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MINUTES OF THE QUARTERLY MEETING OF THE BOARD OF REGENTS
Murray State University
December 10, 1999
1:30 p.m.

The Board of Regents of Murray State University met on December 10, 1999, in quarterly session in the Jesse Stuart Room, Pogue Library, on the campus of Murray State University. The meeting was called to order at 1:30 p.m. by Chair Sid Easley. Regent Wells Lovett gave the invocation.

Upon roll call, the following members were present: Marilyn Buchanon, Thomas A. Burich, Olivia Burr, Lori Dial, Sid Easley, Beverly Ford, Brandon Kirkham, Wells T. Lovett, Elizabeth McCoy, Michael Miller and James Rudolph. Absent: none.

Other members present were: Kern Alexander, President of the University; Sandra M. Rogers, Secretary to the Board; Tom Denton, Treasurer of the Board and Vice President for Administrative Services; Gary Brockway, Interim Provost and Vice President for Academic Affairs; Don Robertson, Vice President for Student Affairs; John Rall, University Counsel; Dewey Yeatts, Associate Vice President for Facilities Management; Joyce Gordon, Associate Vice President for Human Resources; members of the faculty, staff, students, news media and visitors.

Agenda

The following agenda for the meeting was presented:

AGENDA
Meeting of the Board of Regents
Murray State University
December 10, 1999
1:30 p.m.

1. Roll Call
2. Minutes of the Board of Regents Quarterly Meeting held on September 17, 1999, and the Special Meeting held on October 29, 1999
3. Report of the President Dr. Alexander
4. Report of the Chairman Mr. Easley
5. Report of the Treasurer Mr. Denton
 (Financial and Investment Reports for the period of July 1, 1999, through September 30, 1999)
6. Report of the Dean of Admissions and Registrar Dr. Alexander
 (December 16, 1999 Graduates)
7. Gifts Dr. Alexander
8. Personnel Changes Dr. Alexander
 - A. Staff Leaves of Absence Without Pay
 - B. Director of Development
9. Committee Reports/Recommendations
 - A. Academic Affairs Mr. Lovett
 - B. Athletic Mrs. Ford
 - C. Audit Mrs. McCoy

- | | |
|---|---------------|
| D. Buildings and Grounds | Mr. Burich |
| E. Development/Investments | Mr. Lovett |
| F. Equal Opportunity/Affirmative Action | Mrs. Burr |
| G. Faculty/Staff Affairs | Mrs. Buchanon |
| H. Finance | Mr. Easley |
| I. Governmental Relations | Mr. Miller |
| J. International Relations | Mr. Burich |
| K. Student Life | Mr. Kirkham |
10. Appointments to the University Student Appeals Board Dr. Alexander
11. Executive Session

Minutes of the Board of Regents Quarterly Meeting held on September 17, 1999, and the Special Meeting held on October 29, 1999, approved

Mr. Miller moved, seconded by Mrs. Burr, that the Minutes of the Quarterly Meeting held on September 17, 1999, and the Special Meeting held on October 29, 1999, be approved as presented. Motion carried.

Report of the President

1. Alpha Omicron Pi Sorority Recognition

President Alexander announced that the Delta Omega Chapter of Alpha Omicron Pi Sorority won No.1 in the United States and Canada with the most outstanding service to Alpha Omicron Pi, college and community. The recognition is awarded biennially at each international convention to the collegiate chapter. It's the oldest award, being given from 1915 to the present, that honors the founder of the sorority, Jessie Wallace Hugham (JWH). Hugham was a teacher, a writer and a crusader for women in the Greek movement. Nominations come from the Network Specialists and the winner is chosen by the Executive Board. The Delta Omega Chapter of Murray State University, chartered in 1961, previously received the JWH Cup in 1971.

Dr. Alexander recognized the chapter advisor, Debbie Carter, and the chapter president, Kaci Buchanan.

Mr. Brandon Kirkham presented the following Resolution for adoption:

BOARD OF REGENTS RESOLUTION

WHEREAS, the Delta Omega Chapter of Alpha Omicron Pi Sorority from Murray State University was awarded the Jessie Wallace Hugham Award for best chapter in the United States and Canada;

WHEREAS, the ladies of Alpha Omicron Pi continue to have a positive impact on Murray State University and the community. They have proven their dedication to service by raising over \$4,500 a year for arthritis research, visiting nursing homes, helping needy children, donating to the Ronald McDonald House, and assisting with Make a Difference Day;

WHEREAS, Alpha Omicron Pi promotes high scholarship from its members. Alpha Omicron Pi has held the highest grade point average of any Greek organization for the last two semesters. Their 3.2 GPA is considerably higher than that of non-Greek students;

THEREFORE, LET IT BE RESOLVED that the Board of Regents of Murray State University hereby expresses its deep appreciation and pride in the Delta Omega Chapter of Alpha Omicron Pi. Their hard work has not only helped those in need but also improved the image of Greek organizations. The many accomplishments of this organization illustrate the countless benefits of actively participating in extracurricular activities at Murray State University.

Mr. Burich moved, seconded by Mr. Miller, that the resolution be adopted. Motion carried.

On behalf of Alpha Omicron Pi, Kaci Buchanon expressed appreciation to Dr. Alexander, the Board of Regents, and the Student Government Association for their support, especially for the new sorority suites.

2. Racer Foundation

President Alexander reported that the newly created Racer Foundation is donating a gift to MSU of property valued at approximately \$545,000. He introduced James Butts, former chairman of the MSU Board of Regents, who was the founding incorporator of the Racer Foundation and is now serving as Chairman of the Racer Foundation; Robbie Rudolph, Vice Chair of the Racer Foundation; Kenny Roth, Director of the Racer Foundation; and E. W. Dennison, Director of Athletics, to make the presentation.

Mr. Butts expressed appreciation for the opportunity to work with Kern Alexander, the Board of Regents, students, faculty, staff and administration, pointing out that it is a pleasure to donate the land. The Foundation has raised in cash and pledges close to \$1 million and with the land and donations connected with the land, the total is over \$2 million.

Dr. Alexander pointed out that the Racer Foundation purchased a major piece of property in Hopkinsville, 480 acres, and that created a campus at Hopkinsville for Murray State University. Hopkinsville is a very important aspect of MSU and that area is integral to our University. This Foundation worked with Regent Elizabeth McCoy to acquire that property and to secure that property for a major expansion of Murray State University.

Regent McCoy expressed appreciation on behalf of the Hopkinsville community for having an extended campus in Hopkinsville and also for the support of Senator Joey Pendleton who helped make that a reality in the last Legislature.

Dr. Alexander expressed appreciation to Don Henderson, Chairman of our Advisory Committee in Hopkinsville, and Win Radford, Vice Chair of our Advisory Committee. Senator Joey Pendleton, who helped us identify the property, was critical to the new MSU campus in Hopkinsville.

The Duncans, who gifted a portion of this property, would not sell this property or give it to anyone else other than MSU. We were very fortunate to have this prime piece of property given and gifted at what we call a bargain sale arrangement with the Duncans. We later anticipate that we will get legislative approval to purchase another piece of this for agricultural land development. Dr. Alexander added that in addition the city fathers of Hopkinsville have decided to put a Convention Center next to MSU's property. Dr. Dewey Yeatts has worked with the architect on the drawing of the first building on the property.

3. Other MSU Facilities

Dr. Alexander showed perk charts indicating the various stages of other facilities being built by Murray State University. The charts were prepared by Dr. Dewey Yeatts, Associate Vice President for Facilities Management, and his staff. We are on schedule with our capital construction projects. University Counsel John Rall's legal work is extremely important. Since we assumed the statutory authority on House Bill 622, we are moving the projects in-house without having to drive back and forth to Frankfort to get approval.

Other drawings were shown for the new Business Building entrance which will add some office space and conference rooms. The cost of the project will be about \$1 million.

He also showed a rendering of the College of Education Building which will be designed in the tradition of the Pogue Library and Wells Hall.

Report of the Chairman

1. Upcoming Legislature

There are many crucial decisions that will be made during the period of time beginning in January that are going to affect Murray State University and a lot of people are working on that already. Dr. Alexander has been to Frankfort countless times and other places too to see legislators and the Governor.

2. Fundraising Campaign, Vision Quest

Murray State has never in its history had a major fundraising campaign and to have the first one is probably the most difficult. We have begun the public phase of the campaign, but there are certain positions that we still need to find. We are still looking for a chair of our Pacesetter Gifts division, those are gifts or pledgers of \$100,000 or more, and we are also looking for a volunteering Donor Recognition chair. We are continuing our prospect review and our awareness and cultivation program. At the present time we have gifts that total around \$5 million. We have a lot of work to do and we appreciate everything that all of you have done.

Report of the Treasurer

Treasurer Tom Denton presented and reviewed the financial and investment reports for the period of July 1, 1999, to September 30, 1999. Following a brief discussion, Mrs. Buchanon moved, seconded by Mrs. McCoy, that the Treasurer's report be accepted. Motion carried.

(See Attachments #1 and #2)

Report of the Dean of Admissions and Registrar

Mr. Kirkham moved that upon the completion of all requirements, individuals recommended by the Dean of Admissions and Registrar be awarded the respective degree effective December 16, 1999. Mrs. Burr seconded and the motion carried.

(See Attachment #3)

Gift, accepted

Mrs. McCoy moved that the Board of Regents, upon the recommendation of the President of the University, accept the donation of two tracts of land located in Christian County, Kentucky, specifically identified as Lot #1 consisting of 39.9297 acres and Lot #3 consisting of 11.2320 acres at a combined total fair market value of \$545,000 which was donated by the MSU Athletic Foundation. It is further recommended that the President be authorized to take all steps in his opinion necessary and prudent to finalize the transfer of the real property to the University and to incorporate it into the development of the proposed Hopkinsville campus. Mr. Miller seconded and the motion carried.

Personnel Changes, approved

A. Staff Leaves of Absence Without Pay, approved

Dr. Rudolph moved that the Board of Regents, upon the recommendation of the President of the University, approve the Staff Leaves of Absence Without Pay as listed below:

Casey, Frederick D.	WQTV-TSM	9/20/99 - 10/05/99
Danner, Toni L.	Facilities Management	9/28/99 - 12/17/99
Derby, Tammie M.	Student Financial Aid	9/16/99 - 9/24/99*
Derby, Tammie M.	Student Financial Aid	9/27/99 - 12/1/99

Elkins, Tammy	Food Service	8/23/99 - 12/31/99
Farris, Dannean	Counseling & Testing Ctr	9/7/99 - 9/27/99
Hardison, Jerry G.	Facilities Management	9/27/99 - 10/8/99
LaMore, Robert B.	Public Safety	12/10/99 - 12/31/99
Roberts, Tracy L.	Admissions & Registrar	7/21/99 - 7/30/99
Simmons, Candace M.	Department of English	10/12/99 - 12/31/99
Stone, Rex L.	Facilities Management	8/28/99 - 12/17/99
Thorn, Jennifer L.	Bursar's Office	10/14/99 - 12/31/99
Doss, Robin B.	Breathitt Veterinary Ctr	12/9/99 - 1/1/00

* Intermittent Family Medical Leave; reduced hours.

Mr. Kirkham seconded and the motion carried.

B. Director of Development, appointed

Dr. Roger Reichmuth has been serving as Interim Director of Development since 1998.

Mr. Lovett moved that the Board of Regents, upon the recommendation of the President of the University, approve the appointment of Dr. Roger Reichmuth as Director of Development effective October 25, 1999, at an annual salary of \$72,452.

Mr. Burich seconded and the roll was called with the following voting: Mrs. Buchanon, yes; Mr. Burich, yes; Mrs. Burr, yes; Mrs. Dial, yes; Mrs. Ford, yes; Mr. Kirkham, yes; Mr. Lovett, yes; Mrs. McCoy, yes; Mr. Miller, yes; Dr. Rudolph, yes; and Mr. Easley, yes. Motion carried.

Chair Easley recognized Regent Rudolph who asked to make a few remarks.

Regent Rudolph proposed that the Board take the lead in establishing a Task Force to discuss issues of concern to the faculty and proposed a working solution and closure of the issues. Dr. Rudolph called upon the Chairman of the Board to facilitate this happening.

Following a lengthy discussion, Mr. Kirkham moved that a Task Force be assembled to look into the issue. Mr. Burich seconded.

Following discussion, Mr. Kirkham rescinded his motion with the understanding that he would be added to the Faculty/Staff Affairs Committee for discussion on issues of concern to the faculty.

The matter was referred to the Faculty/Staff Affairs Committee and the Committee was expanded for this purpose to include Brandon Kirkham. It was therefore concluded that the Faculty/Staff Affairs Committee would meet and members of the Committee would include: Marilyn Buchanon, Chair; Lori Dial, Wells T. Lovett, James A. Rudolph and Brandon Kirkham.

Committee Reports

A. Academic Affairs - Mr. Lovett.

1. Nine Month Faculty Contract Report

Mr. Lovett reported that the Academic Affairs Committee was shown a slide presentation on the Nine Month Faculty Contract. Dr. John Crofton, Associate Professor in the Department of Physics and Engineering Physics; Bill Call, President of Faculty Senate and Associate Professor in the Department of Industrial and Engineering Technology; and Dr. George Kipphut, Associate Professor in the Department of Geoscience, presented a report on the impact and benefits of the Nine Month Faculty Contract.

2. Bachelor of Arts/Bachelor of Science Major in Public Administration, approved

On behalf of the Academic Affairs Committee, Mr. Lovett moved that the Board of Regents, upon the recommendation of the President of the University, approve the following BA/BS major in public administration, housed in the Department of Political Science, Criminal Justice and Legal Studies, and that it be added to Murray State University's program inventory: CIP 44.0401, Major in Public Administration. Mr. Miller seconded and the motion carried.

B. Athletic - Mrs. Ford. No report.

C. Audit - Mrs. McCoy.

1. Audit Reports, accepted

The Committee heard a presentation from Deloitte and Touche during the Committee meeting and on behalf of the Audit Report Committee, Mrs. McCoy moved the acceptance of the General Financial Statement and Supplemental Schedules, House Bill 622, A-133 Federal Program and the Management Letter from Deloitte & Touche and the University's Response. Mr. Miller seconded and the motion carried.

(See Attachments #4, #5, #6 and #7)

D. Buildings and Grounds - Mr. Burich.

Mr. Burich commended Dr. Yeatts on the overall appearance of the campus.

E. Development and Investments - Mr. Lovett. No report.

F. Equal Opportunity/Affirmative Action - Mrs. Burr.

Mrs. Burr reported that the Equal Opportunity/Affirmative Action Committee heard reports from Student Affairs with regard to student recruitment and retention. The Committee also approved the following recommendation.

1. Reaffirmation of the Affirmative Action Policy and Plan

For the Equal Opportunity/Affirmative Action Committee, Mrs. Burr moved that the Board of Regents, upon the recommendation of the President of the University, reaffirm its commitment to the Murray State University Affirmative Action Policy and Plan by approving the attached Resolution and Policy Statement. Mrs. Dial seconded and the motion carried.

(See Attachment #8 and #9)

2. Revision to Section VIII of the Affirmative Action Plan

On behalf of the Equal Opportunity/Affirmative Action Committee, Mrs. Burr moved that the Board of Regents, upon the recommendation of the President of the University, approve the attached revision to Section VIII of the Affirmative Action Plan. Mr. Kirkham seconded and the motion carried.

(See Attachment #10)

G. Faculty/Staff Affairs - Mrs. Buchanon. No report.

H. Finance - Mr. Easley.

The Committee heard a presentation from the Office of Financial Management Economic Analysis on Investments. The following recommendations were presented for approval.

1. Housing Fees

On behalf of the Finance Committee, Mr. Easley moved that the Board of Regents, upon the recommendation of the President of the University, approve an 11 percent room rate increase

and a 4 percent College Court increase, effective with the 2000 Summer Session and the 2000-01 Academic Year. Mrs. McCoy seconded and discussion followed.

It was pointed out that 7 percent of the recommended increase was for sprinkler and fire safety improvements. The recommended increase in College Courts rent is the first increase in two years. Room rates are as follows for the 2000-2001: Residence Halls – \$970 Double, \$1,455 Private; for Summer – \$270 Double, \$405 Private; and for College Courts – \$390 one bedroom, \$450 two bedroom.

Mr. Kirkham pointed out that the State is failing to fulfill the obligation to the students and they are being forced to purchase their personal safety. Higher housing fees are forcing students to live off campus and he expressed concern that the increase will force more students off campus.

Upon call for the vote, the roll was called with the following voting: Mrs. Buchanon, yes; Mr. Burich, yes; Mrs. Burr, yes; Mrs. Dial, yes; Mrs. Ford, yes; Mr. Kirkham, no; Mr. Lovett, yes; Mrs. McCoy, yes; Mr. Miller, yes; Dr. Rudolph, no; and Mr. Easley, yes. Motion carried.

2. Dining Fees

On behalf of the Finance Committee, Mr. Easley moved that the Board of Regents, upon the recommendation of the President of the University, approve a 2.4 percent board increase, effective with the 2000-01 Academic Year. Mrs. Buchanon seconded and discussion followed.

The Racer Plan would increase to the following amounts: Any 5 - \$480; any 10 - \$930; any 15 - \$1,045; and any 19 - \$1,115. The Thoroughbred Plan would increase to: Any 5 - \$495; any 10 - \$945; and any 15 - \$1060.

Upon call for the vote, the roll was called with the following voting: Mrs. Buchanon, yes; Mr. Burich, yes; Mrs. Burr, yes; Mrs. Dial, yes; Mrs. Ford, yes; Mr. Kirkham, no; Mr. Lovett, yes; Mrs. McCoy, yes; Mr. Miller, yes; Dr. Rudolph, yes; and Mr. Easley, yes. Motion carried.

3. Course Fees (CPI)

On behalf of the Finance Committee, Mr. Easley moved that the Board of Regents, upon the recommendation of the President of the University, approve the increase in course fees (rounded to the nearest fifty cents) based upon the Consumer Price Index (CPI) for the twelve months ending June 30, 1999, of 2.0 percent.

Mrs. Dial seconded and the roll was called with the following voting: Upon call for the vote, the roll was called with the following voting: Mrs. Buchanon, yes; Mr. Burich, yes; Mrs. Burr, yes; Mrs. Dial, yes; Mrs. Ford, yes; Mr. Kirkham, no; Mr. Lovett, yes; Mrs. McCoy, yes; Mr. Miller, yes; Dr. Rudolph, yes; and Mr. Easley, yes. Motion carried.

4. Stall Rental Fee

On behalf of the Finance Committee, Mr. Easley moved that the Board of Regents, upon the recommendation of the President of the University, approve an increase from \$200 per semester to \$250 per semester in the Stall Rental Fee at the Equine Center effective with the Fall Semester of 2000.

Dr. Rudolph seconded and the roll was called with the following voting: Mrs. Buchanon, yes; Mr. Burich, yes; Mrs. Burr, yes; Mrs. Dial, yes; Mrs. Ford, yes; Mr. Kirkham, no; Mr. Lovett, yes; Mrs. McCoy, yes; Mr. Miller, yes; Dr. Rudolph, yes; and Mr. Easley, yes. Motion carried.

5. Revision in Refund Policy

On behalf of the Finance Committee, Mr. Easley moved that the Board of Regents, upon the recommendation of the President of the University, approve the attached revised Refund Policy effective with the Fall Semester of 2000.

Mrs. Dial seconded and the roll was called with the following voting: Mrs. Buchanon, yes; Mr. Burich, yes; Mrs. Burr, yes; Mrs. Dial, yes; Mrs. Ford, yes; Mr. Kirkham, no; Mr. Lovett, yes; Mrs. McCoy, yes; Mr. Miller, yes; Dr. Rudolph, yes; and Mr. Easley, yes. Motion carried.

I. Governmental Relations - Mr. Miller.

Mr. Miller reminded the Board that the critical session of the General Assembly is beginning in January and indicated that Board Members may be called on to make the trip to Frankfort to talk to various legislators and members of key committees on behalf of the University.

J. International Relations - Mr. Burich. A report to be forthcoming.

K. Student Life - Mr. Kirkham.

As far as the Student Government Association (SGA), it has been a great semester and the students are very happy at the University. SGA has had some excellent programs: MTV and a Self Defense Seminar and others. SGA will have the first ever State of the University Address where Mr. Kirkham will be speaking to the entire student body and an open forum will follow. He invited the Board to attend.

Another project SGA is working on is building an on-line student community through the SEA Website trying to use technology to help enhance programming. Mr. Kirkham expressed appreciation to Dr. Alexander and the Board for the Curris Center Fitness Center which was dedicated on Thursday, December 9, 1999.

University Student Appeals Board Members, appointed

Mr. Kirkham moved that the Board of Regents, upon the recommendation of the President of the University, appoint the following faculty and students to the University Student Appeals Board for the terms indicated:

Faculty: Three-year term (1999-2002)

Dr. Chuck Hulick, Elementary & Secondary Education
Dr. Crystal Coel, Speech Communication & Theatre

Students: One-year term (1999-2000)

David Hatcher
Elizabeth Stanley
Darren Bell

Mrs. Dial seconded and the motion carried.

Chair Easley stated that the Board will go into Executive Session to discuss property and a legal matter.

Mr. Miller moved that the Board convene into Executive Session to discuss property and a legal matter. Mrs. Ford seconded and the motion carried.

Executive Session

Executive Session began at 3:35 p.m. and ended at 3:50 p.m.

Public Session

Motion to convene into public session was made by Mrs. McCoy, seconded by Mr. Miller. Motion carried.

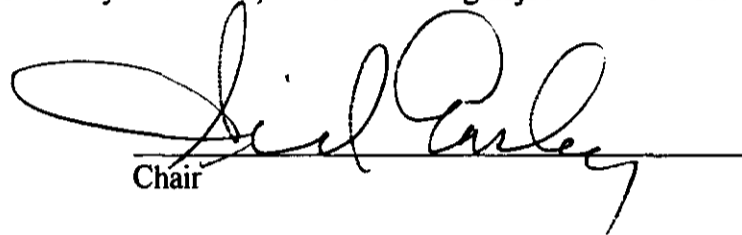
Purchase of Property, approved

Mr. Miller moved that the Board of Regents authorize the President or his designee to purchase the 3,047 acres of land bounded by Highway 121 North, North 16th Street, Waldrop Drive, and Valentine Drive which is currently owned by the MSU Foundation.

Mrs. Buchanan seconded and the roll was called with the following voting:
Mrs. Buchanan, yes; Mr. Burich, yes; Mrs. Burr, yes; Mrs. Dial, yes; Mrs. Ford, yes;
Mr. Kirkham, no; Mr. Lovett, yes; Mrs. McCoy, yes; Mr. Miller, yes; Dr. Rudolph, yes; and
Mr. Easley, yes. Motion carried.

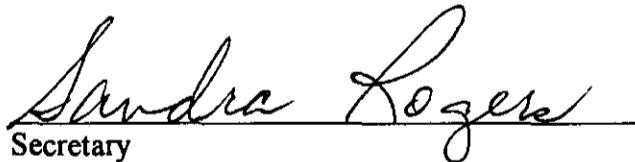
Adjournment

Mrs. Buchanan moved, seconded by Mr. Miller, that the meeting adjourn. The meeting adjourned at 3:52 p.m.


Chair


Secretary

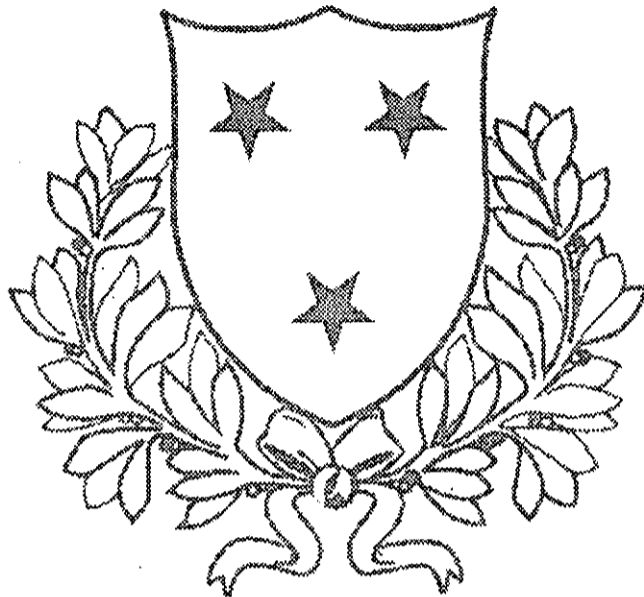
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Secretary

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Secretary

Murray State University



FOR THE PERIOD

July 1, 1999 - September 30, 1999

Submitted to:

The President

&

Board of Regents

FINANCIAL REPORT



Murray State University

Vice President for Administrative Services
322 Sparks Hall
Murray, KY 42071-3312
Phone (270) 762-3774 Fax (270) 762-3497

November 9, 1999

President Kern Alexander
Members of the Board of Regents
Murray State University
Murray, KY 42071

Dear President Alexander and Members of the Board:

Attached is the Financial Report of Murray State University for the period July 1, 1999 through September 30, 1999.

