\$323,730.04
Accounts receivable	309,900.17	309,900.17
Pledges receivable	1,638,445.83	1,638,445.83
Student Loans	484,705.87	unknown
Notes, Loans and mortgages	935,927.39	935,927.39
Land investments	18,000.00	18,000.00
Investments and other securities	12,174,820.64	12,174,820.64
Financial Liabilities:		
Long-term debt	34,369.24	34,369.24
Retirement liability	521,046.62	521,046.62
U.S. Government loan funds	486,823.20	unknown

Income Taxes

The College is a nonprofit organization that is exempt from federal income tax under Internal Revenue Code Section 501 (c)3. Tax returns are filed for all unrelated business income.

Contributions

The College accounts for contributions in accordance with the recommendations of the FASB in SFAS No. 116, Accounting for Contributions Received and Contributions Made. Contributions, including unconditional promises to give (Pledges) are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at 8%, a discount rate commensurate with the risks involved. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fund-raising activity. Estates and bequests are not recognized as revenue until funds are received due to the difficulty of determining the value and timing of such events.

NOTE C -- PROMISES TO GIVE (PLEDGES)

Promises to give expected to be collected in:	
Less than one year	\$652,880.33
One to five years	1,333,656.47
More than five years	0.00
Total	1,986,536.80
Less discount at 8%	(166,041.43)
Less allowance for uncollectible	(182,049.54)
Net pledges receivable	\$1,638,445.83

Conditional promises to give at May 31, 1999, totaled \$349,943.86. The College has also received stock valued at \$2,196,365.42 at the date of the gift. This stock having a fair market value at May 31, 1999 of \$1,853,085.00 has been classified as temporarily restricted securities until they are redeemed for cash.

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 1999

NOTE D – SECURITIES

Securities are recorded at fair market value. The historical cost and fair value at May 31, 1999, is as follows:

	<u>Cost</u>	<u>Market Value</u>
Securities:		
Cash and cash equivalents	\$234,336.32	\$234,336.32
Corporate bonds	2,880,819.96	2,839,050.60
Government Backed Securities	4,307,441.13	4,301,179.51
Stock	3,862,081.88	4,704,718.13
Annuities	95,536.08	95,536.08
Total securities	<u>\$11,380,215.37</u>	<u>\$12,174,820.64</u>

NOTE E – LAND, BUILDINGS AND EQUIPMENT

Land, Buildings and equipment consisted of the following at May 31, 1999:

Land and improvements	\$546,738.31
Buildings and improvements	10,710,655.24
Equipment, vehicles, furniture and fixtures	2,749,055.76
Library Books	1,131,391.47
Total Fixed Assets	<u>15,137,840.78</u>
Less: Accumulated Depreciation	762,885.16
Land, buildings and equipment, net	<u>\$14,374,955.62</u>

NOTE F – LONG-TERM DEBT

Long-term debt consisted of the following at May 31, 1999:

Note payable to the Florida College Foundation, 9.5%, unsecured due on demand.	\$677,140.84
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This loan is eliminated in the consolidated statement of financial position shown on page 2.

NOTE G – LEASES

Future minimum lease payments under capital lease obligations as of May 31, 1999 is as follows:

Due by May 31, 2000	10,433.78
Total Minimum Lease Payments	<u>\$10,433.78</u>

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 1999

NOTE H -- RESTRICTIONS ON NET ASSETS

Net assets released from restrictions during the period from June 1, 1998 to May 31, 1999 were comprised of the following:

Instructional support	\$75,622.70
Library support	5,102.00
Student Services	10,041.36
Athletics	3,500.00
Auxiliaries	2,320.00
Operational & Maintenance	36,865.52
Academy	50,189.78
Fund raising & institutional support	89,497.30
Scholarships provided	604,997.70
Total use of restricted funds released	<u>\$878,136.36</u>

Temporarily restricted net assets at May 31, 1999, are available for the following purposes:

Future capital construction	\$549,308.39
Other endowments and operations	1,443,018.74
Scholarship endowments	541,543.15
Total temporary restricted net assets	<u>\$2,533,870.28</u>

Permanently restricted net assets consist of the following at May 31, 1999:

Endowment funds with money managers	\$8,970,828.60
Loans, mortgages, other	2,231,259.49
Donor restricted loan funds	27,078.55
Total permanently restricted net assets	<u>\$11,229,166.64</u>

NOTE I -- PENSION PLAN

The college maintains a retirement plan (Florida College Retirement Plan and Trust) covering substantially all full-time and some part-time employees. Contributions are made into the plan based upon eligible wages earned during the year less any forfeitures. The past service liability is funded at the discretion of the Board of Directors with all current retirees being paid in full. Total pension expense for the year ended May 31, 1999, was \$113,965.75.

NOTE J -- DEVELOPMENT EXPENSES

The College incurred expenses amounting to \$236,243.14 related to development and fund-raising. This amount includes \$55,773.20 for the operation of the capital campaign and is included in the Fund Raising expenses in the accompanying statement of activities.

NOTE K -- SUPPLEMENTARY INFORMATION

The College has elected to use the single column Statement of Financial Position in this report. The College has also provided, as supplementary information, a Statement of Financial Position using a higher level of disaggregation in conformity with the AICPA Audit Guide for Funds Group Disaggregation. This statement does not include material eliminations between fund groups or between the consolidated entities because such eliminations would create an out of balance condition within fund groups. Had the eliminations been reflected in this statement, notes receivable and notes payable would have been reduced by \$677,140.84 and the interfund receivable and liabilities would have been reduced by \$4,686,258.65. See page 11 of this report.