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Thomas W. Denton
Vice President for

Administrative Services

Equal education and employment opportunities M/F/D, AA employer

ahs

MURRAY STATE UNIVERSITY
CURRENT UNRESTRICTED FUNDS
UNAUDITED BALANCE SHEET
As of September 30, 1999
With Comparative Figures as of September 30, 1998

	1999-00			1998-99
	Educational and General	Auxiliaries	Total	
ASSETS				
Cash and cash equivalents	\$ 21,768,986	\$ 1,883,785	\$ 23,652,771	\$ 23,085,781
Inventories	322,231	769,511	1,091,742	935,911
Prepaid expenses	9,468	-	9,468	7,679
Accounts and loans receivable, net	1,546,142	1,378,688	2,924,830	3,142,076
Interest receivable	73,377	7,569	80,946	441,144
Due from other funds	29,194	-	29,194	151,409
Total assets	\$ 23,749,398	\$ 4,039,553	\$ 27,788,951	\$ 27,764,000
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 68,858	\$ 59,021	\$ 127,879	\$ 281,002
Health insurance liability	1,312,148	-	1,312,148	771,667
Payroll withholding and related accruals	1,589,048	86,801	1,675,849	1,337,144
Racer card liability	-	114,394	114,394	112,132
Deposits	2,378	244,417	246,795	283,657
Due to other funds	9,000	105,913	114,913	1,430
Total liabilities	\$ 2,981,432	\$ 610,546	\$ 3,591,978	\$ 2,787,032
Fund Balance:				
Beginning fund balance - July 1	\$ 10,865,695	\$ 988,443	\$ 11,654,138	\$ 11,425,958
Additions/(deductions) - year to date	10,102,271	2,440,564	12,542,835	13,551,010
Total fund balance	\$ 20,767,966	\$ 3,429,007	\$ 24,196,973	\$ 24,976,968
Total liabilities and fund balance	\$ 23,749,398	\$ 4,039,553	\$ 27,788,951	\$ 27,764,000

MURRAY STATE UNIVERSITY
CURRENT UNRESTRICTED FUNDS
UNAUDITED SUMMARY OF CHANGES AND ALLOCATIONS IN FUND BALANCE
For the Period July 1, 1999 through September 30, 1999
With Comparative Figures for the Period Ended September 30, 1998

	1999-00			1998-99
	Educational and General	Auxiliaries	Total	
Fund Balance - beginning July 1				
Working capital	\$ 2,065,899	\$ 78,782	\$ 2,144,681	\$ 2,259,901
Reserve for self insurance	900,000	-	900,000	900,000
Reserve for revenue contingency	975,633	-	975,633	798,371
Encumbrances	320,480	87,916	408,396	689,632
Carryovers	6,403,683	821,745	7,225,428	6,778,054
Total fund balance - beginning July 1	\$ 10,665,695	\$ 988,443	\$ 11,654,138	\$ 11,425,958
Increase/(decrease) - year to date				
Revenues	\$ 28,557,100	\$ 6,358,703	\$ 34,915,803	\$ 35,989,485
Expenditures	(19,052,290)	(3,429,695)	(22,481,985)	(22,301,621)
Mandatory transfers				
Debt service	-	(345,382)	(345,382)	(346,327)
Loan match	-	-	-	-
Non-Mandatory transfers				
To CERR	-	-	-	(132,460)
From CERR	590,804	-	590,804	341,933
To unexpended plant funds	(63,444)	(70,000)	(133,444)	-
From unexpended plant funds	-	-	-	-
From restricted fund	(2,600)	-	(2,600)	-
To educational and general	72,701	(72,701)	-	-
Transfer to retirement of indebtedness	-	-	-	-
Other changes	-	(361)	(361)	-
Total year to date increase/(decrease) in fund balance	\$ 10,102,271	\$ 2,440,564	\$ 12,542,835	\$ 13,551,010
Fund Balance - ending September 30				
Working capital	\$ 1,941,750	\$ 2,155,768	\$ 4,097,518	\$ 4,519,131
Reserve for self insurance	900,000	-	900,000	900,000
Reserve for revenue contingency	975,633	-	975,633	798,371
Encumbrances	320,480	87,916	408,396	1,498,984
Carryovers	6,403,683	821,745	7,225,428	6,778,054
Unallocated	10,226,420	363,578	10,589,998	10,482,428
Total fund balance - ending September 30	\$ 20,767,966	\$ 3,429,007	\$ 24,196,973	\$ 24,976,968

MURRAY STATE UNIVERSITY
 CURRENT UNRESTRICTED FUNDS
 UNAUDITED SCHEDULE OF BUDGET ADJUSTMENTS
 For the Period July 1, 1999 through September 30, 1999
 With Comparative Figures for the Period Ended September 30, 1998

	1999-00		1998-99
	Original Budget	Adjustments/ Revisions	Budget Per Report
Revenues			
Educational and General	\$ 76,632,236		
Prior year carryovers		1,716,682	
Prior year encumbrances		320,480	
Budget increases		580,031	
Various account adjustments		-	
Total Educational and General	<u>\$ 76,632,236</u>	<u>\$ 2,617,193</u>	<u>\$ 84,942,580</u>
Auxiliary Enterprises	\$ 14,348,648		
Prior year carryovers		821,744	
Prior year encumbrances		87,916	
Budget increases		-	
Various account adjustments		-	
Total Auxiliary Enterprises	<u>\$ 14,348,648</u>	<u>\$ 909,660</u>	<u>\$ 14,828,237</u>
Total Revenues	<u>\$ 90,980,884</u>	<u>\$ 3,526,853</u>	<u>\$ 99,770,817</u>
Expenditures			
Educational and General	\$ 76,632,236		
Prior year carryovers		1,716,682	
Prior year encumbrances		320,480	
Budget increases		580,031	
Various account adjustments		-	
Total Educational and General	<u>\$ 76,632,236</u>	<u>\$ 2,617,193</u>	<u>\$ 84,942,580</u>
Auxiliary Enterprises	\$ 14,348,648		
Prior year carryovers		821,744	
Prior year encumbrances		87,916	
Budget increases		-	
Various account adjustments		-	
Total Auxiliary Enterprises	<u>\$ 14,348,648</u>	<u>\$ 909,660</u>	<u>\$ 14,828,237</u>
Total Expenditures	<u>\$ 90,980,884</u>	<u>\$ 3,526,853</u>	<u>\$ 99,770,817</u>

MURRAY STATE UNIVERSITY
CURRENT UNRESTRICTED FUNDS - EDUCATIONAL AND GENERAL
UNAUDITED SCHEDULE OF REVENUES BY SOURCE, EXPENDITURES BY FUNCTION, AND OTHER CHANGES
For the Period July 1, 1999 through September 30, 1999
With Comparative Figures for the Period Ended September 30, 1998

	1999-00			1998-99	
	Current Budget	Fiscal Year Actual	Actual % Budget	Fiscal Year Actual	Actual % Budget
REVENUES					
Tuition and fees	\$ 27,045,861	\$ 13,576,587	50%	\$ 12,901,649	50%
State appropriation	45,024,100	13,507,200	30%	15,027,500	31%
Indirect cost reimbursement	129,754	31,617	24%	41,237	32%
Sales and services of educational departments	2,030,227	649,467	32%	771,788	62%
Other sources	2,982,325	792,229	27%	784,160	23%
Prior year carryovers and encumbrances	2,037,162	-	N/A	-	N/A
Total revenues	\$ 79,249,429	\$ 28,557,100	36%	\$ 29,528,334	35%
EXPENDITURES					
Instruction	\$ 34,286,566	\$ 6,823,649	20%	\$ 6,741,541	19%
Research	936,931	201,265	21%	201,444	20%
Public service	3,980,866	829,904	21%	913,791	24%
Academic support	3,007,186	846,664	28%	764,219	22%
Library	2,564,594	1,114,082	43%	1,075,016	38%
Student services	6,793,096	1,777,273	26%	1,508,658	23%
Institutional support	9,486,405	2,482,066	26%	2,386,532	22%
Operation and maintenance of plant	9,111,632	1,750,621	19%	2,235,558	21%
Scholarships	6,359,927	3,226,766	51%	3,201,853	56%
Total expenditures	\$ 76,527,203	\$ 19,052,290	25%	\$ 19,028,612	24%
TRANSFERS IN (OUT) AND OTHER CHANGES					
Mandatory transfers					
Consolidated educational bond					
sinking fund	\$ (1,546,000)	\$ -	N/A	\$ -	N/A
Loan fund match	(4,819)	-	N/A	-	N/A
Non-mandatory transfers					
Transfers to CERR	(980,000)	-	N/A	(132,460)	N/A
Transfers from CERR	50,000	590,804	N/A	341,933	N/A
Transfers to unexpended plant fund	(9,000)	(63,444)	N/A	-	N/A
Transfers to auxiliaries	-	(4,619)	N/A	-	N/A
Transfers from auxiliaries	77,320	77,320	N/A	77,320	N/A
Transfers to restricted	-	(2,600)	N/A	-	N/A
Transfers to retirement of indebtedness	(309,727)	-	N/A	-	N/A
Other changes	-	-	N/A	-	N/A
Total transfers and other changes	\$ (2,722,226)	\$ 597,461	N/A	\$ 286,793	N/A
Total expenditures, transfers and other changes	\$ 79,249,429	\$ 18,454,829	23%	\$ 18,741,819	22%
Net change in fund balance		\$ 10,102,271		\$ 10,784,515	

MURRAY STATE UNIVERSITY
CURRENT UNRESTRICTED FUNDS - AUXILIARIES
UNAUDITED SCHEDULE OF REVENUES BY SOURCE, EXPENDITURES BY FUNCTION, AND OTHER CHANGES
For the Period July 1, 1999 through September 30, 1999
With Comparative Figures for the Period Ended September 30, 1998

	1999-00			1998-99	
	Current Budget	Fiscal Year Actual	Actual % Budget	Fiscal Year Actual	Actual % Budget
REVENUES					
Food services	\$ 4,611,854	\$ 1,968,622	43%	\$ 2,162,334	53%
Housing services	5,498,240	2,500,405	45%	2,389,294	42%
Bookstore	3,508,097	1,465,005	42%	1,455,539	45%
Curriss Center	174,560	69,868	40%	74,392	12%
University parking	399,601	308,419	77%	335,461	84%
Racer card administration	73,695	31,028	42%	31,497	47%
Vending and manual commissions	82,600	15,356	19%	14,634	18%
Prior year carryovers and encumbrances	909,661	-	N/A	-	N/A
Total revenues	\$ 15,258,308	\$ 6,358,703	42%	\$ 6,463,151	44%
EXPENDITURES					
Food services	\$ 4,162,968	\$ 471,168	11%	\$ 602,452	15%
Housing services	5,228,968	1,293,711	25%	1,161,508	22%
Bookstore	3,237,511	1,305,736	40%	1,215,453	39%
Curriss Center	630,919	164,327	26%	151,231	25%
University parking	692,294	139,890	20%	92,472	14%
Racer card administration	74,756	27,829	37%	22,930	34%
Vending and manual commissions	243,610	27,034	11%	26,963	15%
Total expenditures	\$ 14,271,026	\$ 3,429,695	24%	\$ 3,273,009	23%
TRANSFERS IN (OUT) AND OTHER CHANGES					
Mandatory transfers					
Housing and dining bond sinking fund	\$ (839,962)	\$ (345,382)	N/A	\$ (346,327)	N/A
Non-mandatory transfers					
To unexpended plant fund	(70,000)	(70,000)	N/A	-	N/A
Transfers from educational and general	-	4,619	N/A	-	N/A
Transfers to educational and general	(77,320)	(77,320)	N/A	(77,320)	N/A
Other changes	-	(361)	N/A	-	N/A
Total transfers and other changes	\$ (987,282)	\$ (488,444)	N/A	\$ (423,647)	N/A
Total expenditures, transfers and other changes	\$ 15,258,308	\$ 3,918,139	26%	\$ 3,696,656	25%
Net change in fund balance		\$ 2,440,564		\$ 2,766,495	

MURRAY STATE UNIVERSITY
 CURRENT UNRESTRICTED FUNDS - AUXILIARIES
 UNAUDITED SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER CHANGES BY UNIT
 For the Period July 1, 1999 through September 30, 1999
 With Comparative Figures for the Period Ended September 30, 1998

	Food Services	Housing Services	Bookstore	Curris Center	University Parking	Racer Card Administration	Vending and Manual Commissions	Prior Year Carryovers & Encumbrances	Total
1999-00									
REVENUES									
Current Budget	\$ 4,611,854	\$ 5,498,240	\$ 3,508,097	\$ 174,560	\$ 399,601	\$ 73,695	\$ 82,600	\$ 909,661	\$ 15,258,308
Fiscal Year Actual	1,968,622	2,500,405	1,465,005	69,868	308,419	31,028	15,356	-	6,358,703
Actual % Budget	43%	45%	42%	40%	77%	42%	19%	N/A	42%
DISBURSEMENTS									
Current Budget	\$ 4,162,968	\$ 5,228,968	\$ 3,237,511	\$ 630,919	\$ 692,294	\$ 74,756	\$ 243,610	\$ -	\$ 14,271,026
Fiscal Year Actual	471,168	1,293,711	1,305,736	164,327	139,890	27,829	27,034	-	3,429,695
Actual % Budget	11%	25%	40%	26%	20%	37%	11%	N/A	24%
TRANSFERS IN (OUT) AND OTHER CHANGES									
	\$ (68,178)	\$ (347,204)	\$ (72,701)	\$ -	\$ -	\$ -	\$ -	\$ (361)	\$ (488,444)
NET CHANGE IN FUND BALANCE									
	\$ 1,429,276	\$ 859,490	\$ 86,568	\$ (94,459)	\$ 168,529	\$ 3,199	\$ (11,678)	\$ (361)	\$ 2,440,564
1998-99									
REVENUES									
Current Budget	\$ 4,096,525	\$ 5,722,879	\$ 3,202,515	\$ 621,378	\$ 400,044	\$ 67,510	\$ 82,600	\$ 634,786	\$ 14,828,237
Fiscal Year Actual	2,162,334	2,389,294	1,455,539	74,392	335,461	31,497	14,634	-	6,463,151
Actual % Budget	53%	42%	45%	12%	84%	47%	18%	N/A	44%
DISBURSEMENTS									
Current Budget	\$ 4,003,768	\$ 5,382,099	\$ 3,125,195	\$ 605,367	\$ 653,936	\$ 67,510	\$ 184,130	\$ -	\$ 14,022,005
Fiscal Year Actual	602,452	1,161,508	1,215,453	151,231	92,472	22,930	26,963	-	3,273,009
Actual % Budget	15%	22%	39%	25%	14%	34%	15%	N/A	23%
TRANSFERS IN (OUT) AND OTHER CHANGES									
	\$ (44,931)	\$ (301,396)	\$ (77,320)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (423,647)
NET CHANGE IN FUND BALANCE									
	\$ 1,514,951	\$ 926,390	\$ 162,766	\$ (76,839)	\$ 242,989	\$ 8,567	\$ (12,329)	\$ -	\$ 2,766,495

MURRAY STATE UNIVERSITY
CURRENT RESTRICTED FUNDS
UNAUDITED SCHEDULE OF REVENUES BY SOURCE, EXPENDITURES BY FUNCTION AND OTHER CHANGES
For the Period July 1, 1999 through September 30, 1999
With Comparative Figures for the Period Ended September 30, 1998

	1999-00			1998-99	
	Current Budget	Fiscal Year Actual	Actual % Budget	Fiscal Year Actual	Actual % Budget
Revenues					
Federal funds					
Pell	\$ 1,953,708	\$ 2,116,990	108%	\$ 2,241,238	99%
SEOG	320,968	140,210	44%	152,700	100%
Workstudy	472,897	30,020	6%	31,923	6%
Grants and contracts	751,574	581,631	77%	668,842	38%
Total federal funds	\$ 3,499,147	\$ 2,868,851	82%	\$ 3,094,703	65%
State grants and contracts	3,581,951	1,240,173	35%	976,552	36%
Other grants and contracts	104,312	107,501	103%	86,101	48%
Total revenues	\$ 7,185,410	\$ 4,216,525	59%	\$ 4,157,356	55%
Expenditures					
Educational and general					
Instruction	\$ 3,315,703	\$ 814,927	25%	\$ 387,659	20%
Research	152,976	245,346	160%	300,131	25%
Public service	222,698	83,001	37%	114,258	22%
Library	3,980	3,980	100%	3,894	100%
Academic support	355,192	58,038	16%	153,676	63%
Student services	324,018	79,308	24%	33,810	5%
Institutional support	4,248	4,248	100%	4,864	100%
Operation and maintenance of plant	136,400	1,781	1%	-	0%
Scholarship and financial aid	2,666,507	2,919,607	109%	3,055,304	171%
Total educational and general	\$ 7,181,722	\$ 4,210,236	59%	\$ 4,053,596	53%
Auxiliary enterprises	\$ 3,688	\$ 3,689	100%	\$ 3,760	100%
Total expenditures	\$ 7,185,410	\$ 4,213,925	59%	\$ 4,057,356	53%
TRANSFERS IN (OUT) AND OTHER CHANGES					
Non-mandatory transfers					
To unexpended plant fund	\$ -	\$ -	N/A	\$ (100,000)	N/A
To current unrestricted fund	-	(2,600)	N/A	-	N/A
To endowment fund	-	-	N/A	-	N/A
Total transfers and other changes	\$ -	\$ (2,600)	N/A	\$ (100,000)	N/A
Total expenditures, transfers and other changes	\$ 7,185,410	\$ 4,216,525	59%	\$ 4,157,356	55%
Net change in fund balance		\$ -		\$ -	

MURRAY STATE UNIVERSITY
 CURRENT UNRESTRICTED FUNDS
 UNAUDITED SCHEDULE OF REVENUES
 For the Period July 1, 1999 through September 30, 1999
 With Comparative Figures for the Period Ended September 30, 1998

	1999-00	1998-99
EDUCATIONAL AND GENERAL		
Tuition and fees:		
Fall tuition	\$ 11,378,835	\$ 10,705,525
Spring tuition	8,911	6,335
Summer II tuition	654,325	669,644
Summer I tuition	27,460	9,225
Miscellaneous tuition	314	400
Student activity fees	988,137	1,002,103
Other fees	518,605	508,417
Total tuition and fees	\$ 13,576,587	\$ 12,901,649
State appropriations:		
Total state appropriations	\$ 13,507,200	\$ 15,027,500
Indirect cost reimbursements:		
Federal and state indirect cost reimbursements	\$ 31,617	\$ 41,237
Other indirect cost reimbursements	-	-
Total indirect cost reimbursements	\$ 31,617	\$ 41,237
Sales and services of educational departments:		
Archeology service center	\$ -	\$ 1,189
Art auction	-	-
Art cash sales	7,085	5,306
Art workshops	-	-
Hancock biological station	3,871	864
Breathitt veterinary center	24,124	50,332
Chemical services	-	-
Child development center	6,369	200
Clinical services	1,570	3,994
Environmental education workshop	3,855	3,018
Fall business education conference	-	-
Hong Kong MBA	50,000	-
Institute for International Studies	112,189	115,652
Journalism and mass communication	-	-
Journalism workshop	26	41
Kentucky Institute for International Studies (KIIS)	341,769	414,429
Community College course fees	1,248	8,515
MARC service center	1,368	387
MSU News advertising	8,757	(10,460)
News bureau photography	-	-
MSU x-ray lab	-	460
Music workshops	-	-
Public relations book marketing	-	-
Psychology center	-	338
Recording studio	(55)	31
Regional Special Events Center	18,626	98,523
Shield yearbook	47,796	54,257
Student life improvement project	-	-
University theater	800	790
University farms	17,533	22,365
VP Administrative Services copy account	823	-
Waterfield center	-	-
Well water testing	1,713	1,557
Total sales and services of educational departments	\$ 649,467	\$ 771,788

MURRAY STATE UNIVERSITY
 CURRENT UNRESTRICTED FUNDS
 UNAUDITED SCHEDULE OF REVENUES
 For the Period July 1, 1999 through September 30, 1999
 With Comparative Figures for the Period Ended September 30, 1998

Other Sources (cont'd):	1999-00	1998-99
Athletics	69,487	73,519
Athletics - concessions	(71,963)	20,005
Athletics - guarantees	180,000	-
Athletic camps -		
Baseball	40	-
Golf	-	-
Mens' basketball	-	3,900
Ladies' basketball	-	-
Tennis	150	3,185
Volleyball	-	-
Athletics - NCAA revenue	423	(1,952)
Athletics - OVC tournament	-	-
Athletics - programs	-	3,135
Athletics - regional high school tournaments	-	-
Boys'	-	-
Girls'	-	-
All A	-	-
Bad debt expense recovery	22,689	11,874
Bluegrass state skills program	(27,132)	-
Campus lights	-	-
Celebrate women	-	80
Center for economic education	186	1,238
Center for education, finance, and law	-	-
Central stores	142	450
Chemistry breakage fees	(142)	82
Clarinet workshop	-	-
Conferences and workshops	60,182	86,242
Consolidated educational revenue interest	110,137	285,755
Ag technology summit	-	-
Elderhostel programs	28,521	-
Fixed price contract residuals	19,239	-
Career services	-	-
Clara Eagle Gallery	28	-
Cooperative education and placement	2,469	3,143
Counseling and testing center	5,191	5,363
Delinquent account collection fees	12,186	-
Engineering institute	-	-
Environmental consortium of mid-america	1,000	-
Festival of champions	1,717	2,808
Forensics team	-	-
Graphic arts technology	959	416
Hazardous materials training	13,775	15,377
International student orientation	1,427	1,830
Intramural sports	498	1,812
KLEFPT supplemental salary reimbursement	5,837	1,783
Library - copy service	8,602	9,519
Library - fines	1,709	1,921
Library - inter library loan	163	196
Library - other	1,456	3,175
Lifelong learning	4,202	-
Madrigal dinner	-	-
Meal management luncheons	-	-
Music recital	637	920
National student exchange	-	100
Nursing continuing education	20	120
Operating fund interest	118,448	56,905
Other	340	(3,350)
Paducah creativity	(390)	-

MURRAY STATE UNIVERSITY
CURRENT UNRESTRICTED FUNDS
UNAUDITED SCHEDULE OF REVENUES
For the Period July 1, 1999 through September 30, 1999
With Comparative Figures for the Period Ended September 30, 1998

	<u>1999-00</u>	<u>1998-99</u>
Other Sources (cont'd):		
Perkins loan recovery	-	-
Post office box rental	1,341	125
Post office contract	667	1,333
Printing	9,249	8,084
Quad state band festival	145	1,696
Recycling program	257	448
Regensburg exchange	73,492	80,424
Facility rentals	1,477	5,812
Robotics camp	-	-
Rodeo	2	-
Sale of surplus property	29,621	10,378
Senior breakfast	-	-
Special education technology center	-	127
String prep program	2,916	3,270
Student government association	2,971	1,837
Student support for learning disabilities	850	-
Summer challenge	-	-
Summer computer science workshop	-	260
Summer orientation	35,085	17,115
Super Saturdays	1,695	40
Technology center	230	-
Telecommunications commission	48,605	51,900
Telecommunications management conference	510	-
Welcome back program	81	100
West Kentucky livestock and exposition center	1,298	2,095
Wickliffe Mounds gift shop	1,399	1,699
Wickliffe Mounds research center	7,204	5,717
WQTV advertising	100	1,213
Young authors camp	-	-
Total other sources	<u>\$ 792,229</u>	<u>\$ 784,160</u>
Total educational and general	<u>\$ 28,557,100</u>	<u>\$ 29,526,334</u>
 AUXILIARY ENTERPRISES		
Food services	\$ 1,968,622	\$ 2,162,334
Housing services	2,500,405	2,389,294
Bookstore	1,465,005	1,455,539
Curris center	69,868	74,392
University parking - fines	34,450	37,555
University parking - permits	272,845	295,825
University parking - other	1,124	2,081
Racer card administration	31,028	31,497
Vending and manual commissions	15,356	14,634
Total auxiliary enterprises	<u>\$ 6,358,703</u>	<u>\$ 6,463,151</u>
 Total revenues	<u>\$ 34,915,803</u>	<u>\$ 35,989,485</u>

MURRAY STATE UNIVERSITY
PLANT FUNDS
UNAUDITED BALANCE SHEET
As of September 30, 1999
With Comparative Figures as of September 30, 1998

	1999-00				Total	1998-99
	Unexpended Plant	Renewal And Replacement	Retirement Of Indebtedness	Investment In Plant		
ASSETS						
Cash and cash equivalents	\$ 8,003,422	\$ 1,882,209	\$ 1,087,153	\$ -	\$ 10,952,784	\$ 5,237,582
Investments	-	824,635	3,927,480	-	4,752,115	4,772,917
Interest receivable	34,954	8,408	262,844	-	307,206	148,030
Discount on bonds	205,307	-	-	285,005	490,312	395,992
Premium on bonds	-	-	-	-	-	(3,616)
Due from other funds	3,501,225	934,231	-	-	4,435,456	1,076,430
Assets held by Foundation	-	-	-	592,279	592,279	592,278
Property, plant and equipment	-	-	-	201,231,355	201,231,355	191,842,771
Total assets	\$ 11,744,908	\$ 3,630,483	\$ 5,277,477	\$ 202,108,639	\$ 222,761,507	\$ 204,060,384
LIABILITIES AND FUND BALANCE						
Liabilities:						
Interest payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Due to other funds	2,649,644	640,526	-	-	3,290,170	359,205
Notes payable	-	-	-	1,660,715	1,660,715	543,109
Bonds payable	3,692,643	-	-	20,884,355	24,576,998	22,281,427
Obligations capital leases	-	-	-	2,284,563	2,284,563	2,494,855
Other obligations	-	-	-	-	-	-
Total liabilities	\$ 6,342,287	\$ 640,526	\$ -	\$ 24,809,633	\$ 31,792,446	\$ 25,678,596
Fund Balance:						
Beginning fund balance - July 1	\$ 3,652,927	\$ 3,807,511	\$ 5,430,775	\$ 179,180,868	\$ 191,852,079	\$ 178,031,004
Additions/(deductions) - YTD	1,749,694	(817,554)	(153,298)	(1,861,860)	(883,018)	350,784
Total fund balance	\$ 5,402,621	\$ 2,989,957	\$ 5,277,477	\$ 177,299,008	\$ 190,969,061	\$ 178,381,788
Total liabilities and fund balance	\$ 11,744,908	\$ 3,630,483	\$ 5,277,477	\$ 202,108,639	\$ 222,761,507	\$ 204,060,384

MURRAY STATE UNIVERSITY
PLANT FUNDS
UNAUDITED STATEMENT OF CHANGES IN FUND BALANCE
For the Period July 1, 1999 through September 30, 1999
With Comparative Figures for the Period Ended September 30, 1998

	1999-00				Total	1998-99
	Unexpended Plant	Renewal and Replacement	Retirement of Indebtedness	Investment in Plant		
REVENUES AND ADDITIONS:						
Buildings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-	-	-
Equipment	-	-	-	368,744	368,744	973,209
Improvements other than buildings	-	-	-	-	-	-
Land	-	-	-	-	-	-
Library books	-	-	-	-	-	753,220
Donated assets	-	-	-	-	-	-
Increased equity investment in plant	-	-	-	-	-	-
Retirement of indebtedness	-	-	-	585,000	585,000	-
Interest income	48,973	20,278	69,557	-	138,808	103,053
Realized gain (loss) on investments	-	(153)	(153)	-	(306)	-
Unrealized gain (loss) on investments	-	(875)	(722)	-	(1,597)	9,688
Proceeds from Bonds	183,000	-	-	-	183,000	-
Cost of Bond Issuance	-	-	-	-	-	-
Plant debt issued	-	-	-	-	-	-
State funds	307,987	-	-	-	307,987	-
Total revenues and additions	\$ 537,960	\$ 19,250	\$ 68,682	\$ 953,744	\$ 1,579,636	\$ 1,839,170
EXPENDITURES AND DEDUCTIONS:						
Buildings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction in progress	1,662,899	-	-	-	1,662,899	991,911
Equipment	-	-	-	118,624	118,624	400,533
Library books	-	-	-	-	-	488,208
Other assets (leases)	-	-	-	-	-	-
Local Funds	-	-	-	-	-	-
Retirement of indebtedness	-	-	585,000	-	585,000	-
Interest on indebtedness	(37,199)	-	(17,638)	-	(54,837)	(137,641)
Increase in lease obligations	-	-	-	-	-	-
Deletions and disposals	-	-	-	-	-	-
New bond/note indebtedness	-	-	-	40,990	40,990	-
Bond discount amortization	-	-	-	-	-	1,652
Other deductions	-	-	-	-	-	577
Total expenditures and deductions	\$ 1,625,700	\$ -	\$ 567,362	\$ 157,614	\$ 2,350,676	\$ 1,725,240
TRANSFERS AMONG FUNDS:						
Mandatory:						
Bond principal and interest	\$ -	\$ -	\$ 345,382	\$ -	\$ 345,382	\$ 346,327
Non-mandatory:						
Transfer from current unrestricted to unexpended plant	63,444	-	-	-	63,444	100,000
Transfer from auxiliary to unexpended plant	70,000	-	-	-	70,000	-
Transfer from unrestricted current to renewal and replacement	-	-	-	-	-	132,460
Transfer to unrestricted current from renewal and replacement	-	(590,804)	-	-	(590,804)	(341,933)
Transfer from investment in plant to unexpended plant	2,657,990	-	-	(2,657,990)	-	-
Transfer from renewal and replacement to unexpended	46,000	(46,000)	-	-	-	-
Total transfers	\$ 2,837,434	\$ (636,804)	\$ 345,382	\$ (2,657,990)	\$ (111,978)	\$ 236,854
Net increase(decrease) - YTD	\$ 1,749,694	\$ (617,554)	\$ (153,298)	\$ (1,861,860)	\$ (883,018)	\$ 350,784
Fund balance - beginning July 1	\$ 3,652,927	\$ 3,807,511	\$ 5,430,775	\$ 179,160,866	\$ 191,852,079	\$ 178,031,004
Plant fund balance - ending September 30, 1999	\$ 5,402,621	\$ 2,989,957	\$ 5,277,477	\$ 177,299,006	\$ 190,969,061	\$ 178,381,788

MURRAY STATE UNIVERSITY
 PLANT FUNDS
 UNAUDITED UNEXPENDED REVENUES AND EXPENDITURES
 For the Period July 1, 1999 through September 30, 1999

	Revised Budget	Fiscal Year To Date	Project Year To Date	Encumbrances	Balance Available
REVENUES					
Revenue bond proceeds	\$ 19,586,598	\$ 183,000	\$ 12,311,681	\$ -	\$ 7,274,917
Local funds	6,506,939	125,000	5,264,361	-	1,242,578
Investment income	927,860	46,973	1,555,214	-	(627,354)
Other State funds	10,518,679	307,987	5,286,826	-	5,231,853
Federal funds	1,178,320	-	1,178,320	-	-
Private funds	842,600	-	842,600	-	-
Insurance proceeds	363,185	-	363,185	-	-
Other	16,181	-	16,582	-	(401)
Total revenues	\$ 39,940,362	\$ 662,960	\$ 26,818,769	\$ -	\$ 13,121,593
EXPENDITURES					
Architect & engineering fees	\$ 3,186,715	\$ 63,047	\$ 1,153,817	\$ 13,774	\$ 2,019,124
General construction	31,242,631	1,245,286	14,142,299	1,900,632	15,199,700
Movable equipment/furniture	1,698,203	354,041	1,031,202	64,019	602,982
Land/right of way	1,710,685	-	1,313,410	-	397,275
Legal & administrative costs	92,981	-	81,017	8,315	3,649
Capital lease	303,363	-	303,363	-	-
Miscellaneous expense	19,424	-	50,249	-	(30,825)
Agency labor	44,770	10,258	27,743	-	17,027
Agency materials	244,350	(9,733)	191,625	-	52,725
Interest expense	26,020	-	118,681	-	(92,661)
Arbitrage rebate transfer	-	-	163,249	-	(163,249)
Contingency	1,602,464	-	-	-	1,602,464
Total expenditures	\$ 40,171,606	\$ 1,662,899	\$ 18,576,655	\$ 1,986,740	\$ 19,608,211
Net increase (decrease)	\$ (231,244)	\$ (999,939)	\$ 8,242,114	\$ (1,986,740)	\$ (6,486,618)

MU STATE UNIVERSITY
PLANT FUNDS

UNAUDITED SCHEDULE OF UNEXPENDED REVENUES AND EXPENDITURES

For the Period July 1, 1999 through September 30, 1999

	Allotments			Expenditures			Outstanding Encumbrances	Balance 09/30/99
	Prior to July 1, 1999	Received 1999-00	Total	Prior to July 1, 1999	Expenditures 1999-00	Total		
00131 Land acquisitions	\$ 1,379,890	\$ -	\$ 1,379,890	\$ 1,372,746	\$ -	\$ 1,372,746	\$ -	\$ 7,144
00405 Old Fine Arts building renovation	4,025,000	-	4,025,000	4,031,284	-	4,031,284	10,978	(17,262)
00410 Con ed series G bonds clearing	-	-	-	83,542	-	83,542	-	(83,542)
00410 National Boy Scout Museum phase IV	36,814	-	36,814	36,814	-	36,814	-	-
00500 Project 48 bonds clearing	-	-	-	172,368	-	172,368	-	(172,368)
00600 Project 50 bonds clearing	26,020	-	26,020	26,020	-	26,020	-	-
00626 E and G fire horn upgrade	43,500	-	43,500	17,496	-	17,496	-	26,004
00706 Equine Instruction Facility	575,000	-	575,000	572,265	-	572,265	-	2,735
00717 Fine Arts fire damage cleanup	1,530,000	-	1,530,000	1,521,511	-	1,521,511	8,314	175
00725 Blackburn Science research modernization	2,221,883	-	2,221,883	2,107,339	-	2,107,339	-	114,544
00727 Parking lot modifications 16th and Hamilton	123,464	-	123,464	123,464	-	123,464	-	-
00728 Winslow Cafeteria renovation	750,000	-	750,000	744,630	-	744,630	-	5,370
00730 BVC building system improvements	126,343	-	126,343	126,343	-	126,343	-	-
00732 Doyle Fine Arts elevator renovation	221,150	-	221,150	219,405	-	219,405	-	1,745
00743 Motor pool diesel tank	24,000	-	24,000	21,309	-	21,309	-	2,691
00744 Central plant fuel tank	70,000	-	70,000	62,454	-	62,454	-	7,546
00810 Campus backbone network	1,500,000	-	1,500,000	345,555	-	345,555	-	1,154,445
00818 E and G smoke detectors	321,000	-	321,000	215,938	-	215,938	-	105,062
00821 High voltage oil switch	690,000	-	690,000	661,903	-	661,903	2,797	25,300
00850 Fine Arts equipment and furnishings	155,868	-	155,868	139,386	-	139,386	-	16,482
00851 Curris Center roof renovations	5,000	-	5,000	1,526	-	1,526	-	3,474
00853 Stewart Stadium elevator renovation	132,700	-	132,700	128,458	-	128,458	-	4,242
00854 Elizabeth College elevator renovation	77,000	-	77,000	71,871	-	71,871	-	5,129
00855 Faculty Hall emergency generator	67,000	-	67,000	61,114	-	61,114	-	5,886
00856 Expo Center replace boiler	148,700	-	148,700	145,303	-	145,303	-	3,397
00857 Expo Center exterior trim	147,000	-	147,000	131,903	-	131,903	-	15,097
00858 Pogue Library skylight retrofit	2,630	-	2,630	2,630	-	2,630	-	-
00860 West farm fence	37,600	-	37,600	37,322	-	37,322	-	278
00863 E and G repair/replace fire doors	25,000	-	25,000	12,385	5,232	17,617	-	7,383
00864 BVC fire alarm expansion	32,780	-	32,780	26,696	-	26,696	3,781	2,303
00865 West farm shop storage	-	-	-	-	-	-	-	-
00866 BVC HVAC repair modification	25,335	-	25,335	25,335	-	25,335	-	-
00867 Hart College elevator modification	-	-	-	-	-	-	-	-
00868 Elizabeth College replace fire alarm	16,610	-	16,610	7,039	-	7,039	-	9,571
00869 Curris Center UST removal/replacement	25,000	-	25,000	10,130	-	10,130	-	14,870
00870 BVC paving and parking lot repairs	-	-	-	-	-	-	-	-
00930 Pullen farm greenhouse	230,000	-	230,000	57,428	150,194	207,622	25,121	(2,743)

PLANT FUNDS

UNAUDITED SCHEDULE OF UNEXPENDED REVENUES AND EXPENDITURES

For the Period July 1, 1999 through September 30, 1999

	Allotments			Expenditures			Outstanding Encumbrances	Balance 09/30/99
	Prior to July 1, 1999	Received 1999-00	Total	Prior to July 1, 1999	Expenditures 1999-00	Total		
00931 Hester College fire alarm	101,570	-	101,570	10,605	308	10,913	94,474	(3,817)
01001 Central plant chiller	897,000	-	897,000	781,265	4,683	785,948	91,802	19,250
01002 Business Building north elevator	220,000	-	220,000	142	-	142	-	219,858
01003 North farm organic pasteurization plant	350,000	-	350,000	353,677	325	354,002	-	(4,002)
01004 Doyle Fine Arts improvement	50,000	-	50,000	-	-	-	-	50,000
01005 Stewart Stadium gate	40,000	-	40,000	-	-	-	-	40,000
01006 West farm shop/storage	100,000	-	100,000	136	19,037	19,173	179,224	(98,397)
01007 BVC parking lot repair	80,000	-	80,000	-	-	-	-	80,000
01008 Carmen Pavillion upgrade	699,999	-	699,999	181,423	172,946	354,369	352,160	(6,530)
01009 Special Education building addition	7,184,000	-	7,184,000	181	3	184	-	7,183,816
01011 Pat Miller property	393,775	-	393,775	393,775	-	393,775	-	-
01012 Various buildings -firetruck setup pads	14,300	-	14,300	-	-	-	-	14,300
01013 CVU LAN project	2,084	-	2,084	-	-	-	-	2,084
01014 CVU ATM upgrade	562,407	-	562,407	26,166	367,766	393,932	10,238	158,237
01015 CVU student access	45,509	-	45,509	44,367	-	44,367	-	1,142
01016 CVU/CVL endeavor	140,500	-	140,500	35,125	-	35,125	105,375	-
01017 CVU KTLN upgrade	140,000	-	140,000	30,295	-	30,295	85,599	24,106
01018 Academic buildings sprinklers	1,078,000	-	1,078,000	-	-	-	-	1,078,000
01019 Carr Health renovations	2,000,000	-	2,000,000	-	-	-	-	2,000,000
01020 Business Building 1st floor entrance	1,000,000	-	1,000,000	-	-	-	-	1,000,000
01021 Hopkinsville Extended Campus	6,000,000	-	6,000,000	-	36	36	-	5,999,964
01022 Sparks Hall elevator	150,000	-	150,000	-	12,307	12,307	-	137,693
01023 Crisp Center lease	-	-	-	303,363	-	303,363	-	(303,363)
01024 Chemistry lab equipment	47,563	-	47,563	25,619	2,038	27,657	-	19,906
01025 New Fine Arts emergency generators	6,000	-	6,000	-	714	714	-	5,286
01026 Steward stadium restroom floors	-	40,000	40,000	-	-	-	-	40,000
01027 Cutchin drain repairs	-	70,000	70,000	-	-	-	-	70,000
01028 Hancock glasshouse	-	183,000	183,000	-	-	-	-	183,000
02001 Hester College fire restoration	308,008	-	308,008	296,679	11,802	308,481	-	(473)
02002 Hester College fire cleanup	240,000	-	240,000	234,848	2,997	237,845	-	2,155
02003 Hart College elevator modification	300,000	-	300,000	13,228	935	14,163	289,984	(4,147)
02004 Hester College sprinkler	317,390	-	317,390	99,507	84,179	183,686	-	133,704
02005 White College sprinkler	297,660	-	297,660	120,161	97,982	218,143	28,716	50,801
02006 Regents College sprinkler	257,300	-	257,300	121,051	96,425	217,476	28,716	11,108
02007 Elizabeth College sprinkler	325,920	-	325,920	107,689	110,106	217,795	-	108,125
02008 Hart College sprinkler	379,730	-	379,730	160,199	247,077	407,276	50,691	(78,237)
02009 Residential colleges - security cameras	146,000	-	146,000	-	12,751	12,751	119,751	13,498

MU Y STATE UNIVERSITY
PLANT FUNDS

UNAUDITED SCHEDULE OF UNEXPENDED REVENUES AND EXPENDITURES

For the Period July 1, 1999 through September 30, 1999

	Allotments			Expenditures			Outstanding Encumbrances	Balance 09/30/99
	Prior to July 1, 1999	Received 1999-00	Total	Prior to July 1, 1999	Expenditures 1999-00	Total		
	02010 Residential colleges - door closures	79,500	-	79,500	15,808	26,700		
02011 White /Regents/Hart Colleges fire alarm upgrade	388,407	-	388,407	25,698	705	26,403	417,755	(55,751)
02012 Elizabeth College windows	180,000	70,000	250,000	10,030	145,093	155,123	81,264	13,613
02013 Residential colleges water heaters	35,000	3,734	38,734	-	25,670	25,670	-	13,064
02014 Stewart Stadium lots	118,000	-	118,000	117,610	-	117,610	-	390
02015 Sorority Suites parking lots	105,719	-	105,719	24,003	64,888	88,891	-	16,828
02200 Housing and Dining series N bonds clearing	-	-	-	60,194	-	60,194	-	(60,194)
	<u>\$ 39,573,628</u>	<u>\$ 366,734</u>	<u>\$ 39,940,362</u>	<u>\$ 16,913,756</u>	<u>\$ 1,662,899</u>	<u>\$ 18,576,655</u>	<u>\$ 1,986,740</u>	<u>\$ 19,376,967</u>

MURRAY STATE UNIVERSITY
NOTES TO FINANCIAL REPORT
For the Period July 1, 1999 through September 30, 1999

Note 1. Summary of Significant Accounting Policies

Accounting Basis

The annual financial statements of Murray State University are prepared on an accrual basis of accounting except for depreciation on physical plant and equipment.

Tuition and fee revenues for a semester are recognized upon recording the receivable, normally before or shortly after the semester begins. Revenues of summer school academic terms are reported in the fiscal year in which the programs predominately fall. Therefore, deferred tuition revenues are recorded for terms which have not begun at year-end. State appropriations revenues are recognized upon receipt.

Expenditures are generally recognized, for interim reporting, in the period expended rather than the period incurred. Some liability accounts on the Balance Sheet are not adjusted until year-end, at which time all expenditures are accrued.

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of the resources available to the University, the accounts of the University are maintained in accordance with the principles of "fund accounting". This is the procedure by which resources for various activities are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified.

Current funds are used primarily to account for the transactions affecting the general operation of the University. These resources are expendable for performing the primary and support objectives of the University. Restricted gifts, grants, appropriations, and other restricted resources are accounted for in the appropriate restricted funds.

All gains and losses arising from the sale, collection or other disposition of investments and other non-cash assets are accounted for in the funds which owned such assets. Ordinary income derived from investments, receivables, and the like is accounted for in the fund owning such assets.

Note 2. Deposits and Investments

The University currently uses commercial banks and the Commonwealth of Kentucky for its depositories. Deposits with commercial banks are covered by Federal depository insurance or collateral held by the bank in the University's name. At the state, the University's accounts are pooled with other agencies of the state. These state pooled deposits are substantially covered by Federal depository insurance or by collateral held by the state in the state's name. The investments of the University not held in the state investment pool are insured or registered, or are held by the University or by an agent in the University's name. Effective for the quarter ending September 30, 1997, bond sinking fund investments, held by the trustee, will be stated at market value.

MURRAY STATE UNIVERSITY
 NOTES TO FINANCIAL REPORT (cont'd)
 For the Period July 1, 1999 through September 30, 1999

Note 3. Inventories

Inventories are stated at the lower of cost, using first-in-first-out valuation, or market.

Note 4. Murray State University Foundation, Inc.

Murray State University Foundation, Inc. (the Foundation) is a Kentucky not-for-profit corporation formed to receive, invest, and expend funds for the enhancement and improvement of the University.

The Foundation prepares and issues its own financial statements.

Note 5. Prior Year Carryovers and Encumbrances

Budget revisions for Prior Year Carryovers and Prior Year Encumbrance Carryovers are based on actual balances brought forward to date from fiscal year 1998/99.

Note 6. Tuition and Fees and Scholarships

Incentive Grants of \$812,077 have been included as both tuition and as scholarship expenditures. The amounts are \$812,077 for Fall 1999 and \$-0- for Spring 2000.

Note 7. Unrestricted Expenditures

In addition to expenditures, outstanding encumbrances as of September 30, 1999 are \$1,266,383 for Educational and General and \$102,984 for Auxiliary Enterprises.

Note 8. Non-Mandatory Transfers from/(to) Plant Funds

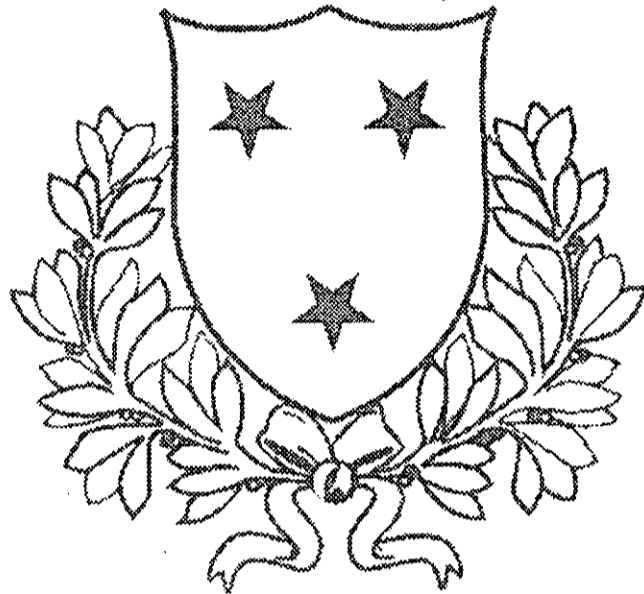
	Unrestricted Educational and General	Unrestricted Auxiliaries	Restricted Educational and General
I. Transfers from Consolidated Educational Renewal and Replacement Fund:			
a. 6/30/99 CERR balances in renovation accounts	\$ 540,804	\$ -	\$ -
b. Curris Center Wellness Center	50,000	-	-
	\$ 590,804	\$ -	\$ -
II. Transfers to Unexpended Plant Fund:			
a. Campus networking project	\$ 54,444	\$ -	\$ -
b. Stewart stadium restroom floors	9,000	-	-
c. Elizabeth College replacement windows		70,000	
	\$ 63,444	\$ 70,000	\$ -

MURRAY STATE UNIVERSITY
NOTES TO FINANCIAL REPORT (cont'd)
 For the Period July 1, 1999 through September 30, 1999

Note 8. Non-Mandatory Transfers from/(to) Plant Funds (cont'd)

	Unrestricted Educational and General	Unrestricted Auxiliaries	Restricted Educational and General
III. Transfers to Retirement of Indebtedness Fund:			
a. Housing and Dining bond payment	\$ -	\$ 345,382	\$ -
	-	-	-
	\$ -	\$ 345,382	\$ -

Murray State University



FOR THE PERIOD

July 1, 1999 - September 30, 1999

Submitted to:

The President

&

Board of Regents

INVESTMENT REPORT



Murray State University

Vice President for Administrative Services
322 Sparks Hall
Murray, KY 42071-3312
Phone (270) 762-3774 Fax (270) 762-3497

November 3, 1999

President Kern Alexander
Members of the Board of Regents
Murray, KY 42071

Attached is the Investment Report of Murray State University for the period July 1, 1999 through September 30, 1999.

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Summary of Investment Earnings by Fund and Fund Accounts.....	2
Schedules of Investment Activities.....	3-5
Notes to Investment Report.....	6-10

Thomas W. Denton
Vice President for
Administrative Services

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MURRAY STATE UNIVERSITY
SUMMARY OF INVESTMENT EARNINGS BY FUND
 For the Period July 1, 1999 through September 30, 1999

	<u>Current Funds</u>	<u>Endowment Funds</u>	<u>Plant Funds</u>	<u>Total</u>
Investment Earnings to Date	<u>\$ 237,504</u>	<u>\$ 33,230</u>	<u>\$ 136,808</u>	<u>407,542</u>
Composite Interest Rates	<u>3.07%</u>	<u>-1.06%</u>	<u>3.87%</u>	<u>3.00%</u>

Note:

The Composite Interest Rate for the Endowment Funds includes an effective yield from the MSU Foundation Investment Pool of (6.52%). This yield is based on the total market value of this pool during the first quarter of the fiscal year. This yield is calculated as the net of the realized yield of 5.05% and the unrealized yield of (11.57%).

MURRAY STATE UNIVERSITY
SUMMARY OF INVESTMENT EARNINGS
BY FUND AND FUND ACCOUNTS
For the Period July 1, 1999 through September 30, 1999
With Comparative Figures for Period Ended September 30, 1998

	Earnings To Date 1999-00	Earnings To Date 1998-99
CURRENT FUNDS		
Local Bank Accounts Interest (Union Planters Bank)	\$ 118,448	\$ 98,964
Consolidated Educational Revenue Fund (State Bond Pool)	110,137	285,755
Housing and Dining Revenue Fund (State Bond Pool)	8,919	4,721
Total Current Funds	\$ 237,504	\$ 389,440
ENDOWMENT FUNDS		
Endowed Chair for Ecosystems Studies	\$ 11,400	\$ 14,250
Smith Scholarship Endowment	13,355	13,863
Other Endowment Funds	8,475	4,159
Total Endowment Fund	\$ 33,230	\$ 32,272
PLANT FUNDS		
Consolidated Educational Renewal and Replacement (State Bond Pool)	\$ 14,308	\$ 48,241
Unexpended Plant (State Bond Pool)		
Series G Bonds - Consolidated Educational Bond Proceeds Pool	3,136	7,718
Series H Bonds - Consolidated Educational Bond Proceeds Pool	43	308
Series N Bonds - Housing and Dining Bond Proceeds Pool	43,794	-
Retirement of Indebtedness (Trustee-Chase Bank)		
Consolidated Educational Bond Reserve Sinking Fund	45,110	57,583
Consolidated Educational Series G Arbitrage Rebate Fund	8	11
Housing and Dining Bond Reserve Sinking Fund	11,833	10,473
Housing and Dining Repair and Maintenance Fund	10,481	10,966
Housing and Dining Series N Reserve Sinking Fund	8,096	-
Total Plant Funds	\$ 136,808	\$ 135,300

Note:

State bond pool earnings include estimates for September 1999, due to reporting delays by the Office of Financial Management and Economic Analysis.

MURRAY STATE UNIVERSITY
 CURRENT FUNDS
 SCHEDULE OF INVESTMENT ACTIVITIES
 For the Period July 1, 1999 through September 30, 1999

Type of Investment	Maturity	Term	Days Interest Earned	Fiscal YTD Annualized Yield	Fiscal YTD Average Balance	1999-00 Earnings
EDUCATIONAL AND GENERAL						
<u>Interest on Local Bank Accounts (Note 4)</u>						
Union Planters Bank		continuous		Daily rate per overnight Union Planters bank balances		\$ 118,448
Total local bank accounts interest earnings to date						<u>\$ 118,448</u>
<u>Consolidated Educational Revenue Fund (State Bond Pool)</u>						
State Bond Pool	09/30/99	365 days	365	3.060%	\$ 13,687,269	\$ 110,137
Total Consolidated Educational Revenue Fund interest earnings to date						<u>\$ 110,137</u>
Total Current Funds Educational and General interest earnings to date						<u>\$ 228,585</u>
AUXILIARY ENTERPRISES						
<u>Housing and Dining Revenue Fund (State Bond Pool)</u>						
State Bond Pool	09/30/99	365 days	365	3.170%	\$ 1,771,850	\$ 8,919
Total Housing and Dining Revenue Fund interest earnings to date						<u>\$ 8,919</u>
Total Auxiliary Enterprises interest earnings to date						<u>\$ 8,919</u>
Total Current Funds interest earnings to date						<u>\$ 237,504</u>

MURRAY STATE UNIVERSITY
 ENDOWMENT FUNDS
 SCHEDULE OF INVESTMENT ACTIVITIES
 For the Period July 1, 1999 through September 30, 1999

Type of Investment	Maturity	Term	Days Interest Earned	Effective Yield	Market Value at 09/30/99	1999-00 Earnings
ENDOWED CHAIR FOR ECOSYSTEMS STUDIES (Note 7)						
Certificate of Deposit	11/24/99	365 days	92 days	5.000%	\$ 300,000	\$ 3,781
Certificate of Deposit	11/24/99	365 days	92 days	5.100%	300,000	3,856
State Bond Pool	365 days	365 days	92 days	3.060%	202,362	764
Foundation Investment Pool	06/30/00	365 days	92 days	-6.520%	229,073	2,999
Total Endowed Chair Interest earnings to date						<u>\$ 11,400</u>

SMITH SCHOLARSHIP ENDOWMENT (Note 7)

Investment	Market Value at 09/30/99	1999-00 Earnings
Foundation Investment Pool	-6.520% \$ 1,019,830	\$ 13,355
Total Smith Endowment earnings to date		<u>\$ 13,355</u>

OTHER ENDOWMENT FUNDS

Investment	Market Value at 09/30/99	1999-00 Earnings
Foundation Investment Pool	-6.520% \$ 660,752	\$ 8,475
Total Other Endowment Funds		<u>\$ 8,475</u>
Total Endowment Funds earnings to date		<u>\$ 33,230</u>

MURRAY STATE UNIVERSITY
PLANT FUNDS
SCHEDULE OF INVESTMENT ACTIVITIES
For the Period July 1, 1999 through September 30, 1999

Type of Investment	Maturity	Term	Days Interest Earned	Fiscal YTD Annualized Yield	Fiscal YTD Average Balance	1999-00 Earnings
CONSOLIDATED EDUCATIONAL RENEWAL AND REPLACEMENT (CERR)						
State Bond Pool	09/30/99	365 days	92	3.130%	\$ 1,951,745	\$ 14,308
Total Consolidated Educational Renewal and Replacement interest earnings to date						<u>\$ 14,308</u>
UNEXPENDED PLANT FUND						
Series G Bonds - Consolidated Educational Bond Proceeds Pool (Note 9)						
State Bond Pool	09/30/99	365 days	92	3.100%	\$ 386,249	\$ 3,136
Total Series G interest earnings to date						<u>\$ 3,136</u>
Series H Bonds - Consolidated Educational Bond Proceeds Pool (Note 10)						
State Bond Pool	09/30/99	365 days	92	3.32%	\$ 5,006	\$ 43
Total Series H interest earnings to date						<u>\$ 43</u>
Series N Bonds - Housing and Dining Proceeds Pool (Note 14)						
State Bond Pool	09/30/99	365 days	92	3.31%	\$ 4,998,408	\$ 43,794
Total Series N interest earnings to date						<u>\$ 43,794</u>
Total Unexpended Plant Fund interest earnings to date						<u>\$ 46,973</u>
RETIREMENT OF INDEBTEDNESS FUND - Invested by Trustee						
				Yield to Maturity	Market Value at 09/30/99	
Consolidated Educational Bond Reserve Sinking Fund (Note 11)						
Money Market Securities	09/30/99	365 days	92	Various	\$ 3,985	\$ 44
Repurchase Agreement	07/01/04	10 years	92	6.500%	\$ 2,713,013	45,066
Total Consolidated Educational Bond Reserve Sinking Fund interest earnings to date						<u>\$ 45,110</u>
Consolidated Educational Series G Arbitrage Rebate Fund						
Money Market Securities	09/30/99	365 days	92	Various	\$ 691	\$ 8
Total Consolidated Educational Series G Arbitrage Rebate Fund interest earnings to date						<u>\$ 8</u>
Housing and Dining Bond Reserve Sinking Fund (Note 12)						
Chase managed account	09/30/99	365 days	92	Various	\$ 719,875	\$ 11,833
Total Housing and Dining Bond Reserve Sinking Fund interest earnings to date						<u>\$ 11,833</u>
Housing and Dining Repair and Maintenance Reserve Fund (Note 13)						
Chase managed account	09/30/99	365 days	92	Various	\$ 824,635	\$ 10,481
Total Housing and Dining Repair and Maintenance Reserve Fund interest earnings to date						<u>\$ 10,481</u>
Housing and Dining Series N Reserve Sinking Fund (Note 14)						
Chase managed account	06/30/99	365 days	92	Various	\$ 489,772	\$ 8,096
Total Housing and Dining Series N Reserve Sinking Fund						<u>\$ 8,096</u>
Total Retirement of Indebtedness Fund interest earnings to date						<u>\$ 75,528</u>
Total Plant Funds interest earnings to date						<u>\$ 136,808</u>

MURRAY STATE UNIVERSITY
NOTES TO INVESTMENT REPORT
For the Period July 1, 1999 through September 30, 1999

Note 1. **BASIS OF REVENUE RECOGNITION**

Accrual basis accounting is used to recognize interest earnings on the Investment Report.

Note 2. **INVESTMENT POLICIES AND PROCEDURES**

POLICIES

Scope: This investment policy applies to activities of the University with regard to investing the financial assets of all funds, including those maintained by:

- I. the Commonwealth of Kentucky's treasury,
- II. local depositories, and
- III. external trustees and investment managers.

Written procedures will indicate which funds are covered under each of the previously mentioned investment structures.

Goals: Consistent with state statutes and administrative regulations, the goals of the University's investment program are:

- * preservation and maintenance of the real purchasing power of the principal in the portfolios,
- * maintenance of sufficient liquidity to meet normal and foreseeable expenditures, and
- * attainment of the greatest possible dollar return to the University while observing statutory and policy constraints.

Investment Objective: The investment objective is to produce a yield that when compared to the current marketplace, would be described as competitive by investment managers.

Strategy: The University's investment strategy is designed to match the life of the assets with the date liability occurs.

Delegation of Authority:

General: The treasurer is responsible for investment decisions and activities, under the direction of the Board of Regents. The Treasurer shall develop and maintain written administrative procedures for the operation of the investment program, consistent with these policies. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person shall engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate investment personnel.

Bond Funds: With regard to bond funds, the investment/reinvestment (on instruments authorized by the bond indenture and resolutions) by the trustee(s) shall be directed from time to time by the Treasurer.

Minimal Non-Cash Investment Transactions: In order to correct stock transfer errors or dispose of small non-cash investments, the Treasurer is authorized to sell or otherwise dispose of items less than \$25,000 without specific resolution from the Board of Regents.

Note 2. INVESTMENT POLICIES AND PROCEDURES (cont.)

Reporting: The Treasurer and the Vice President for Administrative Services shall submit quarterly investment reports to the President and Board of Regents. These reports will include investment data for investment securities held at the end of the reporting period.

PROCEDURES

Specific investment procedures are contained within the full "Investment Policies and Procedures" as approved by the Board of Regents on May 14, 1994.

Note 3. DEPOSITS AND INVESTMENTS

The University currently uses commercial banks and the Commonwealth of Kentucky for its depositories. Deposits with commercial banks are covered by Federal depository insurance or collateral held by the bank in the University's name. University funds deposited with the State Treasurer are pooled with funds from other state agencies. These state pooled deposits are substantially covered by federal depository insurance or by the collateral held by the bank in the state's name. The investments of the University not held by the state investment pool are insured, registered, or held by the University or by an agent of the University.