SUPPLEMENTARY

INFORMATION

Independent Auditor's Report

The Board of Directors
Florida College
Temple Terrace, Florida

Our report on the audit of the basic financial statements of Florida College, Inc. for May 31, 1999 appears on page one. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Report is presented for purposes of additional analysis and is not a required part of the basic financial statements. See Note K on page nine of this report. Such information has been subjected to the auditing procedures applied in the audit 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.

Alan K. Geer, PA

Tampa, Florida

January 10, 2000

FLORIDA COLLEGE, INC.
Consolidated Statement of Financial Position
May 31, 1999

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total All Funds
Assets:				
Cash and cash equivalents	\$296,651.49		\$27,078.55	\$323,730.04
Accounts receivable (net of allowance of \$289,239 for uncollectible accounts)	309,900.17			309,900.17
Pledges receivable		1,638,445.83		1,638,445.83
Notes receivable	207,140.84		1,454,705.87	1,661,846.71
Inventories	205,292.93			205,292.93
Investments:				
Securities	993,053.80	2,607,486.96	8,574,279.88	12,174,820.64
Mortgages	224,522.95		211,404.44	435,927.39
Undeveloped land	18,000.00			18,000.00
Prepaid expenses	106,991.08			106,991.08
Due from other funds	2,143,684.09	275,448.75	2,267,125.81	4,686,258.65
Land and Fixed Assets (Net)	14,374,955.62			14,374,955.62
Total assets	\$18,880,192.97	\$4,521,381.54	\$12,534,594.55	\$35,936,169.06
Liabilities and net assets:				
Accounts payable	\$243,176.02			\$243,176.02
Customer prepayments and deposits	132,377.05			132,377.05
Accrued liabilities and other payables	108,439.58	205,093.57	332,103.38	645,636.53
Notes and leases payable	740,483.86			740,483.86
Due to other funds	2,542,574.56	1,677,432.92	466,251.17	4,686,258.65
Retirement liability	521,046.62			521,046.62
Assets held in trust for agencies		104,984.77	507,073.36	612,058.13
Total liabilities	\$4,288,097.69	\$1,987,511.26	\$1,305,427.91	\$7,581,036.86
Net Assets:				
Unrestricted	\$14,592,095.28			\$14,592,095.28
Temporarily restricted		2,533,870.28		2,533,870.28
Permanently restricted			11,229,166.64	11,229,166.64
Total net assets	\$14,592,095.28	\$2,533,870.28	\$11,229,166.64	\$28,355,132.20
Total liabilities and net assets	\$18,880,192.97	\$4,521,381.54	\$12,534,594.55	\$35,936,169.06

See accountants report on supplementary information

FLORIDA COLLEGE, INC.

Consolidated

Financial Statements

and

Auditor's Report

May 31, 2000

ALAN K. GEER, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

TAMPA, FLORIDA

FLORIDA COLLEGE, INC.
INDEX TO FINANCIAL STATEMENTS
MAY 31, 2000

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Independent Auditor's Report

The Board of Directors
Florida College, Inc.
Temple Terrace, Florida

We have audited the accompanying Consolidated Statement of Financial Position of Florida College, Inc. as of May 31, 2000 and the related Consolidated Statements of Activities and Cash Flows for the year then ended. These financial statements are the responsibility of the Institution's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of Florida College, Inc. as of May 31, 2000, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.



Tampa, Florida
January 17, 2001

FLORIDA COLLEGE, INC.
Consolidated Statement of Financial Position
May 31, 2000

	Total All Funds
Assets:	
Cash and cash equivalents	\$688,359.47
Accounts receivable (net of allowance of \$43,782.20 for uncollectible accounts)	109,405.21
Pledges receivable	1,381,232.13
Notes receivable	996,751.15
Inventories	203,535.08
Investments:	
Securities	11,345,642.85
Mortgages	404,515.58
Undeveloped land	18,000.00
Prepaid expenses	104,765.45
Land and Fixed Assets (Net)	13,966,994.66
Total assets	\$29,219,201.58
Liabilities and net assets:	
Accounts payable	\$86,031.04
Customer prepayments and deposits	84,625.00
Accrued liabilities and other payables	646,909.61
Notes and leases payable	35,126.11
Retirement liability	412,442.66
Assets held in trust for agencies	575,059.07
Total liabilities	\$1,840,193.49
Net Assets:	
Unrestricted	\$14,091,995.21
Temporarily restricted	2,197,739.07
Permanently restricted	11,089,273.81
Total net assets	\$27,379,008.09
Total liabilities and net assets	\$29,219,201.58

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

FLORIDA COLLEGE, INC.
Consolidated Statement of Activities
For the Year Ended May 31, 2000