Below is a summary of the investments held by the University:

	09/30/99 Carrying Amount	09/30/98 Carrying Amount
U. S. Government Securities	\$ 4,744,465	\$ 5,070,133
Certificates of Deposit	600,000	795,000
Money Market Securities	7,650	803
Subtotal	\$ 5,352,115	\$ 5,865,936
Investment in State Investment Pool	\$ 25,087,296	\$ 16,062,202
MSU Foundation Pool	\$ 1,909,656	\$ 1,520,000
Total Investments	\$ 32,349,067	\$ 23,448,138

Note 4. CURRENT FUNDS - LOCAL BANK ACCOUNT

Effective June 1, 1997, the University entered into a new banking contract with Peoples First of Calloway County. Effective June 1, 1999, this contract was renewed with Union Planters Bank, with interest earnings based on 100% of the daily effective federal funds rate.

Interest earnings may be expended in Current Fund.

Note 5. CONSOLIDATED EDUCATIONAL BUILDING AND REVENUE BOND FUND (CEBRB)

This fund was created, as result of the trust indenture established when the first Consolidated Educational Building Revenue Bonds were sold in the 1960's, as a depository of tuition and fees in order to provide funds to service the principal and interest debt requirements of each series of aforementioned bonds. The fund also supports the Educational and General Funds operations.

Note 5. CONSOLIDATED EDUCATIONAL BUILDING AND REVENUE BOND FUND (CEBRB)

The Commonwealth of Kentucky Office of Financial Management and Economic Analysis invests available funds of the CEHRB in the State's university investment pool.

All interest earnings are transferred to Consolidated Educational Renewal and Replacement (CERR) at the end of each quarter according to the Board's approval for renewal and replacement projects.

Note 6. AUXILIARY FUNDS - HOUSING AND DINING REVENUE FUND

This fund was created, as a result of the trust indenture established when the first Housing and Dining System Revenue Bonds were sold in the 1960's as a depository of all auxiliary income in order to provide funds to service the principal and interest debt requirement of each series of aforementioned bonds. The fund also supports the Auxiliary Fund operations.

Note 7. ENDOWMENT FUND INVESTMENTS

ENDOWED CHAIR

During 1987, the University was awarded \$500,000 by the Commonwealth of Kentucky for an Endowed Chair for Eco-Systems Studies. University discretion, within the Board Policy, is used to invest these funds. Ten percent of the total earnings are returned to the Endowment investment pool. Ninety percent of the earnings are transferred to the Restricted Fund (Endowed Chair Grant) for program expenditures.

SMITH ENDOWMENT

During the fourth quarter of fiscal year 1991-92 and the first three quarters of fiscal year 1992-93, the University received proceeds, in excess of \$750,000, from the Laura Smith estate for the Smith Endowment. The majority of the proceeds were deposited with the Murray State University Foundation for investment in the investment pool.

Note 8. CONSOLIDATED EDUCATIONAL RENEWAL AND REPLACEMENT (CERR)

As established by the Board of Regents in March 1982, CERR provides a plant fund sub-group so that funds transferred from CEHRB could be accumulated for future projects of repair and renovation.

The University invests the proceeds in the same manner as CEHRB in Note 5.

Interest earnings remain within the fund for future projects.

Note 9. UNEXPENDED PLANT FUNDS - SERIES G REVENUE BOND

This capital construction clearing account holds the proceeds from the University's Series G bond sale until such time as they are needed for specific capital construction projects.

The University issued \$14,785,000 in Series G revenue bonds dated December 1, 1987. The proceeds are to be used to pay costs of repair, renovation, construction or addition to buildings on the campus of Murray State University that are and shall be a part of the Consolidated Educational Building Project. This project was established and created by the Board of Regents on April 20, 1961.

The University invests the proceeds in the same manner as CEHRB in Note 5.

Interest earnings on Series G can be spent on the Industry and Technology Building project or any other Educational and General project the Board and State approves.

Note 10. UNEXPENDED PLANT FUNDS - SERIES H REVENUE BOND

This capital construction clearing account holds the proceeds from the University's Series H bond sale until such time as they are needed for specific capital construction projects.

The University issued \$4,625,000 in Series H revenue bonds dated March 1, 1992. The proceeds are to be used to pay costs of repair, renovation, construction of addition to buildings on the campus of Murray State University that are and shall be a part of the Consolidated Educational Building Project. This project was established and created by the Board of Regents on April 20, 1961.

The Commonwealth of Kentucky invests the proceeds in a pooled account with other state agency bond proceeds.

Interest earnings on Series H can be spent on the renovation of the Old Fine Arts Building and the Underground Steam and Condensate Lines as approved by the Board and State.

Note 11. RETIREMENT OF INDEBTEDNESS - CONSOLIDATED EDUCATIONAL SINKING FUND (CESF)

This fund was created, as a result of the first trust indenture established when the Consolidated Educational Building and Revenue bonds were sold in the 1960's, to provide a sinking fund to pay debt principal and interest expense on all related CEBRB bonds. The amount of interest earned is part of the formula for annual funding of CERR projects. (See Note 5)

Interest earnings are used to reduce the amount of semi-annual debt service transferred from University Unrestricted Educational and General Fund to this sinking fund. Bond requirements mandate a minimum reserve of \$3,543,480.

Note 12. RETIREMENT OF INDEBTEDNESS - HOUSING AND DINING SINKING FUND

This fund was created, as a result of the trust indenture established when the first Housing and Dining System Revenue Bonds were sold in the 1960's, to provide a sinking fund to pay debt principal and interest expense on related Housing and Dining Revenue Bonds.

Interest earnings are retained in the fund for future use. Bond requirements mandate a minimum reserve of \$720,154.

Note 13. HOUSING AND DINING REPAIR AND MAINTENANCE RESERVE FUND

This fund was created, as a result of the establishment of the trust indenture in Note 5, to provide a fund to pay for extraordinary repairs, not paid from the Auxiliary Fund, to the Housing and Dining System buildings.

Interest earnings are retained in the fund for future use. The use is determined by Board of Regents resolution and the indentures. Bond requirements mandate a minimum reserve of \$550,000.

Note 14. UNEXPENDED PLANT FUNDS - SERIES N HOUSING AND DINING REVENUE BOND

This capital construction clearing account holds the proceeds from the University's Series N bond sale until such time as they are needed for specific capital construction projects.

The University issued \$6,370,000 in Series N revenue bonds dated April 1, 1999. The proceeds are to be used to pay costs of certain fire safety and maintenance improvements to buildings on the campus of Murray State University that are and shall be a part of the Housing and Dining System. This system was established and created by the Board of Regents on September 1, 1965.

The Commonwealth of Kentucky invests the proceeds in a pooled account with other state agency bond proceeds.

Interest earnings on Series N can be spent on fire safety improvements and maintenance of certain housing facilities as approved by the Board and State.

**Murray State University Board Report
Undergraduate Degrees Conferred
December 16, 1999**

Associate of Arts

Marian Elizabeth Abell
Stephanie L. Burkeen
Amanda Beth Carraway
John Russell Farmer
Heather DeAnn Glisson
Mary Mitchell
Jamie Shepard
Brian Walker Jr.

Total: 8

Associate of Science

Jason Smothers

Total: 1

Associate of Science in Vocational/Technical Fields

Haydon R. Bloodworth

Total: 1

Bachelor of Arts

Matthew J. Adamson
Raoul Christian Govert Bax
Christy M. Bell-Cornaby
Christie Lyn Berry
Bradley Joseph Burns
Dana L. Damiani
Reshana L. Darnell
Aaron Lee Etherington
Jennifer Claire Farmer
William J. Futrell
Darren Wilson Gantt
Amanda Gardner
Jason Allen Gaynor
April M. Gilmore
Cynthia A. Groves
Walter G. Harvey
Sarah Therese Hawkins
Ronn A'lisa Heflin
Mary Allyson Hobbie
Jason E. Houts
Brian D. Howell
Maureen Patrice Humphrey
Taiwana K. James
Keith Michael Jared
Melissa Gale Jarvis

Total: 60

Meredith Brooke Julian
Kwang-Won Kang
Kristy A. Kilcoyne
Jason Michael King
Katherine Reed Latham
Nicole L. Layman
D. Marie Lyons
Jenny Marie Mabrouk
Jennifer Lynn Martin
Brad A. McClain
Jason L. Merrell
Stacy Laine Moss
Larrah Perry
Sara Ann Poston
M. Allison Pryor
Steven Jay Redlinger
Karen E. Sadley
Angela Jo Schilling
Bellinda Kayleen Sheetz
Patrick D. Smith
Michael Steffey
Scott E. Stone
Karen S. Sullivan
Robert N. Superchi
Jennifer Rebecca Tharp
Michael Terry Thurston
Bryan Patrick Turley
Mark Turner
Rhonda Gayle Walker
Nikita Shonnete White
Sarah Adele Wight
Michelle Lynette Willis
Christy Denise Wilson
Kristi Michele Lee Wimsatt
Leigha Christine Wolf

Bachelor of Science (B.S.)

Stephanie T. Calero
Joseph Gerard Javier
John Calvin Murphy
Jeremy D. Weis
Joseph M. Welsh

Total: 5

Murray State University Board Report
Undergraduate Degrees Conferred
December 16, 1999

EDUCATION

Lauren W. Boswell

Total: 1

EDUCATION - THE TEACHER

Melody Jeane Elrod
 Cecilia Eden Hembree
 Kristin M. Horan
 Karen Elizabeth Record

Total: 4

EDUCATION - SOCIAL

Abdul Salam Abu Baker
 Mohammed A. M. Al-Ahmad
 Cindy Lee Allred
 Jason Ryan Baggett
 Bonnie Bernadette Bagninski
 Jared L. Baker
 Robert M. Barks
 Kirk R. Barnett
 Farrah Beach
 Dennis A. Beard
 Will Jay Bennett
 Jason Ray Berry
 Mark Malone Bilyeu
 Christopher W. Bindewald
 Cassandra Mae Bolen
 Edward R. Booth
 Brian Wayse Bridgeman
 Melissa Lyn Brower
 Jason Matthew Brown
 Joshua John Browning
 John Bruzewski
 Timothy Jason Bundren
 Whyndii Patricia Burke
 Lori Burling
 Geoffrey Lance Cantrell
 Vanessa Capps
 RaAnn Carver
 Robert Christopher Cates
 Daniele Marie Cave
 Ashley Brooke Church
 Kathy Jo Colvett
 Patrick Keller Compton
 Leslie Anne Cooper

Total: 198

Jennifer Lynn Crisp
 Christopher Paul Crockett
 Amy Croger
 Tiera Marshall Cross
 Heather Dawn Culp
 Brandy R. Cummings
 Cynthia Renee Cummings
 Brian Wayne Curlin
 Maria S. Denney
 Leona Michelle Dick
 James Alden Dorris
 Michele Leigh Dotson
 Shane Joseph Douglas
 Amy Suzanne Duck
 Jessica L. Duncan
 Winifred L. Dycus
 LesLee Elaine Edens
 Jessica Dawn Edging
 Jason Ward Edmonds
 Ann Frances Edwards
 Valerie Renee Elliott
 Michael P. Elsea
 Crystal Shree Gillock Etherington
 Kasey C. Farmer
 Adelle Annette Farrell
 Sonya Leigh Faulkner
 Cindy LaShea Felts
 Christie Fitzgerald
 Leigh Ann Ford
 Lindsay Faye Fox
 Shameika Menai Frazier
 Derek Kyle Gay
 Jeffrey D. Gentry
 Teresa Marie George
 John Daniel Gill
 Melanie Gilliam
 Kenneth A. Goodloe
 Timothy E. Gower
 Penny Gail Green
 Ann Jeanette Greenfield
 Turid Julia Gregory
 Edward A. Haefner
 Brandi Jill Haire
 April Lynne Hall
 Clayton C. Hall

Murray State University Board Report
Undergraduate Degrees Conferred
December 16, 1999

Holly Anne Hall
Bryan Allen Hansen
David Dennis Hart
Jonathan Wayne Heath
Emily Elizabeth Helton
Alison Carol Hill
Mickey Allen Hill
Michelle Lynn Hincee
Danny James Hinton
Kristi Lynne Hoffman
Jerry Dwayne Holland
Shea Holliman
Joseph John Holman
Heather Howell
Brendan Kavanagh Huff
Garrett Torran Humphrey Jr.
Lora Ann Ivie
Deedie Sue Jones
Jason Roy Jones
Stephanie A. Jones
Kelly Allison Kersey
Christopher R. Kinney
Shannon Marie Ladd
Amy Elizabeth Lamb
Kristi G. Lane
Brandy June Lewis
Molly Katherine Littlefield
Vincent Ryan Loftus
Keith Adam Logsdon
Gregory Allen Lynch
Lisa Ann Lynn
Jason Thomas Manar
Cassie Ann Marsh
Lisa Ann Mason
Kathryn Nichole Massey
Yoshitaka Matsumura
Charles T. Maxwell
Angela D. McCord
Michael Scott McCullough
Shara Renee McDougal
Dell B. McPeake
Jessica M. McPherson
Regina Rudd Merrick
Cara Lee Milby
Amber D. Miles

Joshua Wray Miller
Phillip Scott Mitchell
Alison Denise Monroe
Sarah Lindsey Monroe
Kimberly Dawn Moody
Michael D. Morgan
Martha Elizabeth Morley
Melissa Gayle Moynahan
Freda Michele Osler
Jason Clay Outland
John Timothy Pafford
Erica C. Pair
Brian Duane Parker
Donald Robert Parr
Jeremy Keith Payne
Ashley Gale Phelps
Wendy Marie Phillips
James William Poffenberger
Christopher C. Poland
Amy M. Pratt
LaWanda Mae Priddy
Shawn W. Puckett
Kevin S. Quisenberry
Jamie Franklin Reed
Ross O. Reed
Stacie Lynn Richardson
Crystal Renee Roberts
Heather L. Roberts
Brandalyn Nicole Robinson
Leigh Ann Robinson
Monty Van Rogers
Nita Bean Rose
Rebecca Anne Sacora
John T.A. Scott
Katrina Lea Sheppard
Emily J. Shipp
Jason L. Siler
Jeffery R. Stone
Gina Gargus Smith
Jennifer Lynn Sobecki
Shirley Louise Speer
David Lee Springston
Jaime Sue Staats
Robert John Stanley
Jacob Steele

**Murray State University Board Report
Undergraduate Degrees Conferred
December 16, 1999**

Caanan M. Stewart
Melissa Jo Stewart
Christopher T. Stites
Amanda Lee Stratton
Lisa M. Streetman
Michael Trent Stubblefield
Rebecca C. Sullenger
Szilvia Szemere
Tara Leigh Tandy
Shannon Lynn Taylor
Carolyn Renee Terrett
Michelle Kristine Thomas
Jeffery Michael Tilker
Jessica Lee Todd
Tim J. Tucker
Ryan Paul Wagner
Amberly Dawn Wallis
Brian Bradley Watson
Wesley Bryan Westerfield
David Harold Wilkerson III
Eric Williams
Jason Lee Williams
Karen Constance Williams
Phillip Allen Williams
Michael H. Winkler
Chad Michael Wirthwein
Yunkyoung Woo
Angela Morrison Yearry
Angie Le Shea York
Jung-Al Yu

Jason Donald Lattus
Crystal Michele Lewis
Michael Timothy Marron
Noah Shane Mays
Gregory Andrew Miller
Jason Palmer
Edward Todd Perry
Brodie Lee Rich
Marty Gail Roache'
Curt William Robbins
Travis Wade Rogers
Stephanie Ann Story
Kristi Lea Tegt
Jeffrey Shane Tucker
Melanie Ann Ward
Gary M. Wheeler
Christopher Neal Yandell

Education of Students in Attendance

Total: 45

Jason Patrick Brewer
Rodney David Chatman
Adam M. Chustz
Wesley B. Crick
Donald Brett Crouch
Wesley Cunningham
Janet G. Darnall
Debra J. Day
Jacquelyn Ann Decker
Christopher H. Dehart
Roger Dale Dew
Rose Ann Douglas
Christopher J. Dreier
Stacia L. Elkins
Melissa A. Eversman
Justin James Fuente
Amy M. Gemmill
Courtney McCoy Greer
Amanda Renee Hagan
Afif Bakri Hamdan
Nakebi L. Jones
Virginia Clair Kanipe
Kim J. Leevy
Helen Marie Lopez
Krista L. Lowery

Education of Students in Attendance

Total: 29

Jon Beavers
Tammy L. Borgarding
Benjamin J. Cook
Joseph C. Crawford
Marianne Elizabeth D'Altilio
Verda Antoinette Davis
Craig Carter Drake
Jennifer Lee Elsea
Kyle Patrick Fry
Curtis A. James
Sandra Lee Kleiser
Patrick L. Kough

**Murray State University Board Report
Undergraduate Degrees Conferred
December 16, 1999**

Justin B. Miller
Steven Lynn Moore
Kevin L. Moss
Kevin Asa Munsey
Daniel B. Owen
Dwayne Anthony Oxley
Douglas James Phelps
Wesley Todd Pidcock
Mitzi Lynn Rickman
Paul E. Scott II
Brandy Sunshine Smith
Howard Terry Smithson
Jamie M. Southard
Steven M. Stapleton
Michael J. Stephens
Gary Su
Russell Bruce Thomas
Cedric Tisby
Michael Lynn Vermillion
Adam Whiteside

Bachelor of Science in Vocational Technical Education

Dennis F. Hibbs

Total: 1

Bachelor of Science in Nursing

Mendy Lucille Adair
Karen S. Austin
Denise K. Brogdon
Leslie Brooke Caughron
Nathan B. Clark
Kelly R. Dawes
Stace Douglas Dollar
Jill Erin Doss
Ginnie M. Edwards
Sydney L. Elias
Teryl T. Farmer
Melissa Gail Fitch
John A. Gaither
Sherry Gale Gallimore
Angelia F. Gregson
Ella Kathleen Hakanson
Steven Keith Hallman Sr.
Kimberly A. Hunt
Lori Renee Kinser

Total: 29

Amy Hendon May
Matthew R. Morse
Brandi Nicole Owen
Linn E. Phillips
Jodi Cecile Schultz
John Todd Seargent
Deborah M. Walker
Candace L. West
Lynn Whitledge
Sheila M. Winchester

Bachelor of Science in Education

Michael Lee Blasdel
Patricia M. Dewese
Janece Franklin Everett

Total: 3

Bachelor of Science in Health Care

Brooke A. Berryman
Alison L. Hatchett
Stephanie L. Holt
Eric William Howard
Shea Simmons
Darrin J. Whaley
Laura Ann Wild

Total: 7

Bachelor of Social Work

Celia W. Bachi
Kimberley Diane Bonds
L. Faye Cunningham
Mary Leandra Kolb Hart
Stephanie Elaine Miller-Spence
Amy C. Newton
Dawn Renee Sanders
Sabrina Smith Tucker
Julie Ann Wooley

Total: 9

**Murray State University Board Report
Undergraduate Degrees Conferred
December 16, 1999**

Total Number of Degrees Conferred : 401

Murray State University Board Report
Graduate Degrees Conferred
December 16, 1999

Master of Arts in Education

Total: 28

Richard Benson Beam
Emily Nicole Brown
Brittany Renee Chambers
Lisa Jo Aly Edwards
Jason Travis Hamby
Sandra Primm Hancock
Jayme Mitchell Harralson
Janice E. Hutchinson Hays
Deborah Call Howton
James Edward Johnson
Cathy Marie Long
Leshia Gail Odom Mathis
Marty Allen McBride
Amy R. McClain
Shellie S. McDaniels
Nancy A. Moore-Sims
Robert Michael Paul
Larry Dale Reid Jr.
Johanna Comisak Rhodes
Lisa Ann Rodgers
Patrick Franklin Rowland
Shannon Bailey Sanders
Andrea Phillips Stevens
Wendy T. Sullenger
Lalah Kay Troutman
Dori Lewis Vanover
Kelly Lanette Veatch
Tammy Lynn Weitlauf

Surya Darma Halim
Joe T. Knight
Louis Anthony Lemos II
Oliver Harald Maier
Karoline Rinda Minelly
Hendrik-Timo Normann
Geoffrey James Smarte
Galina A. Tonka
Brandon James Vaughn
Greg Ryan Wyatt
Akmal Mostafa Zoheir

Master of Science

Total: 55

Abdullah M. Al-Osaimi
Bernice T. Ayer
Domonique Angelle Tuminello Baker
Scott A. Benson
Matthew Byron Bethel
Steve Dwayne Brantley
Thomas Edward Bright
John Conrad Brock
Rhuann Natae Caliper
Debra Ann Callahan
Yun-Feng Chiang
Lee Marcus Cope
Charles R. Daniels
Todd Erik Duff
Dustin Arwood Dunn
Karen Lee Eddins
Terry Fuqua
Amanda Rae Greer
Junzhi Han
Gib Ray Hart
Bryan E. Hays
Kenji Hoshino
Lawrence Lim
Suet Lai Lo
Judy Carol Manners
Thomas Patrick McElrath
Robin A. Mears
Shauna Leanne Mullins
Patricia Annette Nimmo

Master of Business Administration

Total: 21

Agnes Wedding Church
Gayla Puckett Creasey
Tracy Vincent Darakjian
Kimberly Nantz Dixon
Ruslan V. Dzhanusov
Tobias Escher
Sara Grey Fitts
David P. Gilmore
Veronica Goulko
John Robert Gunter

Murray State University Board Report
Graduate Degrees Conferred
December 16, 1999

Ajeng Norliana
Deirdre Eileen O'Melia-LaRock
Jennifer Renee Ohl
Songsri Panitcharoendee
Kathleen C. Price
Derrick J. Rains
Heather Hoe Richard
Renah Shae Rushing
Eric R. Russell
Amber D. Savells-Arb
Siriporn Siroratwanich
Roger Lewis Smith
Spyridon P. Stamatopoulos
Pedro A. Stiassni
Michael Lee Sullivan
Eneng Susilawati
James Todd Thomas
Linda Jane Tisue
Roy Robert Trumble IV
Thomas James Wagner
Danita Dawn Walker
Hal P. Williams
Angela Sue Wilson
Michael David Wilson
Wendy S. Young
Renan Zhuang

Master of Arts

Total: 17

Menawer Bayan Alrajehi
Bonny Bhattacharjee
Melissa S. Carr
Hui-Fen Chian
Benita Rutanya Dillard
John Wilton Edwards II
Lisa D. Geurin
Janet Lynn Hester
Melisa Kay Hicks
Phillip Richard Jones
Ki Jeong Kim
Kyung-Myung Kwon
Shannon Heather McBurnette
Tresenda J. Pack

Sabecha S. Rashed
Rachel Christine Schroeder
Hirofumi Takanashi

Master of Public Administration

Total: 5

Mark Alton Grubbs
Mugure Kebaara
Joe Dabney Lyons
Tiffany Suzanne Orcesi
James Farrell Pendergraft

Master of Science in Nursing

Total: 15

Nelson Chambers Barlow
Tracie Lynn Bullock
Kimberly Gilliam Byars
Frankie Lee Crider
Martha Ann Fiese
Lynn Dobra Fitchpatrick
Georgia Elizabeth Greenwell
Denean Carol Hedges
Pamela Mabry Humes
Patricia Ruth Klapper
William Gray McCall
Michelle Bozue McCray
Teresa Myers Morgan
Kathy Dianne Phelps
Michael Shane Rust

Specialist in Education

Total: 2

G. Steven Alexander
Isabelle C. Sands

**Murray State University Board Report
Graduate Degrees Conferred
December 16, 1999**

Total Number of Degrees Conferred : 143

MURRAY STATE UNIVERSITY

**Financial Statements
and Supplemental Schedules
for the Year Ended June 30, 1999
and
Independent Auditors' Report**



INDEPENDENT AUDITORS' REPORT

To the Board of Regents
of Murray State University

We have audited the accompanying balance sheet of Murray State University (the "University") as of June 30, 1999, and the related statements of changes in fund balances and current funds revenues, expenditures, and other changes for the year then ended. These financial statements are the responsibility of the management of the University. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Murray State University as of June 30, 1999, and the changes in its fund balances and its current funds revenues, expenditures, and other changes for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules on pages 16 - 55 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of the University's management. Such schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

The year 2000 supplementary information on page 56 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. Further, we were unable to apply to the information certain procedures prescribed by professional standards because of the unprecedented nature of the year 2000 issue and its effects, and the fact that authoritative measurement criteria regarding the status of remediation efforts have not been established. In addition, we do not provide assurance that the University is or will become year 2000 compliant, that the University's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the University does business are or will become year 2000 compliant.

In accordance with *Government Auditing Standards*, we have also issued a report, dated September 24, 1999, on our consideration of the University's internal control over financial reporting and our tests of compliance with certain provisions of laws and regulations, contracts and grants.

Deloitte & Touche LLP

September 24, 1999

**Deloitte Touche
Tohmatsu**

**MURRAY STATE UNIVERSITY
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MURRAY STATE UNIVERSITY
BALANCE SHEET
As of June 30, 1999
With Comparative Figures as of June 30, 1998

	Current Funds		Loan Funds	Endowment Funds	Plant Funds	Agency Funds	Totals	
	Unrestricted	Restricted					1999	1998
ASSETS								
Cash and cash equivalents	\$ 15,782,455	\$ 1,604,292	\$ 348,649	\$ 202,633	\$ 12,559,574	\$ 160,697	\$ 30,658,300	\$ 20,530,189
Investments	-	-	-	600,000	5,151,965	-	5,751,965	6,106,027
Accounts and loans receivable, net	2,002,111	1,011,315	4,322,921	-	-	-	7,336,347	6,985,830
Interest receivable	157,396	-	-	-	257,112	-	414,508	454,884
Inventories	1,393,495	-	-	-	-	-	1,393,495	1,309,984
Prepaid expenses	294,451	3,887	-	-	-	-	298,338	259,947
Discount on bonds payable	-	-	-	-	490,312	-	490,312	394,028
Due from other funds	1,317,009	-	-	-	2,781,928	-	4,098,937	3,356,400
Assets held by MSU Foundation	-	2,343,004	-	14,885,034	592,279	-	17,820,317	14,914,921
Property, plant and equipment	-	-	-	-	200,979,235	-	200,979,235	191,102,727
Total assets	\$ 20,946,917	\$ 4,962,498	\$ 4,671,570	\$ 15,687,667	\$ 222,812,405	\$ 160,697	\$ 269,241,754	\$ 245,414,937
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable	\$ 3,117,097	\$ 131,633	\$ 2,365	\$ -	\$ 722,652	\$ -	\$ 3,973,747	\$ 3,029,779
Accrued payroll	2,872,888	42,906	-	-	-	-	2,915,794	2,716,798
Other accrued expenses	963,618	-	12,399	-	-	-	976,017	581,150
Interest payable	-	-	-	-	249,376	-	249,376	240,881
Deposits	294,392	-	-	-	-	160,697	455,089	405,343
Deferred revenues	919,352	-	-	-	-	-	919,352	911,147
Due to other funds	1,125,432	2,031,495	-	-	942,010	-	4,098,937	3,356,400
Notes payable	-	-	-	-	1,619,726	-	1,619,726	893,109
Bonds payable	-	-	-	-	25,162,000	-	25,162,000	22,012,000
Capital lease obligations	-	-	-	-	2,264,563	-	2,264,563	2,494,855
Total liabilities	\$ 9,292,779	\$ 2,206,034	\$ 14,764	\$ -	\$ 30,960,327	\$ 160,697	\$ 42,634,601	\$ 36,641,462
Fund balance:								
Current unrestricted funds:								
Allocated for:								
Working capital	\$ 2,144,681	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,144,681	\$ 2,259,901
Prior year carryovers:								
Renovation and maintenance	1,272,945	-	-	-	-	-	1,272,945	1,543,838
Departmental operations	5,952,483	-	-	-	-	-	5,952,483	5,234,216

MURRAY STATE UNIVERSITY
BALANCE SHEET (cont'd)
 As of June 30, 1999
 With Comparative Figures as of June 30, 1998

	Current Funds		Loan Funds	Endowment Funds	Plant Funds	Agency Funds	Totals	
	Unrestricted	Restricted					1999	1998
LIABILITIES AND FUND BALANCE (cont'd)								
Fund balance (cont'd):								
Current unrestricted funds (cont'd):								
Encumbrances	\$ 408,396	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 408,396	\$ 689,632
Reserve for general contingency	975,633	-	-	-	-	-	975,633	798,371
Reserve for self insurance	900,000	-	-	-	-	-	900,000	900,000
Current restricted funds	-	2,756,464	-	-	-	-	2,756,464	1,396,535
Loan funds - restricted	-	-	4,656,806	-	-	-	4,656,806	4,650,445
Endowment funds - restricted	-	-	-	15,687,667	-	-	15,687,667	13,254,230
Plant funds:								
Unexpended	-	-	-	-	3,652,927	-	3,652,927	2,488,782
Renewal and replacements	-	-	-	-	3,607,509	-	3,607,509	4,538,408
Retirement of indebtedness	-	-	-	-	5,430,776	-	5,430,776	4,372,965
Net investment in plant	-	-	-	-	179,160,866	-	179,160,866	166,646,152
Total fund balance	\$ 11,654,138	\$ 2,756,464	\$ 4,656,806	\$ 15,687,667	\$ 191,852,078	\$ -	\$ 226,607,153	\$ 208,773,475
Total liabilities and fund balance	\$ 20,946,917	\$ 4,962,498	\$ 4,671,570	\$ 15,687,667	\$ 222,812,405	\$ 160,697	\$ 269,241,754	\$ 245,414,937

See notes to financial statements.

MURRAY STATE UNIVERSITY
STATEMENT OF CHANGES IN FUND BALANCES
For the Year Ended June 30, 1999

	Current Funds		Loan Funds	Endowment Funds	Plant Funds			
	Unrestricted	Restricted			Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment In Plant
REVENUES AND OTHER ADDITIONS:								
Current funds revenues	\$ 94,125,723	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contracts	-	15,239,734	-	-	-	-	-	-
Private gifts	-	-	-	470,449	-	-	12,205	-
Endowment income	-	287,087	-	1,439,062	-	-	-	-
Expenditures for plant facilities (including \$4,121,829 charged to current fund expenditures)	-	-	-	-	-	-	-	11,682,619
Donated plant facilities	-	-	-	-	-	-	-	23,750
Retirement of indebtedness	-	-	-	-	-	-	-	3,462,107
Interest income - restricted	-	-	103,275	-	39,811	144,483	444,609	-
Increase (decrease) in fair value of investments	-	-	-	475,879	-	3,321	4,219	-
Federal contributions	-	-	14,990	-	-	-	-	-
State grants and appropriations	-	-	-	-	3,719,599	-	-	-
Reduction in lease obligations	-	-	-	-	-	-	-	251,562
Proceeds from bonds (including accrued interest of \$31,871)	-	-	-	-	5,803,594	-	598,276	-
Proceeds from insurance	-	-	-	-	363,185	-	-	-
Proceeds from masterlease payable	-	-	-	-	350,000	-	-	-
Other additions	68,722	-	43,956	-	130,000	-	38,357	-
Total revenues and other additions	\$ 94,194,445	\$ 15,526,821	\$ 162,221	\$ 2,385,390	\$ 10,406,189	\$ 147,804	\$ 1,097,666	\$ 15,420,038
EXPENDITURES AND OTHER								
DEDUCTIONS:								
Educational and general expenditures	\$ 75,307,179	\$ 13,911,193	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Auxiliary enterprises expenditures	12,843,806	47,468	-	-	-	-	-	-
Refund to grantors	-	31,288	-	-	-	-	-	-
Loan cancellations and write-offs	-	-	114,624	-	-	-	-	-
Adjustment in allowance for bad debts	-	-	34,947	-	-	-	-	-
Administration and collection costs	-	-	8,648	-	-	-	-	-
Expended for plant facilities (including non- capitalized expenditures of \$132,341)	-	-	-	-	5,175,980	-	-	-
Retirement of indebtedness	-	-	-	-	-	-	3,462,107	-
Interest on indebtedness	-	-	-	-	37,199	-	1,123,606	-
Increase in lease obligations	-	-	-	-	-	-	-	21,270
Deletions and disposals	-	-	-	-	-	-	-	1,829,862

MURRAY STATE UNIVERSITY
STATEMENT OF CHANGES IN FUND BALANCES
For the Year Ended June 30, 1999

	Current Funds				Plant Funds			
	Unrestricted	Restricted	Loan Funds	Endowment Funds	Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment In Plant
EXPENDITURES AND OTHER								
DEDUCTIONS (cont'd):								
New bond/note indebtedness	-	-	-	-	6,370,000	-	-	68,722
New indebtedness under masterlease	-	-	-	-	-	-	-	900,000
Cost of bond issuance	-	-	-	-	69,000	-	-	-
Bond discount amortization	-	-	-	-	5,841	-	-	85,470
Other deductions	-	44,103	-	153	12,141	1,203	1,086	-
Total expenditures and other deductions	\$ 88,150,985	\$ 14,034,052	\$ 158,219	\$ 153	\$ 11,670,161	\$ 1,203	\$ 4,586,799	\$ 2,905,324
TRANSFERS AMONG FUNDS:								
Mandatory:								
Bond principal and interest	\$ (4,257,763)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,257,763	\$ -
Loan match	(2,359)	-	2,359	-	-	-	-	-
Total mandatory transfers	\$ (4,260,122)	\$ -	\$ 2,359	\$ -	\$ -	\$ -	\$ 4,257,763	\$ -
Non-mandatory:								
Transfer to current funds from renewal and replacement fund	\$ 1,077,500	\$ -	\$ -	\$ -	\$ -	\$ (1,077,500)	\$ -	\$ -
Transfer to current funds from restricted funds	84,640	(84,640)	-	-	-	-	-	-
Transfer from current funds to unexpended plant funds	(2,428,117)	-	-	-	2,428,117	-	-	-
Transfer from current funds to retirement of indebtedness fund	(289,181)	-	-	-	-	-	289,181	-
Transfer from restricted funds to endowment fund	-	(48,200)	-	48,200	-	-	-	-
Total non-mandatory transfers	\$ (1,555,158)	\$ (132,840)	\$ -	\$ 48,200	\$ 2,428,117	\$ (1,077,500)	\$ 289,181	\$ -
Net increase (decrease) for the year	\$ 228,180	\$ 1,359,929	\$ 6,361	\$ 2,433,437	\$ 1,164,145	\$ (930,899)	\$ 1,057,811	\$ 12,514,714
Fund balance at beginning of year	\$ 11,425,958	\$ 1,396,535	\$ 4,650,445	\$ 13,254,230	\$ 2,488,782	\$ 4,538,408	\$ 4,372,965	\$ 166,646,152
Fund balance at end of year	\$ 11,654,138	\$ 2,756,464	\$ 4,656,806	\$ 15,687,667	\$ 3,652,927	\$ 3,607,509	\$ 5,430,776	\$ 179,160,866

See notes to financial statements.

MURRAY STATE UNIVERSITY
STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND OTHER CHANGES
For the Year Ended June 30, 1999
With Comparative Figures for the Year Ended June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	
REVENUES:				
Educational and general:				
Tuition and fees	\$ 26,013,973	\$ -	\$ 26,013,973	\$ 23,771,005
State appropriations	46,753,300	-	46,753,300	43,292,924
Grants and contracts	-	13,911,193	13,911,193	11,673,420
Indirect and administrative cost recoveries	290,649	-	290,649	302,874
Sales and services of educational activities	2,504,305	-	2,504,305	2,506,844
Other sources	4,554,223	-	4,554,223	3,905,300
Total educational and general	<u>\$ 80,116,450</u>	<u>\$ 13,911,193</u>	<u>\$ 94,027,643</u>	<u>\$ 85,452,367</u>
Auxiliary enterprises	<u>\$ 14,009,273</u>	<u>\$ 47,468</u>	<u>\$ 14,056,741</u>	<u>\$ 13,341,377</u>
Total revenues	<u>\$ 94,125,723</u>	<u>\$ 13,958,661</u>	<u>\$ 108,084,384</u>	<u>\$ 98,793,744</u>
EXPENDITURES AND MANDATORY TRANSFERS:				
Educational and general:				
Instruction	\$ 33,515,184	\$ 2,923,177	\$ 36,438,361	\$ 33,475,403
Research	1,018,608	1,065,756	2,084,364	2,002,537
Public service	3,576,381	789,207	4,365,588	3,971,961
Libraries	2,549,776	50,171	2,599,947	2,435,996
Academic support	3,862,411	701,540	4,563,951	4,094,796
Student services	7,169,970	563,220	7,733,190	6,746,901
Institutional support	8,399,287	257,853	8,657,140	7,235,795
Operation and maintenance of plant	8,812,826	486,556	9,299,382	7,766,800
Student financial aid	6,402,736	7,073,713	13,476,449	11,635,139
Educational and general expenditures	<u>\$ 75,307,179</u>	<u>\$ 13,911,193</u>	<u>\$ 89,218,372</u>	<u>\$ 79,365,328</u>
Mandatory transfers for:				
Bond principal and interest	\$ 3,543,183	\$ -	\$ 3,543,183	\$ 3,750,728
Loan fund matching grant	2,359	-	2,359	2,393
Total mandatory transfers	<u>\$ 3,545,542</u>	<u>\$ -</u>	<u>\$ 3,545,542</u>	<u>\$ 3,753,121</u>
Total educational and general	<u>\$ 78,852,721</u>	<u>\$ 13,911,193</u>	<u>\$ 92,763,914</u>	<u>\$ 83,118,449</u>
Auxiliary enterprises:				
Expenditures	\$ 12,843,806	\$ 47,468	\$ 12,891,274	\$ 12,199,683
Mandatory transfers for bond principal and interest	714,580	-	714,580	631,495
Total auxiliary enterprises	<u>\$ 13,558,386</u>	<u>\$ 47,468</u>	<u>\$ 13,605,854</u>	<u>\$ 12,831,178</u>
Total expenditures and mandatory transfers	<u>\$ 92,411,107</u>	<u>\$ 13,958,661</u>	<u>\$ 106,369,768</u>	<u>\$ 95,949,627</u>

MURRAY STATE UNIVERSITY
STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND OTHER CHANGES (cont.)
For the Year Ended June 30, 1999
With Comparative Figures for the Year Ended June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):				
Excess of restricted receipts over transfers to revenues	\$ -	\$ 1,568,160	\$ 1,568,160	\$ 127,780
Refunded to grantors	-	(31,288)	(31,288)	(27,896)
Non-mandatory transfers and other changes:				
Transfer from renewal and replacement fund	1,077,500	-	1,077,500	(433,143)
Transfer to unexpended plant funds	(2,428,117)	-	(2,428,117)	(1,220,874)
Transfer from (to) restricted fund	84,640	(84,640)	-	-
Transfer to endowment fund from restricted fund	-	(48,200)	(48,200)	(5,907)
Transfer to retirement of indebtedness fund	(289,181)	-	(289,181)	(143,468)
Other additions (deductions)	68,722	(44,103)	24,619	(45,518)
Total other transfers and additions(deductions)	\$ (1,486,436)	\$ 1,359,929	\$ (126,507)	\$ (1,749,026)
Net increase (decrease) in fund balance	\$ 228,180	\$ 1,359,929	\$ 1,588,109	\$ 1,095,091

See notes to financial statements.

MURRAY STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 1999

Note 1. **Summary of Significant Accounting Policies**

Nature of Entity

Murray State University (the University) is a state supported institution of higher education located in Murray, Kentucky and is accredited by the Southern Association of Colleges and Schools. The University awards graduate and undergraduate degrees and serves a student population of approximately 8,950. The University is a component unit of the Commonwealth of Kentucky.

Basis of Accounting

The financial statements of the University have been prepared in accordance with the AICPA Industry Audit Guide "Audits of Colleges and Universities". The statement of current funds revenues, expenditures, and other changes is a statement of financial activities of current funds related to the current reporting period. It does not purport to present the results of operations or the net income or loss for the period as would a statement of income or a statement of revenues and expenses.

To the extent that current funds are used to finance plant assets, the amounts so 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.

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of the resources available to the University, the accounts of the University are maintained in accordance with the principles of "fund accounting". This is the procedure by which resources for various activities 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 and reported as five balanced fund groups: current funds, loan funds, endowment funds, plant funds, and agency funds. Accordingly, all financial transactions have been recorded and reported by fund group. Within each group, fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes by action of the University's Board of Regents. Externally restricted funds may be utilized only in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which the University retains control to use in achieving its institutional purposes.

Current funds are used primarily to account for the transactions affecting the general operation of the University. These resources are expendable for performing the primary and support objectives of the University. Restricted gifts, grants, appropriations, and other restricted resources are accounted for in the appropriate restricted funds.

Restricted current funds are reported as revenues and expenditures when expended for current operating expenses.

The loan funds group is used to account for loan programs available to students and financed primarily by the Federal government.

Endowment funds are those for which donors or other external agencies have stipulated, under the terms of the instrument creating the fund, that the principal is not expendable. That is, it is to be maintained inviolate and in perpetuity, and is to be invested for the purpose of producing current and future income which may be expended or added to principal.

Note 1. Summary of Significant Accounting Policies (cont'd)

Plant fund groups are used to account for the transactions relating to investment in University property. Plant fund subgroups include (1) unexpended plant, (2) renewals and replacements, (3) retirement of indebtedness, and (4) investment in plant. The unexpended plant subgroup consists of funds to be used for the acquisition and/or construction of physical properties for institutional purposes but unexpended at the reporting date. The renewals and replacements subgroup consists of funds to be expended for renewals and replacements of plant fund assets, including some renewals and replacements of a type not ordinarily capitalized in the investment in plant subgroup. The retirement of indebtedness subgroup consists of funds set aside for debt service reserves and charges, and for retirement of indebtedness on institutional properties. The investment in plant subgroup consists of funds expended for and thus invested in institutional properties and the bond indebtedness incurred to finance plant acquisitions and construction. Physical plant and equipment are stated at cost at the date of acquisition or at fair market value at the date of donation for gifts.

Agency funds are used to account for assets held by the University as custodian or fiscal agent for others and used for certain organized activities.

All gains and losses arising from the sale, collection or other disposition of investments and other noncash assets are accounted for in the funds which owned such assets. Ordinary income derived from investments, receivables, and the like is accounted for in the fund owning such assets, except for income derived from investments of endowment funds, which income is accounted for in the fund to which it is restricted.

Cash and Cash Equivalents

The University's policy is to treat cash in local checking accounts and cash held by the Commonwealth for the University as cash and cash equivalents.

Investments

Equity securities with readily determinable fair values and debt securities are reported at fair value.

Inventories

Inventories are stated at the lower of cost, (first-in, first-out method) or market.

Assets Held by Murray State University Foundation

Assets held by the Murray State University Foundation (the "Foundation") represent resources neither in the possession nor the control of the University, but are held and administered by the Foundation. The Foundation is governed by an independent board. The University recognizes gifts and donations made to the Foundation for the exclusive use and benefit of the University as assets and revenues of the University. The University recognizes the assets held by the Foundation at the estimated fair value of the assets or the present value of the future cash flows when the University is notified of the existence of the gift or the endowment.

Pledges receivable

The University's policy is to recognize pledges as revenue when the cash is received.

In December 1998, the Governmental Accounting Standards Board (GASB) issued Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions." This Statement established accounting and financial reporting standards for nonexchange transactions involving financial or capital resources (for example, most taxes, grants and private donations). The principal issue addressed in this statement is the timing of recognition of nonexchange transactions. This statement is effective for financial statements for years beginning after June 15, 2000. The University has not determined the effect, if any, the adoption of this Statement will have on its financial statements.

In 1999, a comprehensive capital campaign was initiated to prepare the University to meet the challenges of the future.

Note 1. Summary of Significant Accounting Policies (cont'd)

Deferred revenue

Revenues of summer school academic terms are reported in the fiscal year in which the programs are predominantly conducted. Therefore, deferred tuition revenue is recorded for terms which have not begun at fiscal year end.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to use estimates and assumptions. The accompanying financial statements include estimates for items such as allowances for doubtful accounts and loans receivable, self-insurance liabilities and other accrued liabilities. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to the 1998 amounts to conform to the 1999 presentation.

Note 2. Deposits and Investments

The University currently uses commercial banks and the Commonwealth of Kentucky as depositories. Deposits with commercial banks are covered by Federal depository insurance or collateral held by the banks in the University's name. At the Commonwealth level, the University's accounts are pooled with other agencies of the Commonwealth. These Commonwealth pooled deposits are substantially covered by Federal depository insurance or by collateral held by the bank in the Commonwealth's name. The investments of the University not held in the Commonwealth investment pool are insured or registered, or are held by the University or by an agent in the University's name.

Below is a summary of the investments:

	June 30, 1999		June 30, 1998	
	Cost	Fair Value	Cost	Fair Value
U. S. government securities	\$ 5,156,151	\$ 5,151,965	\$ 5,311,499	\$ 5,311,027
Certificates of deposit	600,000	600,000	795,000	795,000
Total	\$ 5,756,151	\$ 5,751,965	\$ 6,106,499	\$ 6,106,027

Note 3. Inventories

Inventories at June 30, consisted of:

	1999	1998
Current unrestricted funds- Inventories:		
University bookstore	\$ 969,723	\$ 908,446
Physical plant	308,391	295,948
Food and food service supplies	101,541	92,765
Central stores - supplies	13,840	12,681
Subtotal	\$ 1,393,495	\$ 1,309,840
Endowment fund- Inventories:		
Folke Tegetthoff - books	\$ -	\$ 144
Total	\$ 1,393,495	\$ 1,309,984

Note 4. Accounts and Loans Receivable

Below is a summary of accounts and loans receivable:

	<u>June 30, 1999</u>	<u>June 30, 1998</u>
Current unrestricted funds -		
Accounts receivable:		
Student	\$ 1,148,623	\$ 1,104,876
Employee:		
Travel advances	20,297	18,619
Computer loans	42,126	34,898
Outside sales	1,125,929	615,476
State agencies	142,990	251,069
Allowance for doubtful accounts	(477,854)	(424,697)
Subtotal	<u>\$ 2,002,111</u>	<u>\$ 1,600,241</u>
Current restricted funds -		
Accounts receivable:		
Grants and contracts	<u>\$ 1,011,315</u>	<u>\$ 1,160,913</u>
Loan funds -		
Student loans	\$ 4,584,400	\$ 4,452,783
Allowance for doubtful accounts	(261,479)	(228,107)
Subtotal	<u>\$ 4,322,921</u>	<u>\$ 4,224,676</u>
Total	<u>\$ 7,336,347</u>	<u>\$ 6,985,830</u>

Note 5. Assets Held by MSU Foundation

Assets held by the Murray State University Foundation are invested primarily in an investment pool managed by the Foundation and are carried at fair market value. The assets in the pool are invested as follows: securities of the U.S. government and its agencies, 53%; marketable equity securities, 36%; certificates of deposit, 5%; and other 6%.

Note 6. Property, Plant, and Equipment

Below is a summary of property, plant, and equipment:

	<u>June 30, 1999</u>	<u>June 30, 1998</u>
Land	\$ 3,388,989	\$ 2,677,739
Buildings	120,600,769	119,557,990
Improvements other than buildings	9,382,388	8,919,432
Equipment	29,357,969	26,444,190
Library holdings	19,779,553	19,198,282
Construction in progress	<u>18,469,567</u>	<u>14,305,094</u>
Total	<u>\$ 200,979,235</u>	<u>\$ 191,102,727</u>

During the year ended June 30, 1999, the University capitalized interest cost of approximately \$52,000.

The University purchased real estate from the Murray State University Foundation in 1999, with a total purchase price of \$451,000. The purchase price approximated the Foundation's cost.

Note 7. Employee Benefits

A. Kentucky Teachers Retirement System:

All faculty and exempt employees required to hold a degree and occupying full-time positions, defined as seven-tenths (7/10) of normal full-time service on a daily or weekly basis are required by state law to participate in the Kentucky Teachers Retirement System (KTRS) or an optional retirement plan. KTRS, a cost sharing, multiple-employer, public employee retirement system, provides retirement benefits based on an employee's final average salary and number of years service. Benefits are subject to certain reductions if the employee retires before reaching age sixty or has less than twenty-seven years of participation in the plan. The plan also provides for disability, death and survivor benefits and medical insurance.

The Kentucky Teachers Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Kentucky Teachers Retirement System, 479 Versailles Road, Frankfort, Kentucky 40601-3868 or by calling (502) 573-5120.

Funding for the plan is provided from eligible employees who contribute 6.16% of their salary through payroll deductions and the University, which also contributes 13.84% of current eligible employees' salaries to the KTRS. Contribution requirements of the plan members and the University are established by Kentucky Revised Statutes and the KTRS Board of Trustees. The University's contributions to KTRS for the fiscal years ending June 30, 1999, 1998, and 1997 were \$3,390,925, \$3,428,144, and \$3,454,623, respectively, and were equal to the required contributions for each year.

B. Kentucky Employee Retirement System:

Substantially all other full-time University employees are required by law to participate in the Kentucky Employee Retirement System (KERS), a cost sharing multiple-employer, public employee retirement system. KERS provides retirement benefits based on an employee's final average salary and number of years of service. Benefits are subject to certain reductions if the employee retires before reaching age sixty-five or has less than twenty-seven years of service. The plan also provides for disability, death and survivor benefits and medical insurance.

The Kentucky Employee Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Kentucky Employees Retirement System, 1260 Louisville Road, Perimeter Park West, Frankfort, Kentucky 40601 or by calling (502)564-4646.

Funding for the plan is provided from eligible employees who contribute 5.00% of their salary through payroll deductions and the University, which also contributes 8.89% of current eligible employees' salaries to the KERS. University contribution rates are determined by the Kentucky Revised Statutes and the Board of Trustees of the Kentucky Retirement Systems each biennium. The University's contributions to KERS for the years ending June 30, 1999, 1998, and 1997, were \$853,208, \$882,611, and \$853,354, respectively, and were equal to the required contributions for each year.

C. University Health Self-Insurance Program:

The University maintains a self-insurance program for employees' health insurance. The University pays substantially all expenses of the plan for permanent full-time employees and their families. Expenses incurred to cover claims paid by the University under the plan for year ending June 30, 1999 totaled \$3,286,457 excluding administrative and stop-loss fees.

Note 8. Notes Payable

Notes payable at June 30, 1999 consist of the following:

	<u>Outstanding</u>
Commonwealth of Kentucky note issued for expenditures related to the Regional Special Events Center, matures 2002, interest rate 6.7%	\$ 255,345
Bank master lease agreement to finance the campus networking project, matures 2004, interest rates 4.23% to 4.35%; collateralized by network infrastructure equipment	1,307,863
Murray State University Foundation notes issued for various departmental operating expenditures, with maturities to 2003, interest rates 7.0% to 8.5%	56,518
Total	<u><u>\$ 1,619,726</u></u>

A schedule of the mandatory principal payments for the next five fiscal years and thereafter is presented below:

<u>June 30</u>	<u>Principal</u>
2000	\$ 362,516
2001	368,176
2002	385,660
2003	294,154
2004	209,220
Total	<u><u>\$ 1,619,726</u></u>

Note 9. Bonds Payable

Bonds payable at June 30, 1999 consist of the following:

	<u>Outstanding</u>
Consolidated Educational Building Revenue Bonds, issued 1971 to 1993, with maturities to 2012, interest rates 3.0% to 6.20%	\$ 14,355,000
Consolidated Housing and Dining System Revenue Bonds, issued 1965 to 1999, with maturities to 2019, interest rates 2.88% to 5.40%	10,807,000
Total	<u><u>\$ 25,162,000</u></u>

Revenues from student housing and dining facilities, certain other auxiliary enterprises and student fees are pledged for the retirement of the bonds. All bonds are collateralized by land and buildings.

Note 9. Bonds Payable (cont'd)

A schedule of the mandatory principal payments for the next five fiscal years and thereafter is presented below:

Year Ending June 30	Consolidated Educational Building Revenue Bonds	Consolidated Housing and Dining System Revenue Bonds	Total
2000	\$ 1,935,000	\$ 790,000	\$ 2,725,000
2001	1,300,000	825,000	2,125,000
2002	1,365,000	850,000	2,215,000
2003	1,430,000	860,000	2,290,000
2004	1,510,000	600,000	2,110,000
Thereafter	6,815,000	6,882,000	13,697,000
Total	<u>\$ 14,355,000</u>	<u>\$ 10,807,000</u>	<u>\$ 25,162,000</u>

The required minimum reserves of \$2,717,099 and \$1,139,802 for the Consolidated Educational Sinking Fund and the Housing and Dining Sinking Fund, respectively, are on deposit with the trustee and are included in the "Cash" and "Investments" amounts in Plant Funds in the accompanying balance sheet.

Note 10. Capitalized Lease Obligations

The University leases certain equipment and facilities, under capital lease agreements. Remaining minimum annual lease payments pursuant to these leases are as follows:

Year Ending June 30	
2000	\$ 287,146
2001	272,179
2002	193,180
2003	181,168
2004	179,628
Thereafter	<u>2,330,866</u>
	3,444,167
Less amount representing interest	<u>(1,179,604)</u>
Present value of capital lease obligations	<u>\$ 2,264,563</u>

Note 11. Contingencies

The University has been named as defendant in various lawsuits. It is the opinion of management and its legal counsel, based in part on the doctrine of sovereign immunity and other statutory provisions, that the ultimate outcome of litigation will not have a material effect on the future operations or financial position of the University.

On September 18, 1998, a fire damaged one of the University's student housing units and one student resident was fatally injured and another student seriously injured. Litigation is pending; however, at this time University management does not expect this litigation to have a material impact on the University's financial position.

Note 12. Murray State University Foundation, Inc.

Murray State University Foundation, Inc. (the Foundation) is a Kentucky not-for-profit corporation formed to receive and invest funds for the enhancement and improvement of the University. The Foundation also operates the Francis E. Miller Golf Course as a separate enterprise, and manages certain endowments and investments on behalf of the University.

The Foundation has a Board of Trustees separate from that of the University; however, the President and certain other officers of the University are also officers of the Foundation.

The University provides office space and pays certain operating expenses of the Foundation in exchange for investment management services provided by the Foundation. The Foundation prepares and issues its own financial statements.

Note 13. National Scouting Museum

The National Scouting Museum of the Boy Scouts of America, Inc. (the Museum) operates a museum on the campus of the University. Under an agreement that expires on September 30, 2030, the University provides a building on the University's campus to house the Museum. The building, including building maintenance, utilities, office space, and certain administrative services, is provided by the University at no cost to the Museum. The University also provides \$85,000 of direct support to the Museum annually.