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains, and other support:				
Student tuition and fees	\$4,570,857.66			\$4,570,857.66
Auxiliary enterprise revenues	2,809,846.69			2,809,846.69
Contributions and bequests	328,330.78	3,908,433.05	257,909.64	4,494,673.47
Pledges		(2,110,298.70)		(2,110,298.70)
Dividends and interest	499,283.09	44,809.97	90,621.43	634,714.49
Gain (Loss) on sales of securities-net			910.42	910.42
Adjustment to Fair Market Value	(76,038.69)	(1,203,444.62)	(458,688.99)	(1,738,172.30)
Other revenues and transfers between funds	249,893.49	(65,989.80)	65,989.80	249,893.49
Net assets released from restrictions:				
Satisfaction of program restrictions	1,005,742.54	(909,641.11)	(96,101.43)	0.00
Total revenues, gains and other support	\$9,387,915.56	(\$336,131.21)	(\$139,359.13)	\$8,912,425.22
Expenses and losses:				
Program Services:				
Instruction	\$2,082,587.54			\$2,082,587.54
Library	222,469.97			222,469.97
Student services	214,636.35			214,636.35
Scholarships and student aid	1,384,311.53			1,384,311.53
Academy	829,476.94			829,476.94
Bookstore	705,323.92			705,323.92
Cafeteria	693,739.89			693,739.89
Housing	463,778.27			463,778.27
Athletics	179,738.28			179,738.28
Total Program Services	\$6,776,062.69	\$0.00	\$0.00	\$6,776,062.69
Support Services:				
General administration	\$1,129,568.74			\$1,129,568.74
Admissions and marketing	292,186.64			292,186.64
Alumni and public relations	84,200.37			84,200.37
Publications, mail and Computer Services	322,221.91			322,221.91
Plant operations	933,251.44			933,251.44
Total Support Services	\$2,761,429.10	\$0.00	\$0.00	\$2,761,429.10
Fund Raising	\$342,214.44			\$342,214.44
Rental properties	8,309.40			8,309.40
Total expenses and losses	\$9,888,015.63	\$0.00	\$0.00	\$9,888,015.63
Change in net assets	(500,100.07)	(336,131.21)	(139,359.13)	(975,590.41)
Net assets at beginning of year	14,592,095.28	2,533,870.28	11,228,632.94	28,354,598.50
Net assets at end of year	\$14,091,995.21	\$2,197,739.07	\$11,089,273.81	\$27,379,008.09

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

FLORIDA COLLEGE, INC.
Consolidated Statement of Cash Flows
For the Year Ended May 31, 2000

	Unrestricted	Temporary	Permanent	Total
Cash flows from operating activities:				
Change in net assets	(\$500,100.07)	(\$336,131.21)	(\$139,359.13)	(\$975,590.41)
Adjustments to reconcile change in net assets to net cash used by operating activities:				
Depreciation	527,533.59			527,533.59
Cash received, restricted for capital expenditures		(282,653.40)		(282,653.40)
(Increase) decrease in interfund receivables	183,039.87	(295,045.30)	(16,376.79)	(128,382.22)
Increase (decrease) in interfund payables	315,865.31	(239,449.45)	56,409.58	132,825.44
(Increase) decrease in receivables, pledges	196,803.50	257,213.70		454,017.20
Increase (decrease) in liabilities	(320,022.13)	(33,134.81)	4,405.21	(348,751.73)
(Increase) decrease in inventories	1,757.85			1,757.85
(Increase) decrease in Perkins receivables			(16,488.50)	(16,488.50)
(Increase) decrease in prepaid assets	2,225.63			2,225.63
(Increase) decrease in assets held in trust for others			(475.24)	(475.24)
Realized (gains) or losses on sales of securities	287.49		1,032.08	1,319.57
Unrealized (gains) losses on securities	76,038.69	856,751.32	458,688.99	1,391,479.00
Net cash from operating activities	\$483,429.73	(\$72,449.15)	\$347,836.20	\$758,816.78
Cash flows from investing activities:				
Purchases of capital assets	(\$119,572.63)			(\$119,572.63)
Purchases of Investments	(20,108.02)	(210,204.25)	(752,485.38)	(982,797.65)
Proceeds from sale of Investments	54,597.35		1,277,465.09	1,332,062.44
Increase (decrease) in invested cash and equivalents	(7,052.22)		(906,367.05)	(913,419.27)
Payments on Mortgages	19,381.19		12,030.62	31,411.81
Net change in cash from investing activities	(\$72,754.33)	(\$210,204.25)	(\$369,356.72)	(\$652,315.30)
Cash flows from financing activities:				
Proceeds from contributions restricted for:				
Investments in fixed assets		\$282,653.40		282,653.40
Payments on notes receivable	(24,525.45)			(24,525.45)
Net cash flows from financing activities	(\$24,525.45)	\$282,653.40	\$0.00	\$258,127.95
Net Change in cash and cash equivalents	\$386,149.95	\$0.00	(\$21,520.52)	\$364,629.43
Cash and cash equivalents at beginning of year	296,651.49	0.00	27,078.55	323,730.04
Cash and cash equivalents at end of year	\$682,801.44	\$0.00	\$5,558.03	\$688,359.47

Supplemental disclosures:

Cash paid for interest was \$222,716.66 for the period June 1, 1999 to May 31, 2000.

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

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 2000

NOTE A - NATURE OF ACTIVITIES

Florida College, Inc. (the College) is a four year liberal arts college located on a 124 acre campus in Temple Terrace Florida. The college was chartered in 1946 and was a two year institution until 1996, at which time it was accredited as a four year institution. The College has an enrollment of approximately 500 students of which about 25% come from the state of Florida, 2% international and the balance from throughout the United States. The College is primarily supported by tuition, room, board, contributions from alumni and supporters of the College and earnings on endowments.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis and then consolidated with Florida College Foundation, Inc. as required by generally accepted accounting principles.

Principles of Consolidation

The consolidated financial statements include the accounts of Florida College, Inc. and Florida College Foundation, Inc. The two related entities are consolidated because the College has both an economic interest in and control of the Foundation through a majority voting interest in its governing board. All material interorganizational transactions have been eliminated.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under those provisions, net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions as follows:

- * Unrestricted net assets -- Net assets that are not subject to donor-imposed stipulations.
- * Temporary restricted net assets -- Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the College pursuant to those stipulations or that expire by the passage of time.
- * Permanently restricted net assets -- Net assets subject to donor-imposed stipulations that they be maintained permanently by the College. Generally, the donors of such assets permit the College to use all or part of the income earned on the assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates primarily because of pledges, depreciation, estimated uncollectible accounts for receivables, and pledges.