MURRAY STATE UNIVERSITY
CURRENT UNRESTRICTED FUNDS
BALANCE SHEET
As of June 30, 1999
With Comparative Figures as of June 30, 1998

	1998-99			1997-98
	Educational and General	Auxiliaries	Total	
ASSETS				
Cash and cash equivalents	\$ 15,418,608	\$ 363,847	\$ 15,782,455	\$ 14,399,985
Accounts and loans receivable, net	1,598,835	403,276	2,002,111	1,600,241
Inventories	322,231	1,071,264	1,393,495	1,309,840
Prepaid expenses	292,262	2,189	294,451	259,143
Interest receivable	144,833	12,563	157,396	350,977
Due from other funds	1,317,009	-	1,317,009	1,558,307
Total assets	\$ 19,093,778	\$ 1,853,139	\$ 20,946,917	\$ 19,478,493
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 3,024,563	\$ 92,534	\$ 3,117,097	\$ 2,898,835
Accrued payroll	2,653,389	219,499	2,872,888	2,716,798
Other accrued expenses	963,618	-	963,618	519,277
Deposits	2,208	292,184	294,392	283,384
Deferred revenue	908,208	11,144	919,352	911,147
Due to other funds	876,097	249,335	1,125,432	723,094
Total liabilities	\$ 8,428,083	\$ 864,696	\$ 9,292,779	\$ 8,052,535
Fund Balance:				
Allocated for:				
Working capital	\$ 2,065,899	\$ 78,782	\$ 2,144,681	\$ 2,259,901
Prior year carryovers:				
Renovation and maintenance	1,272,945	-	1,272,945	1,543,838
Departmental operations	5,130,738	821,745	5,952,483	5,234,216
Encumbrances	320,480	87,916	408,396	689,632
Reserve for general contingency	975,633	-	975,633	798,371
Reserve for self insurance	900,000	-	900,000	900,000
	\$ 10,665,695	\$ 988,443	\$ 11,654,138	\$ 11,425,958
Total liabilities and fund balance	\$ 19,093,778	\$ 1,853,139	\$ 20,946,917	\$ 19,478,493

MURRAY STATE UNIVERSITY
CURRENT UNRESTRICTED FUNDS
SUMMARY SCHEDULE OF CHANGES AND ALLOCATIONS IN FUND BALANCE
For the Year Ended July 1, 1998 through June 30, 1999
With Comparative Figures for the Year Ended June 30, 1998

	1999			1998
	Educational and General	Auxiliaries	Total	
Fund Balance - beginning July 1				
Working capital	\$ 1,815,333	\$ 444,568	\$ 2,259,901	\$ 1,673,793
Carryovers	6,358,139	419,915	6,778,054	5,816,511
Encumbrances	685,729	3,903	689,632	454,858
Reserve for general contingency	798,371	-	798,371	872,956
Reserve for self insurance	900,000	-	900,000	900,000
Total fund balance - beginning July 1	\$ 10,557,572	\$ 868,386	\$ 11,425,958	\$ 9,718,118
Increase/(decrease) - year to date				
Revenues	\$ 80,116,450	\$ 14,009,273	\$ 94,125,723	\$ 87,075,152
Expenditures	(75,307,179)	(12,843,806)	(88,150,985)	(79,846,419)
Mandatory transfers:				
Debt service	(3,543,183)	(714,580)	(4,257,763)	(4,382,223)
Loan match	(2,359)	-	(2,359)	(2,393)
Non-Mandatory transfers:				
From (to) renewal and replacement fund	1,077,500	-	1,077,500	(433,143)
To unexpended plant fund	(2,174,607)	(253,510)	(2,428,117)	(599,666)
From restricted fund	84,640	-	84,640	-
Intrafund	77,320	(77,320)	-	-
Transfer to retirement of indebtedness fund	(289,181)	-	(289,181)	(143,468)
Other additions:	68,722	-	68,722	-
Total year to date increase in fund balance	\$ 108,123	\$ 120,057	\$ 228,180	\$ 1,667,840
Fund Balance - ending June 30				
Working capital	\$ 2,065,899	\$ 78,782	\$ 2,144,681	\$ 2,259,901
Carryovers	6,403,683	821,745	7,225,428	6,778,054
Encumbrances	320,480	87,916	408,396	689,632
Reserve for general contingency	975,633	-	975,633	798,371
Reserve for self insurance	900,000	-	900,000	900,000
Total fund balance - ending June 30	\$ 10,665,695	\$ 988,443	\$ 11,654,138	\$ 11,425,958

MURRAY STATE UNIVERSITY
SCHEDULE OF CURRENT FUND REVENUES
 For the Year Ended July 1, 1998 through June 30, 1999
 With Comparative Figures for the Year Ended June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	
EDUCATIONAL AND GENERAL				
Tuition and fees:				
Fall tuition	\$ 10,653,425	\$ -	\$ 10,653,425	\$ 9,870,423
Spring tuition	10,073,653	-	10,073,653	9,305,391
Summer II tuition	669,022	-	669,022	628,052
Summer I tuition	1,517,794	-	1,517,794	1,336,952
Miscellaneous tuition	1,438	-	1,438	858
Student activity fees	1,936,052	-	1,936,052	1,762,621
Other fees	1,162,589	-	1,162,589	866,708
Total tuition and fees	\$ 26,013,973	\$ -	\$ 26,013,973	\$ 23,771,005
State appropriations:	\$ 46,753,300	\$ -	\$ 46,753,300	\$ 43,292,924
Grants and contracts:				
Federal work study	\$ -	\$ 372,609	\$ 372,609	\$ 375,643
Federal PELL	-	4,664,901	4,664,901	4,127,010
Federal SEOG	-	324,718	324,718	314,960
Grants and contracts - federal	-	2,201,319	2,201,319	2,730,095
Grants and contracts - state	-	3,770,298	3,770,298	2,544,496
Grants and contracts - other	-	686,641	686,641	236,367
Grants and contracts - foundation	-	1,890,707	1,890,707	1,344,849
Total grants and contracts	\$ -	\$ 13,911,193	\$ 13,911,193	\$ 11,673,420
Indirect cost reimbursements:				
Federal and state indirect cost reimbursements	\$ 194,932	\$ -	\$ 194,932	\$ 207,874
Other indirect cost reimbursements	95,717	-	95,717	95,000
Total indirect cost reimbursements	\$ 290,649	\$ -	\$ 290,649	\$ 302,874
Sales and services of educational departments:				
Access workshop	\$ -	\$ -	\$ -	\$ 585
Archeology service center	5,934	-	5,934	15,448
Art auction	4,419	-	4,419	5,977
Art cash sales	30,171	-	30,171	20,634
Art workshops	12,810	-	12,810	12,495
Hancock biological station	6,912	-	6,912	4,519
Breathitt veterinary center	299,176	-	299,176	282,210
Chemical services	1,885	-	1,885	50
Child development center	10,700	-	10,700	11,120
Clinical services	21,721	-	21,721	22,638
Environmental education workshop	10,289	-	10,289	5,317
Fall business education conference	970	-	970	840
Home economics travel study tour	9,205	-	9,205	-
Institute for International Studies	599,682	-	599,682	656,226
Journalism and mass communication	309	-	309	-

MURRAY STATE UNIVERSITY
SCHEDULE OF CURRENT FUND REVENUES
For the Year Ended July 1, 1998 through June 30, 1999
With Comparative Figures for the Year Ended June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	
EDUCATIONAL AND GENERAL (cont'd)				
Sales and services of educational departments (cont'd):				
Journalism workshop	1,940	-	1,940	1,229
Keyboard recruiting	835	-	835	1,001
Kentucky Institute for International Studies (KIIS)	957,597	-	957,597	1,031,588
Learning center	2,285	-	2,285	24,475
MARC service center	1,061	-	1,061	1,526
MSU News advertising	52,307	-	52,307	88,899
MSU x-ray lab	1,325	-	1,325	19,470
Music workshops	5,860	-	5,860	10,950
News bureau photography	33	-	33	-
Office systems service center	1,219	-	1,219	360
Pediatric assessment	-	-	-	-
Public relations book marketing	621	-	621	-
Psychology center	2,459	-	2,459	-
Recording studio	1,648	-	1,648	1,022
Recruitment and retention	1,757	-	1,757	-
Regional Special Events Center	226,190	-	226,190	-
Shield yearbook	57,089	-	57,089	45,361
Student life improvement project	2,601	-	2,601	-
University theater	14,739	-	14,739	12,868
TV studio	-	-	-	325
University farms	145,496	-	145,496	224,077
VP Administrative Services copy account	6,456	-	6,456	120
Waterfield center	83	-	83	-
Well water testing	6,521	-	6,521	5,514
Total sales and services of educational departments	\$ 2,504,305	\$ -	\$ 2,504,305	\$ 2,506,844
Other Sources:				
Academic computing	\$ 2,810	\$ -	\$ 2,810	\$ -
Agriculture technology summit	4,850	-	4,850	-
Arts and humanities summer institute	251	-	251	5,050
Athena festival	1,345	-	1,345	-
Athletics	572,414	-	572,414	438,232
Athletics - concessions	121,588	-	121,588	132,513
Athletics - football playoff	-	-	-	-
Athletics - guarantees	273,000	-	273,000	83,200
Athletics - marketing	-	-	-	40,706
Athletic camps -				
Baseball	7,540	-	7,540	3,730
Golf	6,230	-	6,230	14,700
Mens' basketball	33,776	-	33,776	25,395
Ladies' basketball	6,180	-	6,180	7,255
Tennis	30,275	-	30,275	26,225
Volleyball	2,790	-	2,790	1,825

MURRAY STATE UNIVERSITY
SCHEDULE OF CURRENT FUND REVENUES
 For the Year Ended July 1, 1998 through June 30, 1999
 With Comparative Figures for the Year Ended June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	
EDUCATIONAL AND GENERAL (cont'd)				
Other Sources (cont'd):				
Athletics - NCAA revenue	195,719	-	195,719	245,868
Athletics - OVC tournament	16,624	-	16,624	12,120
Athletics - programs	19,970	-	19,970	19,801
Athletics - regional high school tournaments				
Boys'	12,693	-	12,693	10,244
Girls'	10,297	-	10,297	7,457
All A	-	-	-	6,640
Bad debt expense recovery	8,232	-	8,232	7,824
Black student leadership conference	-	-	-	3,406
Bluegrass state skills program	193,027	-	193,027	-
Campus lights	8,075	-	8,075	6,721
Campus recreation	705	-	705	1,095
Career services	14,001	-	14,001	-
Celebrate women	80	-	80	8,059
Center for economic education	3,417	-	3,417	2,602
Center for education, finance, and law	2,593	-	2,593	-
Central stores	1,943	-	1,943	1,761
Chemistry breakage fees	5,291	-	5,291	4,494
Clarinet workshop	-	-	-	5,115
Community education	-	-	-	232
Conferences and workshops	137,017	-	137,017	182,294
Consolidated educational revenue interest	684,057	-	684,057	1,025,234
Cooperative education and placement	-	-	-	9,912
Counseling and testing center	19,153	-	19,153	17,601
Delinquent account collection fees	14,757	-	14,757	-
Elderhostel programs	25,855	-	25,855	-
Engineering institute	113,333	-	113,333	74,949
Environmental consortium of mid-america	1,750	-	1,750	2,250
Facility rentals	24,501	-	24,501	19,996
Faculty resource center	-	-	-	1,916
Festival of champions	29,784	-	29,784	31,740
Fixed price contract residuals	18,206	-	18,206	27,416
Forensics team	3,666	-	3,666	2,846
Graphic arts technology	1,665	-	1,665	2,159
Hazardous materials training	60,458	-	60,458	63,063
International student orientation	2,510	-	2,510	2,580
Intramural sports	14,178	-	14,178	11,276
KLEFPF supplemental salary reimbursement	34,519	-	34,519	-
Library - census microfilm	-	-	-	235
Library - copy service	47,922	-	47,922	53,500
Library - fines	15,711	-	15,711	16,221

MURRAY STATE UNIVERSITY
SCHEDULE OF CURRENT FUND REVENUES
 For the Year Ended July 1, 1998 through June 30, 1999
 With Comparative Figures for the Year Ended June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	
EDUCATIONAL AND GENERAL (cont'd)				
Other Sources (cont'd):				
Library - inter library loan	932	-	932	924
Library - other	6,406	-	6,406	6,147
Lifelong learning	14,914	-	14,914	-
Madrigal dinner	7,650	-	7,650	6,228
Magic silver show	-	-	-	1,960
Meal management luncheons	476	-	476	544
Music recital	938	-	938	2,031
National student exchange	2,100	-	2,100	2,100
Nursing continuing education	120	-	120	15
Operating fund interest	330,021	-	330,021	333,216
Other revenue	620,364	-	620,364	228,308
Paducah computer mania camp	1,180	-	1,180	-
Paducah creativity	2,340	-	2,340	-
Perkins loan recovery	8,438	-	8,438	8,640
Post office box rental	5,173	-	5,173	6,096
Post office contract	8,000	-	8,000	8,000
Printing services	30,703	-	30,703	30,313
Quad state band festival	25,851	-	25,851	21,003
Recycling program	2,906	-	2,906	6,566
Regensburg exchange	82,372	-	82,372	89,572
Robotics camp	8,155	-	8,155	-
Rodeo	14,227	-	14,227	9,488
Sale of surplus property	25,587	-	25,587	15,738
Senior breakfast	605	-	605	855
Special education technology center	754	-	754	-
String prep program	7,384	-	7,384	7,890
Student government association	96,737	-	96,737	35,143
Student support for learning disabilities	23,248	-	23,248	-
Summer challenge	1,600	-	1,600	-
Summer computer science workshop	260	-	260	1,365
Summer orientation	158,441	-	158,441	89,055
Super Saturdays	13,480	-	13,480	12,950
Technology center	15,326	-	15,326	21,474
Telecommunications commission	77,287	-	77,287	128,699
Welcome back program	1,637	-	1,637	8,192
West Kentucky environmental education consortium	4,162	-	4,162	3,991
West Kentucky Livestock and Exposition Center	107,184	-	107,184	114,683
Wickliffe Mounds gift shop	5,427	-	5,427	5,488
Wickliffe Mounds research center	19,696	-	19,696	22,628
WQTV advertising	11,254	-	11,254	2,515
Young authors camp	6,130	-	6,130	6,025
Total other sources	4,554,223	-	4,554,223	3,905,300
Total educational and general	\$ 80,116,450	\$ 13,911,193	\$ 94,027,643	\$ 85,452,367

MURRAY STATE UNIVERSITY
SCHEDULE OF CURRENT FUND REVENUES
 For the Year Ended July 1, 1998 through June 30, 1999
 With Comparative Figures for the Year Ended June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	
AUXILIARY ENTERPRISES				
Food services	\$ 4,674,162	\$ -	\$ 4,674,162	\$ 4,412,479
Housing services	4,753,662	-	4,753,662	4,602,701
Bookstore	3,713,224	-	3,713,224	3,562,838
Curriss center	179,114	-	179,114	180,497
Parking -				
Fines	176,880	-	176,880	168,135
Permits	320,860	-	320,860	165,420
Other	5,401	-	5,401	11,235
Racer card administration	51,116	-	51,116	56,215
Vending and manual commissions	134,854	-	134,854	136,685
Federal workstudy student wages	-	47,468	47,468	45,172
Total auxiliary enterprises	\$ 14,009,273	\$ 47,468	\$ 14,056,741	\$ 13,341,377
Total current fund revenues	\$ 94,125,723	\$ 13,958,661	\$ 108,084,384	\$ 98,783,744

MURRAY STATE UNIVERSITY
 SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS
 For the Year Ended June 30, 1999
 With Comparative Figures for the Year Ended June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	
EDUCATIONAL AND GENERAL				
<i>Instruction:</i>				
<i>College of Business and Public Affairs:</i>				
Accounting and finance	\$ 875,417	\$ -	\$ 875,417	\$ 807,743
Computer studies	691,148	-	691,148	725,125
Economics and finance	1,006,607	-	1,006,607	939,079
Management and marketing	812,947	-	812,947	865,721
Office systems and business education	448,700	-	448,700	475,435
Political science and legal studies	792,504	-	792,504	768,717
MBA program	3,167	-	3,167	2,841
Owensboro MBA	9,164	-	9,164	9,065
Access workshops	276	-	276	187
Bank management seminars	-	-	-	(4,063)
Fall business education conference	585	-	585	810
Hong Kong MBA	2,993	-	2,993	8,048
Summer computer science workshop	959	-	959	1,792
Other instruction	10,750	-	10,750	29,814
<i>Total College of Business and Public Affairs</i>	<u>\$ 4,655,217</u>	<u>\$ -</u>	<u>\$ 4,655,217</u>	<u>\$ 4,630,314</u>
<i>College of Fine Arts and Communication:</i>				
Art	\$ 1,020,165	\$ -	\$ 1,020,165	\$ 976,588
Journalism, radio and television	795,829	-	795,829	760,246
Music	1,333,870	-	1,333,870	1,294,832
Speech, communication and theatre	901,258	-	901,258	791,467
Television studios	(2,467)	-	(2,467)	35,745
Art cash sales	28,828	-	28,828	27,050
Art workshops	12,565	-	12,565	10,909
High school journalism and broadcasting workshop	1,958	-	1,958	1,439
Jesse Stuart Fellowship	5,000	-	5,000	68
Keyboard recruiting	542	-	542	145
Music workshops	2,645	-	2,645	1,183
String prep program	7,826	-	7,826	7,869
West Kentucky dance festival	1,737	-	1,737	1,573
Other instruction	24,319	-	24,319	-
<i>Total College of Fine Arts and Communication</i>	<u>\$ 4,134,076</u>	<u>\$ -</u>	<u>\$ 4,134,076</u>	<u>\$ 3,909,114</u>
<i>College of Science:</i>				
Biological sciences	\$ 1,133,846	\$ -	\$ 1,133,846	\$ 1,100,240
Chemistry	865,302	-	865,302	847,479
Geosciences	462,662	-	462,662	448,421
Mathematics	1,218,973	-	1,218,973	1,181,396
Physics and astronomy	579,197	-	579,197	620,787
Biological station	13,561	-	13,561	9,808
Nursing	862,892	-	862,892	828,097

MURRAY STATE UNIVERSITY
SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS

For the Year Ended June 30, 1999

With Comparative Figures for the Year Ended June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	
EDUCATIONAL AND GENERAL (cont'd)				
<i>College of Science:</i>				
Nursing continuing education	100	-	100	821
Trover clinic	25,000	-	25,000	37,500
Indirect costs	9,338	-	9,338	47,048
<i>Total College of Science</i>	<u>\$ 5,170,872</u>	<u>\$ -</u>	<u>\$ 5,170,872</u>	<u>\$ 5,121,597</u>
<i>College of Education:</i>				
Elementary and secondary education	\$ 1,222,972	\$ -	\$ 1,222,972	\$ 1,365,475
Educational leadership and counseling	593,982	-	593,982	571,181
Health, physical education and recreation	724,388	-	724,388	768,411
Special education	755,979	-	755,979	596,769
Teacher education services	306,505	-	306,505	224,200
American humanics	87,355	-	87,355	78,818
Center for education, finance, and law	35,279	-	35,279	22,640
Center for gifted study	1,032	-	1,032	-
Environmental education center	15,981	-	15,981	5,685
Environmental education consortium	1,541	-	1,541	2,540
Environmental education preservice	13,583	-	13,583	2,296
KATE appropriation	159,632	-	159,632	-
Speech and hearing workshops	605	-	605	-
Other instruction	1,456	-	1,456	40,101
Indirect costs	2,836	-	2,836	2,141
<i>Total College of Education</i>	<u>\$ 3,923,124</u>	<u>\$ -</u>	<u>\$ 3,923,124</u>	<u>\$ 3,680,257</u>
<i>College of Humanistic Studies:</i>				
Psychology	\$ 670,981	\$ -	\$ 670,981	\$ 611,205
English	1,707,545	-	1,707,545	1,570,976
Foreign languages	641,601	-	641,601	594,331
History	873,461	-	873,461	845,138
Philosophy and religious studies	194,514	-	194,514	218,740
Sociology and anthropology	681,415	-	681,415	648,139
English computer lab	11,459	-	11,459	908
ESL program	43,956	-	43,956	711,955
Humanistic studies copy account	2,160	-	2,160	493
Institute for international studies	772,159	-	772,159	-
Kentucky Institute for International Studies(KIIS)	874,462	-	874,462	976,562
Language and culture lab	5,886	-	5,886	6,575
Notations	932	-	932	947
Regensburg exchange	82,372	-	82,372	86,563
Stuart writing conference	4,334	-	4,334	287
TESOL program	32,582	-	32,582	1,735
University Press of Kentucky consortium	5,262	-	5,262	-
Other instruction	85,148	-	85,148	38,725
<i>Total College of Humanistic Studies</i>	<u>\$ 6,690,231</u>	<u>\$ -</u>	<u>\$ 6,690,231</u>	<u>\$ 6,313,279</u>

MURRAY STATE UNIVERSITY
SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS

For the Year Ended June 30, 1999
With Comparative Figures for the Year Ended June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	
EDUCATIONAL AND GENERAL (cont'd)				
<i>College of Industry and Technology:</i>				
Agriculture	\$ 875,989	\$ -	\$ 875,989	\$ 825,334
Animal health technology	239,089	-	239,089	240,345
Family and consumer studies	269,540	-	269,540	435,482
Graphic arts technology	284,890	-	284,890	266,639
Industrial and engineering technology	1,082,871	-	1,082,871	1,222,851
Safety engineering and health	631,139	-	631,139	606,489
Military science	-	-	-	3,163
Child development center	10,793	-	10,793	10,318
CIT Services	35,319	-	35,319	36,813
Engineering institute	222,643	-	222,643	136,648
Rodeo	90,685	-	90,685	76,521
The technology center	15,868	-	15,868	22,652
Other instruction	13,146	-	13,146	3,499
Indirect costs	-	-	-	5,007
<i>Total College of Industry and Technology</i>	<u>\$ 3,771,972</u>	<u>\$ -</u>	<u>\$ 3,771,972</u>	<u>\$ 3,891,761</u>
<i>Telecommunications Systems Management:</i>				
WQTV Operations	\$ 247,210	\$ -	\$ 247,210	\$ 49,602
Telecommunications Systems Management	1,046,937	-	1,046,937	-
Bureau of Business and Economics	45,406	-	45,406	12,452
<i>Total Telecommunications Systems Management</i>	<u>\$ 1,339,553</u>	<u>\$ -</u>	<u>\$ 1,339,553</u>	<u>\$ 62,054</u>
<i>Other instruction:</i>				
Academic Affairs Consultants	\$ 18,358	\$ -	\$ 18,358	\$ 15,821
Academic team	4,904	-	4,904	5,459
Accrued vacation	(10,128)	-	(10,128)	(13,690)
Archaeology and robotics camps	7,374	-	7,374	3,117
Area health education system	72,082	-	72,082	74,606
Arts and humanities summer institute	9,410	-	9,410	69
Bachelor of independent study degree	213,500	-	213,500	125,135
Bowling course fees	5,882	-	5,882	1,431
Center for economic education	4,488	-	4,488	4,118
Center for international programs	400	-	400	205,557
Computer for instruction and research	250,000	-	250,000	250,000
Correspondence study	78	-	78	34
Extended campus programs	901,602	-	901,602	894,558
Extended campus - Paducah	324,091	-	324,091	275,284
Festival of champions	32,183	-	32,183	31,297
Golf course green fees	3,863	-	3,863	775
Hazardous waste	4,166	-	4,166	2,161
Honors program	87,533	-	87,533	86,741
Instructional support	12,887	-	12,887	42,836
Oxford roundtable	-	-	-	154
Paducah creativity and computer camps	478	-	478	-
Presidential scholars	2,003	-	2,003	3,109

MURRAY STATE UNIVERSITY
 SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS
 For the Year Ended June 30, 1999
 With Comparative Figures for the Year Ended June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	
EDUCATIONAL AND GENERAL (cont'd)				
<i>Other instruction:</i>				
Quad state festivals	23,877	-	23,877	23,509
Special education tech center	24,547	-	24,547	21,926
Sports camps	56,381	-	56,381	31,444
Summer academic program	1,815	-	1,815	-
Summer challenge	1,306	-	1,306	120
Summer leaves and salaries	891,855	-	891,855	827,171
Super Saturdays	13,338	-	13,338	9,077
Travel study tours	9,287	-	9,287	-
Trumpet and clarinet workshops	10,327	-	10,327	11,916
Unallotted academic programs	41,704	-	41,704	30,231
Young authors camp	7,080	-	7,080	6,207
Instruction accrued compensation expense	48,835	-	48,835	26,862
Matching grants and contracts	-	2,587,261	2,587,261	2,067,872
Murray State University Foundation	-	335,916	335,916	214,751
<i>Total other instruction</i>	<u>\$ 3,075,508</u>	<u>\$ 2,923,177</u>	<u>\$ 5,998,685</u>	<u>\$ 5,279,658</u>
<i>Community education:</i>				
Center for continuing education	\$ 284,777	\$ -	\$ 284,777	\$ 258,275
Community education	91,372	-	91,372	45,710
Elderhostel programs	24,056	-	24,056	-
Lifelong learning	10,330	-	10,330	-
<i>Total community education</i>	<u>\$ 410,535</u>	<u>\$ -</u>	<u>\$ 410,535</u>	<u>\$ 303,985</u>
<i>Preparatory/remedial instruction:</i>				
Community college	\$ 344,089	\$ -	\$ 344,089	\$ -
Learning center	7	-	7	283,384
<i>Total preparatory/remedial instruction</i>	<u>\$ 344,096</u>	<u>\$ -</u>	<u>\$ 344,096</u>	<u>\$ 283,384</u>
<i>Total instruction</i>	<u>\$ 33,515,184</u>	<u>\$ 2,923,177</u>	<u>\$ 36,438,361</u>	<u>\$ 33,475,403</u>
<i>Research:</i>				
Organic pasteurization project	\$ 29,561	\$ -	\$ 29,561	\$ 25,000
Institutional sponsored research	89,603	-	89,603	31,555
Mid-America remote sensing center	146,402	-	146,402	149,658
Center of excellence and ecosystems studies	590,575	-	590,575	563,718
Center for the watershed research	3,775	-	3,775	-
Research accrued compensation expense	1,856	-	1,856	7,006
Matching grants and contracts	156,835	1,058,491	1,215,326	1,224,064
Murray State University Foundation	-	7,265	7,265	1,536
<i>Total research</i>	<u>\$ 1,018,608</u>	<u>\$ 1,065,756</u>	<u>\$ 2,084,364</u>	<u>\$ 2,002,537</u>

MURRAY STATE UNIVERSITY
SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS

For the Year Ended June 30, 1999

With Comparative Figures for the Year Ended June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	
EDUCATIONAL AND GENERAL(cont'd)				
<i>Public service:</i>				
<i>Community service:</i>				
Archeology service center	\$ 7,666	\$ -	\$ 7,666	\$ 15,962
Bluegrass State Skills	118,657	-	118,657	-
Celebrate women	719	-	719	11,517
Clinical services	33,580	-	33,580	31,212
Conferences and workshops	148,112	-	148,112	199,484
Graphic arts video sales	2,174	-	2,174	2,914
West Kentucky Livestock and Exposition Center	160,140	-	160,140	189,594
MSU X-ray lab	3,301	-	3,301	20,937
National Boy Scout Museum	85,391	-	85,391	85,509
College of education school services office	4,654	-	4,654	3,287
Waterfield center	404	-	404	591
<i>Breathitt Veterinary Center:</i>				
Administrative services	778,041	-	778,041	742,629
Animal Health Technology courses	16,472	-	16,472	-
Clinical pathology	189,676	-	189,676	147,271
Diagnostic and research capital	76,335	-	76,335	2,125
DNA diagnostics	99,389	-	99,389	76,674
Histology	88,941	-	88,941	120,402
Microbiology	279,277	-	279,277	257,239
Pathology	453,657	-	453,657	480,951
Seaboard farms	171	-	171	301
Serology	158,938	-	158,938	130,552
Therapy and field services	-	-	-	125
Toxicology	172,627	-	172,627	146,873
Virology	211,320	-	211,320	183,979
Swine health day	-	-	-	11
Total community service	\$ 3,089,642	\$ -	\$ 3,089,642	\$ 2,850,139
<i>Public broadcasting services:</i>				
WKMS radio station	\$ 289,238	\$ -	\$ 289,238	\$ 234,925
Total public broadcasting services	\$ 289,238	\$ -	\$ 289,238	\$ 234,925
<i>Other public services:</i>				
Baseball clinic	\$ -	\$ -	\$ -	\$ 1,983
Biological station facilities	11,261	-	11,261	(4,070)
Chemical services	72	-	72	-
Community service workstudy	2,718	-	2,718	3,394
Environmental consortium	2,503	-	2,503	2,553
Foreign language service	315	-	315	304
Hazardous materials worker training project	56,630	-	56,630	51,240
Psychology center	377	-	377	-
Regional special events center	108,178	-	108,178	25,210
Public service accrued compensation expense	15,447	-	15,447	(2,240)

MURRAY STATE UNIVERSITY
SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS

For the Year Ended June 30, 1999

With Comparative Figures for the Year Ended June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	
EDUCATIONAL AND GENERAL EXPENDITURES (cont'd):				
<i>Other public services:</i>				
Matching grants and contracts	-	608,776	608,776	581,888
Murray State University Foundation	-	180,431	180,431	226,635
Total other public service	\$ 197,501	\$ 789,207	\$ 986,708	\$ 886,897
Total public service	\$ 3,576,381	\$ 789,207	\$ 4,365,588	\$ 3,971,961
<i>Libraries:</i>				
Library	\$ 2,496,373	\$ -	\$ 2,496,373	\$ 2,307,408
Census microfilm program	-	-	-	370
Interlibrary loan	318	-	318	523
Library copy service	49,209	-	49,209	63,498
Library accrued compensation expense	3,876	-	3,876	1,476
Matching grants and contracts	-	47,618	47,618	46,434
Murray State University Foundation	-	2,553	2,553	16,287
Total libraries	\$ 2,549,776	\$ 50,171	\$ 2,599,947	\$ 2,435,996
<i>Academic support:</i>				
<i>Museums, galleries, and theatre:</i>				
Clara Eagle art gallery	\$ 9,376	\$ -	\$ 9,376	\$ 9,287
Recording studio	1,102	-	1,102	927
University theatre	43,154	-	43,154	30,990
Wickliffe mounds	55,422	-	55,422	50,129
Wickliffe mounds gift shop	2,683	-	2,683	2,815
Wickliffe mounds welcome center	21,304	-	21,304	21,141
Wrather West Kentucky museum	61,910	-	61,910	61,573
Total museums, galleries, and theatre	\$ 194,950	\$ -	\$ 194,950	\$ 176,862
<i>Academic computing support</i>				
Academic computing and technology services	\$ 316,900	\$ -	\$ 316,900	\$ 217,336
Total academic computing support	\$ 316,900	\$ -	\$ 316,900	\$ 217,336
<i>Ancillary support:</i>				
Academic council	\$ 2,749	\$ -	\$ 2,749	\$ 1,894
Faculty senate	11,504	-	11,504	11,209
Farms	199,272	-	199,272	207,766
Horses	88,753	-	88,753	86,277
Horticulture	4,906	-	4,906	6,478
Pullen farm	2,243	-	2,243	2,891
Open computer lab - Applied Science	36,308	-	36,308	143,663
Open computer lab - Faculty Hall	569	-	569	19,256