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 2000

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash equivalents include time deposits, certificates of deposits, and all highly liquid debt instruments with original maturities of three months or less, except for investments purchased with endowment assets or other restricted deposits which are classified as long-term investments.

Investments

The College has adopted SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations." Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Inventory

The Bookstore inventory is stated at the lower of cost or market, using the first-in, first-out method.

Land, Buildings and Equipment

Land, buildings and equipment are stated primarily at cost less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets (5 to 40 years). Expenditures for new construction, major renewals, replacements, and equipment costing over \$1000 are capitalized.

Fair value of Financial Instruments

The carrying amounts of cash and cash equivalents and unconditional promises to give, (Pledges) to be received in less than one year approximate their fair value because of the short maturity of those financial instruments. The fair value of pledges to be received in more than one year is estimated based on future cash flows discounted at 8% to present value and further adjusted downward 10% to net realizable value for estimated uncollectible accounts. See note C. .
The fair value of long-term investments and deposits with trustees are based upon values provided by an external investment manager. In those cases where such market values are not available, historical cost is used as an estimate of market value.

A reasonable estimate of the fair value of the loans to students under government loan programs could not be made because notes receivable are not salable and can only be assigned to the U.S. government or its designees; the fair value of notes receivable from students under the College loan programs approximates carrying value.

The carrying amount of notes payable approximates fair value because those financial instruments bear interest at rates that approximate current market rates for notes with similar maturities and credit quality.

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 2000

The College's financial instruments at May 31, 2000 are summarized as follows:

	Carrying Amount	Fair Value
Financial Assets:		
Cash and cash equivalents	\$688,359.47	\$688,359.47
Accounts receivable	109,405.21	109,405.21
Pledges receivable	1,381,232.13	1,381,232.13
Student Loans	496,751.15	unknown
Notes, Loans and mortgages	904,515.58	904,515.58
Land investments	18,000.00	18,000.00
Investments and other securities	11,345,642.85	11,345,642.85
Financial Liabilities:		
Long-term debt	17,327.01	17,327.01
Retirement liability	412,442.66	412,442.66
U.S. Government loan funds	481,791.18	unknown

Income Taxes

The College is a nonprofit organization that is exempt from federal income tax under Internal Revenue Code Section 501 (c)3. Tax returns are filed for all unrelated business income.

Contributions

The College accounts for contributions in accordance with the recommendations of the FASB in SFAS No. 116, Accounting for Contributions Received and Contributions Made. Contributions, including unconditional promises to give (Pledges) are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at 8%, a discount rate commensurate with the risks involved. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fund-raising activity. Estates and bequests are not recognized as revenue until funds are received due to the difficulty of determining the value and timing of such events.

NOTE C -- PROMISES TO GIVE (PLEDGES)

Promises to give expected to be collected in:	
Less than one year	\$781,422.37
One to five years	880,000.00
More than five years	0.00
Total	1,661,422.37
Less discount at 8%	(126,720.00)
Less allowance for uncollectible	(153,470.24)
Net pledges receivable	\$1,381,232.13

Conditional promises to give at May 31, 2000, were \$349,943.86.

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 2000

NOTE D -- SECURITIES

Securities are recorded at fair market value. The historical cost and fair value at May 31, 2000, is as follows:

	<u>Book Value</u>	<u>Market Value</u>
Securities:		
Cash and cash equivalents	\$1,453,849.56	\$1,453,849.56
Corporate bonds	2,856,089.80	2,581,795.53
Government Backed Securities	3,417,635.56	3,314,800.81
Stock	4,822,353.27	3,899,660.87
Annuities	95,536.08	95,536.08
Total securities	<u>\$12,645,464.27</u>	<u>\$11,345,642.85</u>

NOTE E -- LAND, BUILDINGS AND EQUIPMENT

Land, Buildings and equipment consisted of the following at May 31, 2000:

Land and improvements	\$546,738.31
Buildings and improvements	10,746,770.24
Equipment, vehicles, furniture and fixtures	2,793,920.37
Library Books	1,169,984.49
Total Fixed Assets	<u>15,257,413.41</u>
Less: Accumulated Depreciation	<u>1,290,418.75</u>
Land, buildings and equipment, net	<u>\$13,966,994.66</u>

NOTE F -- LONG-TERM DEBT

Long-term debt consisted of the following at May 31, 2000:

Note payable to the Florida College Foundation, unsecured due on demand, with interest at prime.	\$680,832.30
--	--------------

This loan is eliminated in the consolidated statement of financial position shown on page 2.

Note payable to Ford Motor Company, due in monthly installments of \$1,462.28 at an annual rate of 1.9%, secured by the truck.	\$34,369.24
--	-------------

Future scheduled maturities of long-term debt are as follows:

Years ending May 31:	
2001	\$17,042.23
2002	\$17,327.01
	<u>\$34,369.24</u>

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 2000

NOTE G -- RESTRICTIONS ON NET ASSETS

Net assets released from restrictions during the period from June 1, 1999 to May 31, 2000 were comprised of the following:

Instructional support	\$68,799.45
Library support	5,102.00
Student Services	2,154.27
Athletics	8,069.45
Auxiliaries	2,320.00
Operational & Maintenance	54,231.09
Academy	27,137.00
Fund raising & institutional support	213,670.36
Scholarships provided	629,807.22
Total use of restricted funds released	<u>\$1,011,290.84</u>

Temporarily restricted net assets at May 31, 2000, are available for the following purposes:

Future capital construction	\$826,352.70
Other endowments and operations	1,108,393.66
Scholarships	262,992.71
Total temporary restricted net assets	<u>\$2,197,739.07</u>

Permanently restricted net assets consist of the following at May 31, 2000:

Endowment funds with money managers	\$8,495,412.45
Loans, mortgages, other	2,588,303.33
Donor restricted loan funds	5,558.03
Total permanently restricted net assets	<u>\$11,089,273.81</u>

NOTE H -- PENSION PLAN

The college maintains a retirement plan (Florida College Retirement Plan and Trust) covering substantially all full-time and some part-time employees. Contributions are made into the plan based upon eligible wages earned during the year less any forfeitures. The past service liability is funded at the discretion of the Board of Directors with all current retirees being paid in full. The current service liability for the current year was \$117,601.86.