MURRAY STATE UNIVERSITY
SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS

For the Year Ended June 30, 1999

With Comparative Figures for the Year Ended June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	
EDUCATIONAL AND GENERAL (cont'd)				
<i>Ancillary support:</i>				
Open computer lab - Hart College	85,520	-	85,520	-
Total ancillary support	\$ 431,824	\$ -	\$ 431,824	\$ 479,434
<i>Academic administration:</i>				
Office of sponsored programs	\$ 142,785	\$ -	\$ 142,785	\$ 124,355
Dean - business and public affairs	389,727	-	389,727	362,128
Dean - fine arts and communication	314,408	-	314,408	307,998
Dean - science	487,130	-	487,130	471,770
Dean - education	415,074	-	415,074	304,973
Dean - humanistic studies	236,129	-	236,129	230,814
Dean - industry and technology	344,712	-	344,712	327,808
Total academic administration	\$ 2,329,965	\$ -	\$ 2,329,965	\$ 2,129,846
<i>Academic personnel development:</i>				
Faculty recruitment and travel	\$ 104,420	\$ -	\$ 104,420	\$ 73,684
Faculty teaching awards	8,471	-	8,471	-
Office of equal opportunity	86,426	-	86,426	87,503
Total academic personnel development	\$ 199,317	\$ -	\$ 199,317	\$ 161,187
<i>Course and curriculum development:</i>				
Academic accreditations	\$ 15,071	\$ -	\$ 15,071	\$ 18,637
College of education faculty support	71,582	-	71,582	20,930
NCATE re-accreditation	2,178	-	2,178	4,887
Unit plan and program development	28,511	-	28,511	29,484
Total course and curriculum development	\$ 117,342	\$ -	\$ 117,342	\$ 73,938
<i>Other academic support:</i>				
Well water testing	\$ 4,423	\$ -	\$ 4,423	\$ 3,046
Center for leadership and policy	788	-	788	140
Facility rental	-	-	-	197
Special programs	264	-	264	5,347
Sparks lecture series	3,305	-	3,305	761
Education technology support	153,601	-	153,601	35,298
Carr health building support	99,201	-	99,201	94,133
Archeology services lab	-	-	-	1
Matching grants and contracts	-	621,257	621,257	698,386
Academic support accrued compensation	10,531	-	10,531	(21,713)
Murray State University Foundation	-	80,283	80,283	40,597
Total other academic support	\$ 272,113	\$ 701,540	\$ 973,653	\$ 856,193
Total academic support	\$ 3,862,411	\$ 701,540	\$ 4,563,951	\$ 4,094,796

MURRAY STATE UNIVERSITY
SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS

For the Year Ended June 30, 1999

With Comparative Figures for the Year Ended June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	
EDUCATIONAL AND GENERAL (cont'd)				
Student services:				
<i>Student service administration:</i>				
African-American student recruitment	\$ 83,816	\$ -	\$ 83,816	\$ 86,519
Curriss center administration	154,130	-	154,130	181,351
Office of university scholarships	98,801	-	98,801	94,095
Recruitment and retention	7,663	-	7,663	21,665
Regional special events center	432,710	-	432,710	100,839
School relations	636,045	-	636,045	658,349
Student government association	204,663	-	204,663	165,018
<i>Total student services administration</i>	<u>\$ 1,617,829</u>	<u>\$ -</u>	<u>\$ 1,617,829</u>	<u>\$ 1,307,836</u>
<i>Social and cultural development</i>				
The Shield	\$ 60,195	\$ -	\$ 60,195	\$ 48,727
Murray State University News	123,561	-	123,561	127,201
Black student leadership conference	-	-	-	7,991
Residential colleges	7,394	-	7,394	1,981
<i>Total social and cultural development</i>	<u>\$ 191,151</u>	<u>\$ -</u>	<u>\$ 191,151</u>	<u>\$ 185,900</u>
<i>Counseling and career guidance:</i>				
Career Services	\$ 219,160	\$ -	\$ 219,160	\$ 201,296
Catalogs and bulletins	31,835	-	31,835	25,264
Counseling and testing center	364,904	-	364,904	276,562
<i>Total counseling and career guidance</i>	<u>\$ 615,898</u>	<u>\$ -</u>	<u>\$ 615,898</u>	<u>\$ 503,122</u>
<i>Student financial aid administration:</i>				
Student financial aid office	\$ 418,850	\$ -	\$ 418,850	\$ 406,267
<i>Total student financial aid administration</i>	<u>\$ 418,850</u>	<u>\$ -</u>	<u>\$ 418,850</u>	<u>\$ 406,267</u>
<i>Student health services:</i>				
Health services	\$ 327,546	\$ -	\$ 327,546	\$ 323,404
<i>Total student health services</i>	<u>\$ 327,546</u>	<u>\$ -</u>	<u>\$ 327,546</u>	<u>\$ 323,404</u>
<i>Intercollegiate athletics:</i>				
Athletic compliance	\$ 78,953	\$ -	\$ 78,953	\$ 63,184
Athletic concessions	21,055	-	21,055	42,229
Athletic director	302,170	-	302,170	273,816
Athletic marketing	7,494	-	7,494	14,528
Athletic photography	1,585	-	1,585	1,994
Athletic programs	1,041	-	1,041	565
Athletic ticket office	68,235	-	68,235	52,320
Athletic trainer	143,288	-	143,288	134,545
Baseball	127,008	-	127,008	102,545

MURRAY STATE UNIVERSITY
SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS

For the Year Ended June 30, 1999

With Comparative Figures for the Year Ended June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	
EDUCATIONAL AND GENERAL (cont'd)				
<i>Intercollegiate athletics:</i>				
Cheerleaders	17,209	-	17,209	20,243
Football	636,475	-	636,475	506,923
High school regional tournaments	9,472	-	9,472	-
Marching and pep bands	42,620	-	42,620	-
Men's and women's track	122,991	-	122,991	90,760
Men's basketball	380,069	-	380,069	389,679
Men's golf	32,738	-	32,738	29,287
Men's tennis	39,472	-	39,472	35,316
NCAA and other title IV expenditures	9,407	-	9,407	-
NCAA tournament travel	59,066	-	59,066	66,489
OVC basketball tournament	15,123	-	15,123	13,185
Racer basketball camp	29,252	-	29,252	20,748
Rifle team	25,684	-	25,684	31,772
Sports information director	85,689	-	85,689	55,966
Women's basketball	190,817	-	190,817	158,864
Women's crew team	103,694	-	103,694	34,675
Women's golf	58,657	-	58,657	45,785
Women's soccer	10,298	-	10,298	-
Women's tennis	47,730	-	47,730	40,199
Women's volleyball	76,946	-	76,946	65,314
<i>Total intercollegiate athletics</i>	<u>\$ 2,744,238</u>	<u>\$ -</u>	<u>\$ 2,744,238</u>	<u>\$ 2,290,931</u>
<i>Student admissions and records:</i>				
Admissions and records	\$ 742,307	\$ -	\$ 742,307	\$ 691,346
Commencement expense	15,705	-	15,705	12,576
Murray academic progress	60,772	-	60,772	57,036
Touch tone registration	14,488	-	14,488	8,919
Viewbook	30,334	-	30,334	56,107
<i>Total student admissions and records</i>	<u>\$ 863,605</u>	<u>\$ -</u>	<u>\$ 863,605</u>	<u>\$ 825,984</u>
<i>Other student services:</i>				
African-American student services	\$ 64,129	\$ -	\$ 64,129	\$ 59,320
Campus lights	5,111	-	5,111	6,116
Choir international tours	-	-	-	2,485
Co-curricular education	95,588	-	95,588	95,631
Crew team	410	-	410	13,920
First time experience	3,858	-	3,858	2,567
Forensic team	12,582	-	12,582	13,245
Heathy Thoroughbred card	8,439	-	8,439	-
Madrigal dinner	5,763	-	5,763	8,201
National student exchange	3,414	-	3,414	4,450
Regional tournaments	22,273	-	22,273	26,538
Roads scholars	31,616	-	31,616	33,982

MURRAY STATE UNIVERSITY
SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS

For the Year Ended June 30, 1999
With Comparative Figures for the Year Ended June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	
EDUCATIONAL AND GENERAL (cont'd)				
<i>Other student services:</i>				
Senior breakfast	312	-	312	2,455
Student ambassadors	2,274	-	2,274	1,716
Student life improvement	-	-	-	174
Summer orientation	84,733	-	84,733	71,900
Wellness center	21,008	-	21,008	3,073
Women's center	5,103	-	5,103	11,286
Indirect Cost	8,013	-	8,013	10,376
Student services accrued compensation expense	16,224	-	16,224	15,794
Matching grants and contracts	-	321,248	321,248	272,958
Murray State University Foundation	-	241,972	241,972	208,373
Student services workstudy	-	-	-	38,897
Total other student services	\$ 390,853	\$ 563,220	\$ 954,073	\$ 903,457
Total student services	\$ 7,169,970	\$ 563,220	\$ 7,733,190	\$ 6,746,901
<i>Institutional support:</i>				
<i>Executive management:</i>				
Board of regents	\$ 7,419	\$ -	\$ 7,419	\$ 9,104
EEOC compliance	4,124	-	4,124	-
Institutional planning and research	75,721	-	75,721	136,313
Legal services	213,208	-	213,208	161,739
Legislative liaison	11,946	-	11,946	11,120
President's office	465,500	-	465,500	427,882
Provost/vice president for academic affairs	468,577	-	468,577	400,716
Vice president for administrative services	210,719	-	210,719	183,493
Vice president for student affairs	257,154	-	257,154	236,361
Total executive management	\$ 1,714,367	\$ -	\$ 1,714,367	\$ 1,566,728
<i>Fiscal operations:</i>				
Accounting and financial services	\$ 496,751	\$ -	\$ 496,751	\$ 368,566
Associate vice president for administrative services	-	-	-	73,295
Bad debt expense	50,278	-	50,278	95,585
Bank service charges	66,762	-	66,762	65,426
Bursars office	395,278	-	395,278	404,576
Office of the budget	186,876	-	186,876	104,061
Total fiscal operations	\$ 1,195,943	\$ -	\$ 1,195,943	\$ 1,111,509
<i>General administration and logistical services:</i>				
Accountability	\$ 42,256	\$ -	\$ 42,256	\$ 1,256
Central stores revolving fund	(1,561)	-	(1,561)	(3,805)
Flexible spending plan	21,178	-	21,178	20,902

MURRAY STATE UNIVERSITY
SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS

For the Year Ended June 30, 1999
With Comparative Figures for the Year Ended June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	
EDUCATIONAL AND GENERAL (cont'd)				
<i>General administration and logistical services:</i>				
Human resources	296,257	-	296,257	270,956
Microcomputer repair	395,688	-	395,688	405,698
Postal services	189,096	-	189,096	89,688
Procurement services	433,283	-	433,283	388,024
Public address system	5,867	-	5,867	8,999
Public safety	849,026	-	849,026	644,446
Recycling program	11,234	-	11,234	7,694
Rental property	420	-	420	527
Sale of surplus property	7,222	-	7,222	5,848
Telecommunications support	185,883	-	185,883	234,460
Transportation services	190,492	-	190,492	223,157
Unemployment compensation	13,472	-	13,472	16,998
Vehicle replacement	45,343	-	45,343	17,323
Workers compensation	447,839	-	447,839	281,016
<i>Total general administration and logistical services</i>	<u>\$ 3,132,993</u>	<u>\$ -</u>	<u>\$ 3,132,993</u>	<u>\$ 2,613,187</u>
<i>Public relations and development:</i>				
Comprehensive capital campaign	\$ 35,892	\$ -	\$ 35,892	\$ -
Marketing and public relations	118,763	-	118,763	118,410
News bureau	86,901	-	86,901	84,941
Office of development	435,711	-	435,711	435,715
Office of publications	160,813	-	160,813	156,200
Photography	2,448	-	2,448	2,239
Radio and television	58,505	-	58,505	44,512
University publications	50,814	-	50,814	41,560
University relations	129,780	-	129,780	62,484
University wide events	16,912	-	16,912	27,298
<i>Total public relations and development</i>	<u>\$ 1,096,540</u>	<u>\$ -</u>	<u>\$ 1,096,540</u>	<u>\$ 973,359</u>
<i>Administrative computing support:</i>				
Administrative computing	\$ 299,983	\$ -	\$ 299,983	\$ 250,882
Information systems	761,599	-	761,599	499,353
Student loans billing system	87,630	-	87,630	-
<i>Total administrative computing support</i>	<u>\$ 1,149,212</u>	<u>\$ -</u>	<u>\$ 1,149,212</u>	<u>\$ 750,235</u>
<i>Other institutional support:</i>				
75th anniversary	\$ 6,466	\$ -	\$ 6,466	\$ 8,324
Condata payroll system maintenance	17,971	-	17,971	14,815
Employee physicals	3,293	-	3,293	5,453
Employee scholarships	114,452	-	114,452	103,204

MURRAY STATE UNIVERSITY
SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS

For the Year Ended June 30, 1999

With Comparative Figures for the Year Ended June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	
EDUCATIONAL AND GENERAL (cont'd)				
<i>Other institutional support:</i>				
Employee spouse and dependent wavier	173,832	-	173,832	158,896
Institutional support allocation to auxiliary	(457,750)	-	(457,750)	(481,750)
MCI - MSU online	140	-	140	6,936
Miscellaneous institutional support	163,051	-	163,051	233,066
MSU staff congress	7,440	-	7,440	7,429
MSU staff congress awards	4,821	-	4,821	4,152
University audits	55,503	-	55,503	59,147
UPS clearing	22	-	22	-
Institutional support accrued compensation expense	20,992	-	20,992	15,612
Matching grants and contracts	-	56,675	56,675	71,422
Murray State University Foundation	-	201,178	201,178	14,071
<i>Total other institutional support</i>	<u>\$ 110,232</u>	<u>\$ 257,853</u>	<u>\$ 368,085</u>	<u>\$ 220,777</u>
<i>Total institutional support</i>	<u>\$ 8,399,287</u>	<u>\$ 257,853</u>	<u>\$ 8,657,140</u>	<u>\$ 7,235,795</u>
<i>Operation and maintenance of plant:</i>				
<i>Physical plant administration:</i>				
Administration	\$ 481,306	\$ -	\$ 481,306	\$ 358,906
Engineering and architectural services	143,112	-	143,112	132,857
Seasonal labor	17,119	-	17,119	40,383
<i>Total physical plant administration</i>	<u>\$ 641,536</u>	<u>\$ -</u>	<u>\$ 641,536</u>	<u>\$ 532,146</u>
<i>Building maintenance:</i>				
Building and equipment maintenance	\$ 2,224,888	\$ -	\$ 2,224,888	\$ 2,073,095
Grounds maintenance	709,643	-	709,643	710,566
Property insurance	240,672	-	240,672	210,660
<i>Total building maintenance</i>	<u>\$ 3,175,203</u>	<u>\$ -</u>	<u>\$ 3,175,203</u>	<u>\$ 2,994,321</u>
<i>Other operation and maintenance of plant:</i>				
Warehouse inventory	\$ (23,370)	\$ -	\$ (23,370)	\$ 32,619
Custodial maintenance	1,282,292	-	1,282,292	1,206,788
General utilities	2,325,132	-	2,325,132	2,612,516
Environmental safety and health	169,893	-	169,893	173,782
Chemical hazardous waste disposal	41,486	-	41,486	26,336
Hester College fire	27,778	-	27,778	-
RSEC utilities	198,709	-	198,709	-
Major repairs and renovation	975,554	-	975,554	165,461
Operation and maintenance of plant accrued compensation expense	(1,388)	-	(1,388)	12,183
Matching grants and contracts	-	470,489	470,489	-
Murray State University Foundation	-	16,067	16,067	6,950

MURRAY STATE UNIVERSITY
SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS

For the Year Ended June 30, 1999

With Comparative Figures for the Year Ended June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	
EDUCATIONAL AND GENERAL (cont'd)				
<i>Other operation and maintenance of plant:</i>				
Operation and maintenance of plant workstudy	-	-	-	3,698
<i>Total other operation and maintenance of plant</i>	\$ 4,996,087	\$ 486,556	\$ 5,482,643	\$ 4,240,333
<i>Total operation and maintenance of plant</i>	\$ 8,812,826	\$ 486,556	\$ 9,299,382	\$ 7,766,800
<i>Student financial aid:</i>				
Athletic grants-in-aid	\$ 1,377,239	\$ -	\$ 1,377,239	\$ 1,292,441
Scholarships and fellowships	5,073,242	-	5,073,242	4,202,743
Murray State University Foundation	-	361,930	361,930	438,075
Pell and SEOG grant awards	(47,745)	6,711,783	6,664,038	5,701,880
<i>Total student financial aid</i>	\$ 6,402,736	\$ 7,073,713	\$ 13,476,449	\$ 11,635,139
<i>Total educational and general</i>	\$ 75,307,179	\$ 13,911,193	\$ 89,218,372	\$ 79,365,328
<i>Mandatory transfers:</i>				
Bond principal and interest	\$ (3,543,183)	\$ -	\$ (3,543,183)	\$ (3,750,728)
Loan fund matching	(2,359)	-	(2,359)	(2,393)
<i>Total mandatory transfers</i>	\$ (3,545,542)	\$ -	\$ (3,545,542)	\$ (3,753,121)
<i>Non-mandatory transfers:</i>				
From auxiliary enterprises	\$ 77,320	\$ -	\$ 77,320	\$ 77,320
To unexpended plant fund	(2,174,607)	-	(2,174,607)	(1,109,374)
To retirement of indebtedness fund	(289,181)	-	(289,181)	(143,468)
From (to) renewal and replacement fund	1,077,500	-	1,077,500	(433,143)
From (to) restricted fund	84,640	(84,640)	-	-
To endowment fund	-	(48,200)	(48,200)	(5,907)
<i>Total non-mandatory transfers</i>	\$ (1,224,328)	\$ (132,840)	\$ (1,357,168)	\$ (1,614,572)
<i>Total educational and general expenditures and transfers</i>	\$ 80,077,049	\$ 14,044,033	\$ 94,121,082	\$ 84,733,021

MURRAY STATE UNIVERSITY
SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS

For the Year Ended June 30, 1999

With Comparative Figures for the Year Ended June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	
AUXILIARY ENTERPRISES EXPENDITURES-				
Food service	\$ 3,974,558	\$ -	\$ 3,974,558	\$ 3,639,898
Housing	4,565,588	-	4,565,588	4,131,386
Bookstore	3,292,157	-	3,292,157	3,186,078
Recreation center	592,625	-	592,625	669,376
University parking	292,427	-	292,427	356,292
Racer card administration	47,952	-	47,952	63,689
Vending and manual commissions	78,499	-	78,499	107,792
Auxiliary enterprises workstudy	-	47,468	47,468	45,172
Total auxiliary enterprises expenditures	\$ 12,843,806	\$ 47,468	\$ 12,891,274	\$ 12,199,683
Mandatory transfers:				
Bond principal and interest	\$ (714,580)	\$ -	\$ (714,580)	\$ (631,495)
Total mandatory transfers	\$ (714,580)	\$ -	\$ (714,580)	\$ (631,495)
Non-mandatory transfers:				
To educational and general	\$ (77,320)	\$ -	\$ (77,320)	\$ (77,320)
To unexpended plant	(253,510)	-	(253,510)	(111,500)
Total non-mandatory transfers	\$ (330,830)	\$ -	\$ (330,830)	\$ (188,820)
Total auxiliary enterprises expenditures and transfers	\$ 13,889,216	\$ 47,468	\$ 13,936,684	\$ 13,019,998
Total current funds expenditures and transfers	\$ 93,966,265	\$ 14,091,501	\$ 108,057,766	\$ 97,753,019

MURRAY STATE UNIVERSITY
SCHEDULE OF CURRENT FUNDS EXPENDITURES
AND TRANSFERS BY MAJOR OBJECT
For the Year Ended June 30, 1999
With Comparative Figures For the Year Ended June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	
EDUCATIONAL AND GENERAL				
Expenditures:				
Instruction:				
Personnel services	\$ 29,407,581	\$ 1,663,045	\$ 31,070,626	\$ 29,482,627
Current operating expenses	3,320,130	892,578	4,212,708	3,655,837
Capital outlay	787,473	367,554	1,155,027	336,939
Total	\$ 33,515,184	\$ 2,923,177	\$ 36,438,361	\$ 33,475,403
Research:				
Personnel services	\$ 595,602	\$ 379,931	\$ 975,533	\$ 1,116,907
Current operating expenses	329,372	658,643	988,015	673,683
Capital outlay	93,634	27,182	120,816	211,947
Total	\$ 1,018,608	\$ 1,065,756	\$ 2,084,364	\$ 2,002,537
Public service:				
Personnel services	\$ 2,840,264	\$ 535,875	\$ 3,376,139	\$ 2,989,113
Current operating expenses	516,117	218,011	734,128	716,880
Capital outlay	220,000	35,321	255,321	265,968
Total	\$ 3,576,381	\$ 789,207	\$ 4,365,588	\$ 3,971,961
Libraries:				
Personnel services	\$ 1,158,702	\$ 47,618	\$ 1,206,320	\$ 1,201,761
Current operating expenses	1,261,021	2,553	1,263,574	1,167,087
Capital outlay	130,053	-	130,053	67,148
Total	\$ 2,549,776	\$ 50,171	\$ 2,599,947	\$ 2,435,996
Academic support:				
Personnel services	\$ 2,206,115	\$ 359,556	\$ 2,565,671	\$ 2,423,905
Current operating expenses	1,336,678	245,228	1,581,906	1,361,034
Capital outlay	319,618	96,756	416,374	309,857
Total	\$ 3,862,411	\$ 701,540	\$ 4,563,951	\$ 4,094,796
Student services:				
Personnel services	\$ 4,681,207	\$ 334,040	\$ 5,015,247	\$ 4,429,633
Current operating expenses	2,358,012	222,536	2,580,548	2,222,004
Capital outlay	130,751	6,644	137,395	95,264
Total	\$ 7,169,970	\$ 563,220	\$ 7,733,190	\$ 6,746,901
Institutional support:				
Personnel services	\$ 7,744,177	\$ 103,215	\$ 7,847,392	\$ 6,476,247
Current operating expenses	153,465	154,638	308,103	309,251
Capital outlay	501,645	-	501,645	450,297
Total	\$ 8,399,287	\$ 257,853	\$ 8,657,140	\$ 7,235,795
Operation and maintenance of plant:				
Personnel services	\$ 4,343,485	\$ 858	\$ 4,344,343	\$ 4,201,516
Current operating expenses	3,764,404	471,751	4,236,155	2,910,977
Capital outlay	704,937	13,947	718,884	654,307
Total	\$ 8,812,826	\$ 486,556	\$ 9,299,382	\$ 7,766,800

MURRAY STATE UNIVERSITY
SCHEDULE OF CURRENT FUNDS EXPENDITURES
AND TRANSFERS BY MAJOR OBJECT
For the Year Ended June 30, 1999
With Comparative Figures For the Year Ended June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	
EDUCATIONAL AND GENERAL (cont'd)				
Expenditures (cont'd)				
Student financial aid:				
Personnel services	\$ 29,504	\$ -	\$ 29,504	\$ 31,773
Current operating expenses	6,373,232	7,070,151	13,443,383	11,594,396
Capital outlay	-	3,562	3,562	8,970
Total	\$ 6,402,736	\$ 7,073,713	\$ 13,476,449	\$ 11,635,139
Mandatory transfers for:				
Bond principal and interest	\$ (3,543,183)	\$ -	\$ (3,543,183)	\$ (3,750,728)
Loan fund matching	(2,359)	-	(2,359)	(2,393)
Total	\$ (3,545,542)	\$ -	\$ (3,545,542)	\$ (3,753,121)
Non-mandatory transfers:				
From auxiliary enterprises	\$ 77,320	\$ -	\$ 77,320	\$ 77,320
(To) from renewal and replacement fund	1,077,500	-	1,077,500	(433,143)
To retirement of indebtedness fund	(289,181)	-	(289,181)	(143,468)
To unexpended plant fund	(2,174,607)	-	(2,174,607)	(1,109,374)
(To) from restricted fund	84,640	(84,640)	-	-
To endowment fund	-	(48,200)	(48,200)	(5,907)
Total	\$ (1,224,328)	\$ (132,840)	\$ (1,357,168)	\$ (1,614,572)
Total educational and general	\$ 80,077,049	\$ 14,044,033	\$ 94,121,082	\$ 84,733,021
AUXILIARY ENTERPRISES				
Expenditures:				
Personnel services	\$ 4,460,210	\$ 47,468	\$ 4,507,678	\$ 4,365,870
Current operating expenses	8,276,000	-	8,276,000	7,638,077
Capital outlay	107,596	-	107,596	195,736
Total	\$ 12,843,806	\$ 47,468	\$ 12,891,274	\$ 12,199,683
Mandatory transfers for:				
Bond principal and interest	\$ (714,580)	\$ -	\$ (714,580)	\$ (631,495)
Non-mandatory transfers:				
To educational and general	\$ (77,320)	\$ -	\$ (77,320)	\$ (77,320)
To unexpended plant fund	(253,510)	-	(253,510)	(111,500)
Total	\$ (330,830)	\$ -	\$ (330,830)	\$ (188,820)
Total auxiliary enterprises	\$ 13,889,216	\$ 47,468	\$ 13,936,684	\$ 13,019,998
Total expenditures and transfers	\$ 93,966,265	\$ 14,091,501	\$ 108,057,766	\$ 97,753,019

MURRAY STATE UNIVERSITY
**SCHEDULE OF CURRENT FUNDS EXPENDITURES
AND TRANSFERS BY MAJOR OBJECT**
For the Year Ended June 30, 1999
With Comparative Figures For the Year Ended June 30, 1998

	1999		Total	1998
	Unrestricted	Restricted		
SUMMARY BY MAJOR OBJECT				
Expenditures:				
Personnel services	\$ 57,466,847	\$ 3,471,606	\$ 60,938,453	\$ 56,719,352
Current operating expenses	27,688,431	9,936,089	37,624,520	32,249,226
Capital outlay	2,995,707	550,966	3,546,673	2,596,433
Total	\$ 88,150,985	\$ 13,958,661	\$ 102,109,646	\$ 91,565,011
Mandatory transfers for:				
Bond principal and interest	\$ (4,257,763)	-	\$ (4,257,763)	\$ (4,382,223)
Loan fund matching	(2,359)	-	(2,359)	(2,393)
Total	\$ (4,260,122)	\$ -	\$ (4,260,122)	\$ (4,384,616)
Non-mandatory transfers:				
(To) from renewal and replacement fund	\$ 1,077,500	-	\$ 1,077,500	\$ (433,143)
To retirement of indebtedness fund	(289,181)	-	(289,181)	(143,468)
To unexpended plant fund	(2,428,117)	-	(2,428,117)	(1,220,874)
(To) from restricted fund	84,640	(84,640)	-	-
To endowment fund	-	(48,200)	(48,200)	(5,907)
Total	\$ (1,555,158)	\$ (132,840)	\$ (1,687,998)	\$ (1,803,392)
Total expenditures and transfers	\$ 93,966,265	\$ 14,091,501	\$ 108,057,766	\$ 97,753,019

MURRAY STATE UNIVERSITY
 SCHEDULE OF CHANGES IN FUND BALANCES
 LOAN FUNDS
 For the Year Ended June 30, 1999.