NOTE I -- SUPPLEMENTARY INFORMATION

The College has elected to use the single column Statement of Financial Position in this report. The College has also provided, as supplementary information, a Statement of Financial Position using a higher level of disaggregation in conformity with the AICPA Audit Guide for Funds Group Disaggregation. This statement does not include material eliminations between fund groups or between the consolidated entities because such eliminations would create an out of balance condition within fund groups. Had the eliminations been reflected in this statement, notes receivable and notes payable would have been reduced by \$680,832.30 and the interfund receivable and liabilities would have been reduced by \$4,819,084.09. See page 11 of this report.

SUPPLEMENTARY INFORMATION

ALAN K. GEER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

7401 D Temple Terrace Hwy.
Temple Terrace, Florida 33637

(813) 988-9564
(800) 940-9564
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Independent Auditor's Report

The Board of Directors
Florida College
Temple Terrace, Florida

Our report on the audit of the basic financial statements of Florida College, Inc. for May 31, 2000 appears on page one. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Report is presented for purposes of additional analysis and is not a required part of the basic financial statements. See Note I on page nine of this report. Such information has been subjected to the auditing procedures applied in the audit 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.



Alan K. Geer, PA

Tampa, Florida

January 17, 2001

FLORIDA COLLEGE, INC.
Consolidated Statement of Financial Position
May 31, 2000

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total All Funds
Assets:				
Cash and cash equivalents	\$682,801.44		\$5,558.03	\$688,359.47
Accounts receivable (net of allowance of \$43,782.20 for uncollectible accounts)	109,405.21			109,405.21
Pledges receivable		1,381,232.13		1,381,232.13
Notes receivable	210,832.30		1,466,751.15	1,677,583.45
Inventories	203,535.08			203,535.08
Investments:				
Securities	889,290.51	1,960,939.89	8,495,412.45	11,345,642.85
Mortgages	205,141.76		199,373.82	404,515.58
Undeveloped land	18,000.00			18,000.00
Prepaid expenses	104,765.45			104,765.45
Due from other funds	1,960,644.22	570,494.05	2,287,945.82	4,819,084.09
Land and Fixed Assets (Net)	13,966,994.66			13,966,994.66
Total assets	\$18,351,410.63	\$3,912,666.07	\$12,455,041.27	\$34,719,117.97
Liabilities and net assets:				
Accounts payable	\$86,031.04			\$86,031.04
Customer prepayments and deposits	84,625.00			84,625.00
Accrued liabilities and other payables	101,918.44	208,482.58	336,508.59	646,909.61
Notes and leases payable	715,958.41			715,958.41
Due to other funds	2,858,439.87	1,437,983.47	522,660.75	4,819,084.09
Retirement liability	412,442.66			412,442.66
Assets held in trust for agencies		68,460.95	506,598.12	575,059.07
Total liabilities	\$4,259,415.42	\$1,714,927.00	\$1,365,767.46	\$7,340,109.88
Net Assets:				
Unrestricted	\$14,091,995.21			\$14,091,995.21
Temporarily restricted		2,197,739.07		2,197,739.07
Permanently restricted			11,089,273.81	11,089,273.81
Total net assets	\$14,091,995.21	\$2,197,739.07	\$11,089,273.81	\$27,379,008.09
 Total liabilities and net assets	 \$18,351,410.63	 \$3,912,666.07	 \$12,455,041.27	 \$34,719,117.97

See accountants report on supplementary information

FLORIDA COLLEGE, INC.

Consolidated

Financial Statements

and

Auditor's Report

May 31, 2001

ALAN K. GEER, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

TAMPA, FLORIDA

FLORIDA COLLEGE, INC.
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MAY 31, 2001

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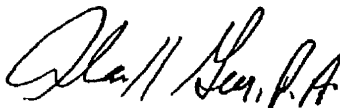
Independent Auditor's Report

The Board of Directors
Florida College, Inc.
Temple Terrace, Florida

We have audited the accompanying Consolidated Statement of Financial Position of Florida College, Inc. as of May 31, 2001 and the related Consolidated Statements of Activities and Cash Flows for the year then ended. These financial statements are the responsibility of the Institution's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of Florida College, Inc. as of May 31, 2001, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Tampa, Florida
September 6, 2001

FLORIDA COLLEGE, INC.
Consolidated Statement of Financial Position
May 31, 2001

	<u>Total All Funds</u>
Assets:	
Cash and cash equivalents	\$298,692.87
Accounts receivable (net of allowance of \$64,185.71 for uncollectible accounts)	114,339.56
Pledges receivable	1,418,866.78
Notes receivable	1,000,725.57
Inventories	228,963.55
Investments:	
Securities	12,796,267.41
Mortgages	342,730.24
Undeveloped land	18,000.00
Prepaid expenses	131,201.40
Land and Fixed Assets (Net)	14,051,680.28
Total assets	<u><u>\$30,401,467.66</u></u>
Liabilities and net assets:	
Accounts payable	\$218,733.83
Customer prepayments and deposits	90,305.00
Accrued liabilities and other payables	1,000,377.76
Notes and leases payable	17,327.01
Retirement liability	353,705.87
Assets held in trust for agencies	602,013.20
Total liabilities	<u>\$2,282,462.67</u>
Net Assets:	
Unrestricted	\$13,705,503.30
Temporarily restricted	2,870,397.46
Permanently restricted	11,543,104.23
Total net assets	<u>\$28,119,004.99</u>
Total liabilities and net assets	<u><u>\$30,401,467.66</u></u>

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

FLORIDA COLLEGE, INC.
Consolidated Statement of Activities
For the Year Ended May 31, 2001

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains, and other support:				
Student tuition and fees	\$4,911,323.40			\$4,911,323.40
Auxiliary enterprise revenues	2,819,433.48			2,819,433.48
Contributions and bequests	480,051.36	1,456,141.11	54,619.18	1,990,811.65
Pledges		37,634.65		37,634.65
Dividends and interest	516,576.07	43,130.02	92,825.84	652,531.93
Gain (Loss) on sales of securities-net			(19,214.39)	(19,214.39)
Unrealized gains/losses on securities	111,037.22	629,733.21	374,153.45	1,114,923.88
Other revenues and transfers between funds	224,764.02	(43,946.34)	43,946.34	224,764.02
Net assets released from restrictions:				
Satisfaction of program restrictions	1,117,565.26	(1,025,065.26)	(92,500.00)	0.00
Satisfaction of capital acquisition restrictions	424,969.00	(424,969.00)		0.00
Total revenues, gains and other support	\$10,605,719.81	\$672,658.39	\$453,830.42	\$11,732,208.62
Expenses and losses:				
Program services:				
Instruction	\$2,210,569.65			\$2,210,569.65
Library	217,477.60			217,477.60
Student services	217,591.06			217,591.06
Scholarships and student aid	1,448,892.76			1,448,892.76
Academy	862,675.59			862,675.59
Bookstore	721,099.95			721,099.95
Cafeteria	734,172.87			734,172.87
Housing	473,011.64			473,011.64
Athletics	243,469.45			243,469.45
Total Program Services	\$7,128,960.57	\$0.00	\$0.00	\$7,128,960.57
Support services:				
General administration	\$1,586,211.19			\$1,586,211.19
Admissions and marketing	317,369.91			317,369.91
Alumni and public relations	120,521.22			120,521.22
Publications, mail and computer services	421,537.94			421,537.94
Plant operations	1,031,241.38			1,031,241.38
Total Support Services	\$3,476,881.64	\$0.00	\$0.00	\$3,476,881.64
Fund raising	\$383,041.15			\$383,041.15
Rental properties	3,328.36			3,328.36
Total expenses and losses	\$10,992,211.72	\$0.00	\$0.00	\$10,992,211.72
Change in net assets	(386,491.91)	672,658.39	453,830.42	739,996.90
Net assets at beginning of year	14,091,995.21	2,197,739.07	11,089,273.81	27,379,008.09
Net assets at end of year	\$13,705,503.30	\$2,870,397.46	\$11,543,104.23	\$28,119,004.99

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

FLORIDA COLLEGE, INC.
Consolidated Statement of Cash Flows
For the Year Ended May 31, 2001

	Unrestricted	Temporary	Permanent	Total
Cash flows from operating activities:				
Change in net assets	(\$386,491.91)	\$672,658.39	\$453,830.42	\$739,996.90
Adjustments to reconcile change in net assets to net cash used by operating activities:				
Depreciation	563,957.17			563,957.17
Cash received, restricted for capital expenditures		(187,662.75)		(187,662.75)
(Increase) decrease in interfund receivables	120,986.85	335,364.53	(129,967.12)	326,384.26
Increase (decrease) in interfund payables	(205,397.41)	(86,717.63)	(34,269.22)	(326,384.26)
(Increase) decrease in receivables, pledges	13,718.35	(37,634.65)	50,983.35	27,067.05
Increase (decrease) in liabilities	373,053.29	27,039.73	55,988.86	456,081.88
(Increase) decrease in inventories	(25,428.47)			(25,428.47)
(Increase) decrease in Perkins receivables			(3,974.42)	(3,974.42)
(Increase) decrease in prepaid assets	(26,435.95)			(26,435.95)
(Increase) decrease in assets held in trust for others			3,986.40	3,986.40
Realized (gains) or losses on sales of securities			23,300.07	23,300.07
Unrealized (gains) losses on securities	(111,037.22)	(633,805.21)	(374,439.29)	(1,119,281.72)
Net cash from operating activities	<u>\$316,924.70</u>	<u>\$89,242.41</u>	<u>\$45,439.05</u>	<u>\$451,606.16</u>
Cash flows from investing activities:				
Purchases of capital assets	(\$648,642.79)			(\$648,642.79)
Purchases of Investments	(122,684.88)	(276,905.16)	(1,402,940.53)	(1,802,530.57)
Proceeds from sale of Investments	95,381.00		2,911,877.97	3,007,258.97
Increase (decrease) in invested cash and equivalents			(1,559,371.31)	(1,559,371.31)
Payments on Mortgages	48,778.54		13,006.80	61,785.34
Net change in cash from investing activities	<u>(\$627,168.13)</u>	<u>(\$276,905.16)</u>	<u>(\$37,427.07)</u>	<u>(\$941,500.36)</u>
Cash flows from financing activities:				
Proceeds from contributions restricted for:				
Capital expenditures		\$187,662.75		187,662.75
Payments on notes payable	(87,435.15)			(87,435.15)
Net cash flows from financing activities	<u>(\$87,435.15)</u>	<u>\$187,662.75</u>	<u>\$0.00</u>	<u>\$100,227.60</u>
Net Change in cash and cash equivalents	(\$397,678.58)	\$0.00	\$8,011.98	(\$389,666.60)
Cash and cash equivalents at beginning of year	682,801.44	0.00	5,558.03	688,359.47
Cash and cash equivalents at end of year	<u>\$285,122.86</u>	<u>\$0.00</u>	<u>\$13,570.01</u>	<u>\$298,692.87</u>

Supplemental disclosures:

Cash paid for interest was \$505.13 for the period June 1, 2000 to May 31, 2001.

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

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 2001

NOTE A - NATURE OF ACTIVITIES

Florida College, Inc. (the College) is a four year liberal arts college located on a 124 acre campus in Temple Terrace Florida. The college was chartered in 1946 and was a two year institution until 1996, at which time it was accredited as a four year institution. The College has an enrollment of approximately 550 students of which about 25% come from the state of Florida, 2% international and the balance from throughout the United States. The College is primarily supported by tuition, room, board, contributions from alumni and supporters of the College and earnings on endowments.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis and then consolidated with Florida College Foundation, Inc. as required by generally accepted accounting principles.

Principles of Consolidation

The consolidated financial statements include the accounts of Florida College, Inc. and Florida College Foundation, Inc. The two related entities are consolidated because the College has both an economic interest in and control of the Foundation through a majority voting interest in its governing board. All material interorganizational transactions have been eliminated.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under those provisions, net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions as follows:

- * Unrestricted net assets -- Net assets that are not subject to donor-imposed stipulations.
- * Temporary restricted net assets -- Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the College pursuant to those stipulations or that expire by the passage of time.
- * Permanently restricted net assets -- Net assets subject to donor-imposed stipulations that they be maintained permanently by the College. Generally, the donors of such assets permit the College to use all or part of the income earned on the assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates primarily because of depreciation, estimated uncollectible accounts for receivables, and pledges.

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 2001

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash equivalents include time deposits, certificates of deposits, and all highly liquid debt instruments with original maturities of three months or less, except for investments purchased with endowment assets or other restricted deposits which are classified as long-term investments.

Investments

The College has adopted SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations." Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Inventory

The Bookstore inventory is stated at the lower of cost or market, using the first-in, first-out method.

Land, Buildings and Equipment

Land, buildings and equipment are stated primarily at cost less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets (5 to 40 years). Expenditures for new construction, major renewals, replacements, and equipment costing over \$1000 are capitalized.

Fair value of Financial Instruments

The carrying amounts of cash and cash equivalents and unconditional promises to give, (Pledges) to be received in less than one year approximate their fair value because of the short maturity of those financial instruments. The fair value of pledges to be received in more than one year is estimated based on future cash flows discounted at 8% to present value and further adjusted downward 10% to net realizable value for estimated uncollectible accounts. See note C.

The fair value of long-term investments and deposits with trustees are based upon values provided by an external investment manager. In those cases where such market values are not available, historical cost is used as an estimate of market value.

A reasonable estimate of the fair value of the loans to students under government loan programs could not be made because notes receivable are not salable and can only be assigned to the U.S. government or its designees; the fair value of notes receivable from students under the College loan programs approximates carrying value.

The carrying amount of notes payable approximates fair value because those financial instruments bear interest at rates that approximate current market rates for notes with similar maturities and credit quality.

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 2001

The College's financial instruments at May 31, 2001 are summarized as follows:

	Carrying Amount	Fair Value
Financial Assets:		
Cash and cash equivalents	\$298,692.87	\$298,692.87
Accounts receivable	114,339.56	114,339.56
Pledges receivable	1,418,866.78	1,418,866.78
Student loans	500,725.57	unknown
Notes, loans and mortgages	842,730.24	842,730.24
Land investments	18,000.00	18,000.00
Investments and other securities	12,796,267.41	12,796,267.41
Financial Liabilities:		
Retirement liability	353,705.87	353,705.87
U.S. Government loan funds	493,777.58	unknown

Income Taxes

The College is a nonprofit organization that is exempt from federal income tax under Internal Revenue Code Section 501 (c)3. Tax returns are filed for all unrelated business income.

Contributions

The College accounts for contributions in accordance with the recommendations of the FASB in SFAS No. 116, Accounting for Contributions Received and Contributions Made. Contributions, including unconditional promises to give (Pledges) are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at 8%, to approximate net present value. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fund-raising activity. Estates and bequests are not recognized as revenue until funds are received due to the difficulty of determining the value and timing of such events.

NOTE C – PROMISES TO GIVE (PLEDGES)

Promises to give expected to be collected in:	
Less than one year	\$823,238.64
One to five years	880,000.00
More than five years	0.00
Total	1,703,238.64
Less discount at 8%	(126,720.00)
Less allowance for uncollectible	(157,651.86)
Net pledges receivable	\$1,418,866.78

Conditional promises to give at May 31, 2001, were \$116,659.19.

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 2001

NOTE D -- SECURITIES

Securities are recorded at fair market value. The historical cost and fair value at May 31, 2001, is as follows:

	<u>Book Value</u>	<u>Market Value</u>
Securities:		
Cash and cash equivalents	\$3,076,665.46	\$3,076,665.46
Corporate bonds	3,154,768.13	3,021,787.60
Government backed securities	1,442,291.01	1,459,506.50
Stock	4,832,144.29	5,142,771.77
Annuities	95,536.08	95,536.08
Total securities	<u>\$12,601,404.97</u>	<u>\$12,796,267.41</u>

NOTE E -- LAND, BUILDINGS AND EQUIPMENT

Land, Buildings and equipment consisted of the following at May 31, 2001:

Land and improvements	\$546,738.31
Buildings and improvements	11,168,568.24
Equipment, vehicles, furniture and fixtures	2,959,335.31
Library books	1,231,414.34
Total fixed assets	<u>15,906,056.20</u>
Less: accumulated depreciation	1,854,375.92
Land, buildings and equipment, net	<u>\$14,051,680.28</u>

NOTE F -- LONG-TERM DEBT

Long-term debt consisted of the following at May 31, 2001:

Note payable to the Florida College Foundation, unsecured due on demand, with interest at prime.	\$611,196.25
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This loan is eliminated in the consolidated statement of financial position shown on page 2.

FLORIDA COLLEGE, INC.
Notes to the Financial Statements
May 31, 2001

NOTE G -- RESTRICTIONS ON NET ASSETS

Net assets released from restrictions during the period from June 1, 2000 to May 31, 2001 were comprised of the following:

Instructional support	\$85,913.21
Support services	215,024.91
Student services	1,919.50
Athletics	10,225.00
Auxiliaries	3,330.00
Operational & maintenance	488,093.14
Academy	29,302.48
Fund raising	60,660.92
Scholarships provided	648,065.10
Total use of restricted funds released	<u>\$1,542,534.26</u>

Temporarily restricted net assets at May 31, 2001, are available for the following purposes:

Future capital construction	\$592,931.62
Other endowments and operations	1,925,791.10
Scholarships	351,674.74
Total temporary restricted net assets	<u>\$2,870,397.46</u>

Permanently restricted net assets consist of the following at May 31, 2001:

Endowment funds with money managers	\$8,896,985.54
Loans, mortgages, other	2,632,548.68
Donor restricted loan funds	13,570.01
Total permanently restricted net assets	<u>\$11,543,104.23</u>

NOTE H -- PENSION PLAN

The college maintains a retirement plan (Florida College Retirement Plan and Trust) covering substantially all full-time and some part-time employees. Contributions are made into the plan based upon eligible wages earned during the year less any forfeitures. The past service liability is funded at the discretion of the Board of Directors with all current retirees being paid in full. The current service liability for the current year was \$123,623.72.

NOTE I -- SUPPLEMENTARY INFORMATION

The College has elected to use the single column Statement of Financial Position in this report. The College has also provided, as supplementary information, a Statement of Financial Position using a higher level of disaggregation in conformity with the AICPA Audit Guide for Funds Group Disaggregation. This statement does not include material eliminations between fund groups or between the consolidated entities because such eliminations would create an out of balance condition within fund groups. Had the eliminations been reflected in this statement, notes receivable and notes payable would have been reduced by \$611,196.25 and the interfund receivable and liabilities would have been reduced by \$4,492,699.83. See page 11 of this report.

SUPPLEMENTARY INFORMATION

Independent Auditor's Report

The Board of Directors
Florida College
Temple Terrace, Florida

Our report on the audit of the basic financial statements of Florida Collegé, Inc. for May 31, 2001 appears on page one. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Report is presented for purposes of additional analysis and is not a required part of the basic financial statements. See Note I on page nine of this report. Such information has been subjected to the auditing procedures applied in the audit 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.



Tampa, Florida

September 6, 2001

FLORIDA COLLEGE, INC.
Consolidated Statement of Financial Position
May 31, 2001

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total All Funds
Assets:				
Cash and cash equivalents	\$285,122.86		\$13,570.01	\$298,692.87
Accounts receivable (net of allowance of \$64,185.71 for uncollectible accounts)	114,339.56			114,339.56
Pledges receivable		1,418,866.78		1,418,866.78
Notes receivable	192,179.60		1,419,742.22	1,611,921.82
Inventories	228,963.55			228,963.55
Investments:				
Securities	1,027,631.61	2,871,650.26	8,896,985.54	12,796,267.41
Mortgages	156,363.22		186,367.02	342,730.24
Undeveloped land	18,000.00			18,000.00
Prepaid expenses	131,201.40			131,201.40
Due from other funds	1,839,657.37	235,129.52	2,417,912.94	4,492,699.83
Land and Fixed Assets (Net)	14,051,680.28			14,051,680.28
Total assets	\$18,045,139.45	\$4,525,646.56	\$12,934,577.73	\$35,505,363.74
Liabilities and net assets:				
Accounts payable	\$218,733.83			\$218,733.83
Customer prepayments and deposits	90,305.00			90,305.00
Accrued liabilities and other payable	395,325.73	212,554.58	392,497.45	1,000,377.76
Notes and leases payable	628,523.26			628,523.26
Due to other funds	2,653,042.46	1,351,265.84	488,391.53	4,492,699.83
Retirement liability	353,705.87			353,705.87
Assets held in trust for agencies		91,428.68	510,584.52	602,013.20
Total liabilities	\$4,339,636.15	\$1,655,249.10	\$1,391,473.50	\$7,386,358.75
Net Assets:				
Unrestricted	\$13,705,503.30			\$13,705,503.30
Temporarily restricted		2,870,397.46		2,870,397.46
Permanently restricted			11,543,104.23	11,543,104.23
Total net assets	\$13,705,503.30	\$2,870,397.46	\$11,543,104.23	\$28,119,004.99
Total liabilities and net assets	\$18,045,139.45	\$4,525,646.56	\$12,934,577.73	\$35,505,363.74

See accountants report on supplementary information