	Student Nurse Loan Program Fund	Perkins Student Loan Fund	Norris Loan Program Fund	Owen Student Loan Fund	Total
Fund balance at beginning of year	\$ 325,439	\$ 4,208,046	\$ 29,796	\$ 87,164	\$ 4,650,445
Additions:					
Interest	\$ 9,875	\$ 86,631	\$ 1,960	\$ 4,809	\$ 103,275
Federal contributions	11,868	3,122	-	-	14,990
Other additions	27	41,984	1,923	22	43,956
Mandatory transfer - from educational and general	1,319	1,040	-	-	2,359
Total additions	\$ 23,089	\$ 132,777	\$ 3,883	\$ 4,831	\$ 164,580
Deductions:					
Cancellations - teaching	-	\$ 40,901	-	-	\$ 40,901
Cancellations - death	-	4,199	-	-	4,199
Cancellations - disability	2,146	14,893	-	-	17,039
Cancellations - bankruptcy	-	2,506	-	-	2,506
Cancellations - law	-	4,382	-	-	4,382
Cancellations - medical	-	9,164	-	-	9,164
Cancellations - family	-	6,583	-	-	6,583
Cancellations - special education	-	9,425	-	-	9,425
Cancellations - foreign language	-	8,896	-	-	8,896
Adjustment in allowance for bad debts	1,070	37,922	1,860	5,626	46,478
Administrative costs	(55)	2,008	-	-	1,953
Collection costs	1,067	5,572	7	47	6,693
Total deductions	\$ 4,228	\$ 146,451	\$ 1,867	\$ 5,673	\$ 158,219
Fund balance at end of year	\$ 344,300	\$ 4,194,372	\$ 31,812	\$ 86,322	\$ 4,656,806

MURRAY STATE UNIVERSITY
SCHEDULE OF CHANGES IN FUND BALANCES
ENDOWMENT FUNDS

For the Year Ended June 30, 1999

Fund balance at beginning of year	\$	<u>13,254,230</u>
Additions:		
Private gifts	\$	470,449
Endowment income		1,439,062
Increase in fair value of investments		475,879
Transfers from current restricted fund		<u>48,200</u>
Total additions	\$	<u>2,433,590</u>
Deductions:		
Other deductions	\$	<u>153</u>
Fund balance at end of year	\$	<u><u>15,687,667</u></u>

MURRAY STATE UNIVERSITY
SCHEDULE OF CHANGES IN FUND BALANCE
UNEXPENDED PLANT FUNDS
 For the Year Ended June 30, 1999

Fund balance at beginning of year	\$ <u>2,488,782</u>
Additions:	
Transfers from current funds	\$ 2,428,117
Interest income	39,811
State grants and appropriations	3,719,599
Proceeds from bonds	5,803,594
Proceeds from insurance	363,185
Proceeds from masterlease payable	350,000
Other additions	130,000
Total additions	\$ <u>12,834,306</u>
Deductions:	
Expended for plant facilities	\$ 5,175,980
New bond indebtedness	6,370,000
Cost of bond issuance	69,000
Interest on indebtedness	37,199
Bond discount amortization	5,841
Other deductions	12,141
Total deductions	\$ <u>11,670,161</u>
 Fund balance at end of year	 \$ <u>3,652,927</u>

MURRAY STATE UNIVERSITY
 SCHEDULE OF PROJECT ALLOTMENTS
 UNEXPENDED PLANT FUNDS
 June 30, 1999

	State Appropriation	Trust and Agency Fund	Investment Income	Other State Funds	Revenue Bond Proceeds	Other	Total
00131	Land acquisitions	\$ -	\$ 1,023,623	\$ 356,267	\$ -	\$ -	\$ 1,379,890
00405	Old Fine Arts building renovation	-	75,000	330,616	-	-	4,025,000
00410	National Boy Scout Museum phase IV	-	36,814	-	-	-	36,814
00600	Project 50 bonds clearing	-	-	9,839	94,675	(94,675)	26,020
00626	E and G fire horn upgrade	-	-	24,945	18,555	-	43,500
00641	Woods Hall renovation	-	395,331	-	-	-	395,331
00706	Equine Instruction Facility	-	-	-	-	575,000	575,000
00717	Fine Arts fire damage cleanup	-	-	-	1,530,000	-	1,530,000
00725	Blackburn Science research modernization	-	26,564	-	-	1,200,000	2,221,883
00727	Parking lot modifications 16th and Hamilton	-	123,464	-	-	-	123,464
00728	Winslow Cafeteria renovation	-	-	-	-	750,000	750,000
00730	Breathitt Center building system improvements	-	126,343	-	-	-	126,343
00732	Doyle Fine Arts elevator renovation	-	15,070	50,324	-	-	221,150
00737	Quadrangle lighting replacement	-	82,787	-	-	-	82,787
00743	Motor pool diesel tank	-	-	-	-	24,000	24,000
00744	Central plant fuel tank	-	-	-	-	70,000	70,000
00810	Campus backbone network	-	1,500,000	-	-	-	1,500,000
00818	E and G smoke detectors	-	-	-	321,000	-	321,000
00821	High voltage oil switch	-	-	-	690,000	-	690,000
00847	Pogue Library upgrade	-	102,736	-	-	-	102,736
00850	Fine Arts equipment and furnishings	-	-	155,868	-	-	155,868
00851	Curriss Center roof renovations	-	5,000	-	-	-	5,000
00853	Stewart Stadium elevator renovation	-	132,700	-	-	-	132,700
00854	Elizabeth College elevator renovation	-	77,000	-	-	-	77,000
00855	Faculty Hall emergency generator	-	-	-	55,200	11,800	67,000
00856	Expo Center replace boiler	-	148,700	-	-	-	148,700
00857	Expo Center exterior trim	-	147,000	-	-	-	147,000
00858	Pogue Library skylight retrofit	-	2,630	-	-	-	2,630
00860	West farm fence	-	-	-	-	37,600	37,600
00861	Woods Hall renovation	-	124,541	-	-	-	124,541
00863	E and G repair/replace fire doors	-	-	-	-	25,000	25,000
00864	Breathitt Center - fire alarm expansion	-	32,780	-	-	-	32,780
00866	BVC HVAC repair modification	-	25,335	-	-	-	25,335
00867	Hart College elevator modification	-	292	-	-	-	292
00868	Elizabeth College replace fire alarm	-	-	-	-	16,610	16,610
00869	Curriss Center UST removal/replacement	-	-	-	-	25,000	25,000

MURRAY STATE UNIVERSITY
 SCHEDULE OF PROJECT ALLOTMENTS
 UNEXPENDED PLANT FUNDS
 June 30, 1999

	State Appropriation	Trust and Agency Fund	Investment Income	Other State Funds	Revenue Bond Proceeds	Other	Total
00930	Pullen farm greenhouse	-	-	-	-	230,000	230,000
00931	Hester College fire alarm	-	-	-	101,570	-	101,570
01001	Central plant chiller	448,500	-	-	448,500	-	897,000
01002	Business Building north elevator	220,000	-	-	-	-	220,000
01003	North farm organic pasteurization plant	-	-	350,000	-	-	350,000
01004	Doyle Fine Arts improvement	50,000	-	-	-	-	50,000
01005	Stewart Stadium gate	40,000	-	-	-	-	40,000
01006	West farm shop/storage	-	-	100,000	-	-	100,000
01007	Breathitt Center parking lot repair	-	-	80,000	-	-	80,000
01008	Carmen Pavillion upgrade	699,999	-	-	-	-	699,999
01009	Special Education building addition	-	-	-	7,184,000	-	7,184,000
01010	907 Waldrop property	56,986	-	-	-	-	56,986
01011	Pat Miller property	393,775	-	-	-	-	393,775
01012	Various buildings -firetruck setup pads	-	-	-	14,300	-	14,300
01013	CVU LAN project	-	-	-	2,084	-	2,084
01014	CVU ATM upgrade	-	-	-	562,407	-	562,407
01015	CVU student access	-	-	-	45,509	-	45,509
01016	CVU/CVL endeavor	-	-	-	140,500	-	140,500
01017	CVU KTLN upgrade	-	-	-	140,000	-	140,000
01018	Academic buildings sprinklers	539,000	-	-	539,000	-	1,078,000
01019	Carr Health renovations	-	-	-	2,000,000	-	2,000,000
01020	Business Building 1st floor entrance	-	-	-	1,000,000	-	1,000,000
01021	Hopkinsville extended campus	-	-	-	6,000,000	-	6,000,000
01022	Sparks Hall elevator	150,000	-	-	-	-	150,000
01024	Chemistry lab equipment	-	-	-	47,563	-	47,563
01025	New Fine Arts emergency generators	-	-	-	6,000	-	6,000
02001	Hester College fire restoration	105,511	-	-	16,900	185,597	308,008
02002	Hester College fire cleanup	62,412	-	-	-	177,588	240,000
02003	Hart College elevator modification	-	-	-	300,000	-	300,000
02004	Hester College sprinkler	-	-	-	317,390	-	317,390
02005	White College sprinkler	-	-	-	297,660	-	297,660
02006	Regents College sprinkler	-	-	-	257,300	-	257,300
02007	Elizabeth College sprinkler	-	-	-	325,920	-	325,920
02008	Hart College sprinkler	-	-	-	379,730	-	379,730
02009	Residential colleges security cameras	-	-	-	146,000	-	146,000
02010	Residential colleges door closures	-	-	-	79,500	-	79,500

MURRAY STATE UNIVERSITY
 SCHEDULE OF PROJECT ALLOTMENTS
 UNEXPENDED PLANT FUNDS
 June 30, 1999

	State Appropriation	Trust and Agency Fund	Investment Income	Other State Funds	Revenue Bond Proceeds	Other	Total
02011 White /Regents/Hart Colleges fire alarm upgrade	-	-	-	-	388,407	-	388,407
02012 Elizabeth College windows	-	180,000	-	-	-	-	180,000
02013 Residential colleges water heaters	-	-	-	-	35,000	-	35,000
02014 Stewart Stadium parking lots	-	59,000	-	59,000	-	-	118,000
02015 Sorority suites parking lots	-	105,718	-	-	-	-	105,718
Total	<u>\$ 699,999</u>	<u>\$ 6,614,612</u>	<u>\$ 927,859</u>	<u>\$ 3,298,430</u>	<u>\$ 26,578,115</u>	<u>\$ 2,217,285</u>	<u>\$ 40,336,300</u>

MURRAY STATE UNIVERSITY
SCHEDULE OF PROJECT ACCOUNTS
UNEXPENDED PLANT FUNDS
For the Year Ended June 30, 1999

	Allotments			Expenditures			Outstanding Encumbrances	Balance 06/30/99
	Prior to July 1, 1998	Received 1998-99	Total	Prior to July 1, 1998	Expenditures 1998-99	Total		
00131 Land acquisitions	\$ 1,379,890	\$ -	\$ 1,379,890	\$ 1,372,746	\$ -	\$ 1,372,746	\$ -	\$ 7,144
00405 Old Fine Arts building renovation	4,025,000	-	4,025,000	3,992,108	39,176	4,031,284	10,978	(17,262)
00410 National Boy Scout Museum phase IV	36,814	-	36,814	36,814	-	36,814	-	-
00600 Project 50 bonds clearing	26,020	-	26,020	-	-	-	-	26,020
00626 E and G fire horn upgrade	43,500	-	43,500	12,278	5,218	17,496	-	26,004
00641 Woods Hall renovation	510,000	(114,669)	395,331	395,331	-	395,331	-	-
00706 Equine Instruction Facility	575,000	-	575,000	115,841	456,424	572,265	-	2,735
00717 Fine Arts fire damage cleanup	1,530,000	-	1,530,000	1,518,277	3,234	1,521,511	8,314	175
00725 Blackburn Science research modernization	2,221,883	-	2,221,883	2,107,339	-	2,107,339	-	114,544
00727 Parking lot modifications 16th and Hamilton	123,464	-	123,464	123,464	-	123,464	-	-
00728 Winslow Cafeteria renovation	750,000	-	750,000	743,790	840	744,630	-	5,370
00730 Breathitt Center building system improvements	133,726	(7,383)	126,343	126,343	-	126,343	-	-
00732 Doyle Fine Arts elevator renovation	221,150	-	221,150	215,151	4,254	219,405	-	1,745
00737 Quadrangle lighting replacement	100,000	(17,213)	82,787	82,787	-	82,787	-	-
00738 Fine Arts complex improvements	50,000	(50,000)	-	-	-	-	-	-
00743 Motor pool diesel tank	24,000	-	24,000	21,309	-	21,309	-	2,691
00744 Central plant fuel tank	70,000	-	70,000	62,454	-	62,454	-	7,546
00810 Campus backbone network	1,500,000	-	1,500,000	345,555	-	345,555	-	1,154,445
00818 E and G smoke detectors	321,000	-	321,000	159,731	56,207	215,938	-	105,062
00821 High voltage oil switch	690,000	-	690,000	110,277	551,626	661,903	2,797	25,300
00847 Pogue Library upgrade	67,751	34,985	102,736	102,736	-	102,736	-	-
00850 Fine Arts equipment and furnishings	155,868	-	155,868	139,386	-	139,386	-	16,482
00851 Curris Center roof renovations	5,000	-	5,000	1,526	-	1,526	-	3,474
00853 Stewart Stadium elevator renovation	132,700	-	132,700	215	128,243	128,458	-	4,242
00854 Elizabeth College elevator renovation	77,000	-	77,000	40,173	31,698	71,871	-	5,129
00855 Faculty Hall emergency generator	67,000	-	67,000	57,564	3,550	61,114	-	5,886
00856 Expo Center replace boiler	148,700	-	148,700	138,899	6,404	145,303	-	3,397
00857 Expo Center exterior trim	147,000	-	147,000	76,224	55,679	131,903	-	15,097
00858 Pogue Library skylight retrofit	5,000	(2,370)	2,630	-	2,630	2,630	-	-
00859 Stewart Stadium entrance gates	40,000	(40,000)	-	-	-	-	-	-
00860 West farm fence	37,600	-	37,600	37,322	-	37,322	-	278
00861 Woods Hall renovation	124,600	(59)	124,541	59,551	64,990	124,541	-	-
00862 Carr Health pool renovations	37,000	(37,000)	-	-	-	-	-	-
00863 E and G repair/replace fire doors	25,000	-	25,000	-	12,385	12,385	-	12,615
00864 Breathitt Center - fire alarm expansion	6,600	26,180	32,780	3,617	23,079	26,696	3,781	2,303
00865 West farm shop storage	100,000	(100,000)	-	-	-	-	-	-
00866 Breathitt Center HVAC repair modification	5,000	20,335	25,335	-	25,335	25,335	-	-
00867 Hart College elevator modification	85,000	(84,708)	292	166	126	292	-	-

MURRAY STATE UNIVERSITY
 SCHEDULE OF PROJECT ACCOUNTS
 UNEXPENDED PLANT FUNDS
 For the Year Ended June 30, 1999

	Allotments			Expenditures			Outstanding Encumbrances	Balance 06/30/99
	Prior to July 1, 1998	Received 1998-99	Total	Prior to July 1, 1998	Expenditures 1998-99	Total		
00868 Elizabeth College replace fire alarm	6,500	10,110	16,610	-	7,039	7,039	-	9,571
00869 Curris Center UST removal/replacement	25,000	-	25,000	-	10,130	10,130	-	14,870
00870 Breathitt Center paving and parking lot repairs	80,000	(80,000)	-	-	-	-	-	-
00930 Pullen farm greenhouse	-	230,000	230,000	-	57,428	57,428	-	172,572
00931 Hester College fire alarm	-	101,570	101,570	-	10,605	10,605	-	90,965
01001 Central plant chiller	-	897,000	897,000	-	781,265	781,265	261,619	(145,884)
01002 Business Building north elevator	-	220,000	220,000	-	142	142	-	219,858
01003 North farm organic pasteurization plant	-	350,000	350,000	-	353,677	353,677	-	(3,677)
01004 Doyle Fine Arts improvement	-	50,000	50,000	-	-	-	-	50,000
01005 Stewart Stadium gate	-	40,000	40,000	-	-	-	-	40,000
01006 West farm shop/storage	-	100,000	100,000	-	136	136	-	99,864
01007 Breathitt Center parking lot repair	-	80,000	80,000	-	-	-	-	80,000
01008 Carmen Pavilion upgrade	-	699,999	699,999	-	181,423	181,423	585,779	(67,203)
01009 Special Education building addition	-	7,184,000	7,184,000	-	181	181	-	7,183,819
01010 907 Waldrop property	-	56,986	56,986	-	56,986	56,986	-	-
01011 Pat Miller property	-	393,775	393,775	-	393,775	393,775	-	-
01012 Various buildings -firetruck setup pads	-	14,300	14,300	-	-	-	-	14,300
01013 CVU LAN project	-	2,084	2,084	-	-	-	-	2,084
01014 CVU ATM upgrade	-	562,407	562,407	-	26,166	26,166	363,664	172,577
01015 CVU student access	-	45,509	45,509	-	44,367	44,367	-	1,142
01016 CVU/CVL endeavor	-	140,500	140,500	-	35,125	35,125	105,375	-
01017 CVU KTLN upgrade	-	140,000	140,000	-	30,295	30,295	85,599	24,106
01018 Academic buildings sprinklers	-	1,078,000	1,078,000	-	-	-	-	1,078,000
01019 Carr Health renovations	-	2,000,000	2,000,000	-	-	-	-	2,000,000
01020 Business Building 1st floor entrance	-	1,000,000	1,000,000	-	-	-	-	1,000,000
01021 Hopkinsville extended campus	-	6,000,000	6,000,000	-	-	-	-	6,000,000
01022 Sparks Hall elevator	-	150,000	150,000	-	-	-	-	150,000
01023 Crisp Center lease	-	-	-	-	303,363	303,363	-	(303,363)
01024 Chemistry lab equipment	-	47,563	47,563	-	45,554	45,554	21,626	(19,617)
01025 New Fine Arts emergency generators	-	6,000	6,000	-	4,914	4,914	-	1,086
02001 Hester College fire restoration	-	308,008	308,008	-	296,679	296,679	-	11,329
02002 Hester College fire cleanup	-	240,000	240,000	-	234,848	234,848	-	5,152
02003 Hart College elevator modification	-	300,000	300,000	-	13,228	13,228	-	286,772
02004 Hester College sprinkler	-	317,390	317,390	-	99,507	99,507	-	217,883
02005 White College sprinkler	-	297,660	297,660	-	120,161	120,161	151,741	25,758
02006 Regents College sprinkler	-	257,300	257,300	-	121,051	121,051	151,543	(15,294)
02007 Elizabeth College sprinkler	-	325,920	325,920	-	107,689	107,689	-	218,231
02008 Hart College sprinkler	-	379,730	379,730	-	160,199	160,199	199,621	19,910

MURRAY STATE UNIVERSITY
 SCHEDULE OF PROJECT ACCOUNTS
 UNEXPENDED PLANT FUNDS
 For the Year Ended June 30, 1999

	Allotments			Expenditures			Outstanding Encumbrances	Balance 06/30/99
	Prior to July 1, 1998	Received 1998-99	Total	Prior to July 1, 1998	Expenditures 1998-99	Total		
02009 Residential colleges security cameras	-	146,000	146,000	-	-	-	-	146,000
02010 Residential colleges door closures	-	79,500	79,500	-	15,808	15,808	-	63,692
02011 White /Regents/Hart Colleges fire alarm upgra	-	388,407	388,407	-	25,698	25,698	-	362,709
02012 Elizabeth College windows	-	180,000	180,000	-	10,030	10,030	228,353	(56,383)
02013 Residential colleges water heaters	-	35,000	35,000	-	15,800	15,800	38,733	(19,533)
02014 Stewart Stadium parking lots	-	118,000	118,000	-	117,610	117,610	-	390
02015 Sorority suites parking lots	-	105,718	105,718	-	24,003	24,003	-	81,715
Total	\$ 15,709,766	\$ 24,626,534	\$ 40,336,300	\$ 12,198,974	\$ 5,175,980	\$ 17,374,954	\$ 2,217,523	\$ 20,743,823

MURRAY STATE UNIVERSITY
 SCHEDULE OF CHANGES IN FUND BALANCES
 RENEWAL AND REPLACEMENTS
 For the Year Ended June 30, 1999

	Consolidated Education Renewal and Replacement	Housing and Dining Repair and Maintenance	Total
Fund balance at beginning of year	\$ <u>3,712,520</u>	\$ <u>825,888</u>	\$ <u>4,538,408</u>
Additions:			
Interest income	\$ 99,063	\$ 45,420	\$ 144,483
Increase in fair value of investments	-	3,321	3,321
Transfers from current funds	<u>2,292,840</u>	-	<u>2,292,840</u>
Total additions	\$ <u>2,391,903</u>	\$ <u>48,741</u>	\$ <u>2,440,644</u>
Deductions:			
Transfers to current funds	\$ 3,370,340	\$ -	\$ 3,370,340
Other deductions	<u>1,203</u>	-	<u>1,203</u>
Total deductions	\$ <u>3,371,543</u>	\$ -	\$ <u>3,371,543</u>
Fund balance at end of year	\$ <u><u>2,732,880</u></u>	\$ <u><u>874,629</u></u>	\$ <u><u>3,607,509</u></u>

MURRAY STATE UNIVERSITY
SCHEDULE OF CHANGES IN FUND BALANCES
RETIREMENT OF INDEBTEDNESS
For the Year Ended June 30, 1999

	Consolidated Education Bond and Interest Sinking Fund	Housing and Dining Bond and Interest Sinking Fund	Asbestos and PCB Fund Project 48 and 54 Fund	Consolidated Education Series G Arbitrage Rebate Fund	Life Safety Project 50 and 55 Fund	Project 57 Fund	Project 59 Fund	RSEC Note	Networking Masterlease	MSU Foundation Note	Total
Fund balance (deficit) at beginning of year	\$ 3,429,792	\$ 978,971	\$ (10,312)	\$ 656	\$ (11,005)	\$ (12,094)	\$ (1,228)	\$ (1,815)	\$ -	\$ -	\$ 4,372,965
Additions:											
Investment earnings	\$ 405,028	\$ 39,555	\$ -	\$ 26	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 444,609
Private gifts	-	-	-	-	-	-	-	-	-	12,205	12,205
Proceeds from bonds (including accrued interest of \$31,871)	-	598,276	-	-	-	-	-	-	-	-	598,276
Transfer from current unrestricted fund	3,543,183	714,580	-	-	-	-	-	96,750	192,431	-	4,546,944
Increase in fair value of investments	-	4,219	-	-	-	-	-	-	-	-	4,219
Other additions	-	3,718	10,312	-	11,005	12,094	1,228	-	-	-	38,357
Total additions	\$ 3,948,211	\$ 1,360,348	\$ 10,312	\$ 26	\$ 11,005	\$ 12,094	\$ 1,228	\$ 96,750	\$ 192,431	\$ 12,205	\$ 5,644,610
Deductions:											
Bonds/notes principal paid	\$ 2,650,000	\$ 570,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,669	\$ 155,233	\$ 12,205	\$ 3,462,107
Interest paid	873,935	190,783	-	-	-	-	-	21,690	37,198	-	1,123,606
Other deductions	-	1,086	-	-	-	-	-	-	-	-	1,086
Total deductions	\$ 3,523,935	\$ 761,869	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 96,359	\$ 192,431	\$ 12,205	\$ 4,586,799
Fund balance (deficit) at end of year	\$ 3,854,068	\$ 1,577,450	\$ -	\$ 682	\$ -	\$ -	\$ -	\$ (1,424)	\$ -	\$ -	\$ 5,430,776

MURRAY STATE UNIVERSITY
 SCHEDULE OF CHANGES IN FUND BALANCE
 INVESTMENT IN PLANT
 For the Year Ended June 30, 1999

Fund balance at beginning of year	\$ <u>166,646,152</u>
Additions:	
Buildings	\$ 979,910
Construction in progress	4,150,440
Equipment	4,228,302
Improvements other than buildings	476,910
Land	711,250
Library books	1,129,208
Donated assets	23,750
Other assets	6,600
Payment on bond and note principal	3,462,106
Reduction in lease obligations	251,562
Total additions	\$ <u>15,420,038</u>
Deductions/Deletions/Disposals/Transfers:	
Equipment	\$ 1,311,604
Library books	518,258
Increase in lease obligations	21,270
Bond discount amortization	85,470
New indebtedness under masterlease	900,000
New bond/note indebtedness	68,722
Total deductions	\$ <u>2,905,324</u>
Fund balance at end of year	\$ <u><u>179,160,866</u></u>

MURRAY STATE UNIVERSITY
 SCHEDULE OF INVESTMENTS BY FUND GROUP
 As of June 30, 1999

	U.S. Government Securities	Certificates of Deposit	Total
Endowment funds	\$ -	\$ 600,000	\$ 600,000
Renewals and replacements funds	812,705	-	812,705
Retirement of indebtedness funds	4,339,260	-	4,339,260
	\$ 5,151,965	\$ 600,000	\$ 5,751,965
Total investments	\$ 5,151,965	\$ 600,000	\$ 5,751,965

MURRAY STATE UNIVERSITY
 SCHEDULE OF BONDS AND NOTES PAYABLE
 For the Year Ended June 30, 1999

<u>HOUSING AND DINING SYSTEM REVENUE BONDS</u>	<u>Original Issue</u>	<u>Matured Current Year</u>	<u>Funded to Date</u>	<u>Not Matured June 30, 1999</u>	<u>Interest Expense Current Year</u>	<u>Bonds Maturing 1999-00</u>	<u>Interest Due 1999-00</u>
Series B bonds dated 9/1/65 with an interest rate of 2 7/8%. Final principal payment date 9/1/97. Student Union Building.	\$ 605,000	\$ -	\$ 605,000	\$ -	\$ -	\$ -	\$ -
Series C bonds dated 9/1/65 with an interest rate of 3 1/8%. Final principal payment date 9/1/00. Richmond Hall.	635,000	30,000	575,000	60,000	2,030	30,000	1,093
Series D bonds dated 9/1/65 with an interest rate of 3 1/8%. Final principal payment date 9/1/00. Clark Hall.	760,000	35,000	690,000	70,000	2,369	35,000	1,275
Series E bonds dated 9/1/65 with an interest rate of 3 1/2%. Final principal payment date 9/1/01. College Court I.	387,000	20,000	342,000	45,000	1,691	20,000	991
Series F bonds dated 9/1/65 with an interest rate of 3 1/2%. Final principal payment date 9/1/01. Franklin Hall and Winslow Cafeteria.	1,290,000	60,000	1,095,000	195,000	7,144	65,000	4,927
Series G bonds dated 9/1/65 with an interest rate of 3 3/8%. Final principal payment date 9/1/00. College Court II.	400,000	20,000	360,000	40,000	1,462	20,000	787
Series H bonds dated 9/1/65 with an interest rate of 3 3/8%. Final principal payment date 9/1/03. Elizabeth Hall and Springer Hall.	1,845,000	80,000	1,445,000	400,000	13,919	85,000	11,107
Series I bonds dated 9/1/65 with an interest rate of 3 5/8%. Final principal payment date 9/1/04. Hart Hall.	2,250,000	80,000	1,718,000	532,000	19,735	85,000	16,684
Series J bonds dated 9/1/65 with an interest rate of 3 3/4%. Final principal payment date 9/1/04. College Court III.	510,000	20,000	390,000	120,000	4,624	20,000	3,874
Series K bonds dated 9/1/65 with an interest rate of 3%. Final principal payment date 9/1/02. Hester Hall and White Hall.	3,280,000	160,000	2,405,000	875,000	28,995	170,000	21,945
Series L bonds dated 9/1/68 with an interest rate of 3%. Final principal payment date 9/1/08. Regents Hall.	2,000,000	40,000	700,000	1,300,000	39,249	30,000	38,224
Series M bonds dated 6/26/97 with an interest rate from 4% to 5.4%. Final principal payment date 9/1/17. Winslow Cafeteria	825,000	25,000	25,000	800,000	39,694	25,000	38,637
Series N bonds dated 5/12/99 with an interest rate from 4.35% to 4.9%. Final principal payment date 9/1/18.	6,370,000	-	-	6,370,000	31,870	-	277,095
Total Housing and Dining System Revenue Bonds	\$ 21,157,000	\$ 570,000	\$ 10,350,000	\$ 10,807,000	\$ 190,783	\$ 585,000	\$ 418,639

SCHEDULE OF BONDS AND NOTES PAYABLE
For the Year Ended June 30, 1999

	Original Issue	Matured Current Year	Funded to Date	Not Matured June 30, 1999	Interest Expense Current Year	Bonds Maturing 1999-00	Interest Due 1999-00
CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BONDS							
Series A bonds dated 5/1/61 with interest rates from 3% to 4 1/8%. Final principal payment date 5/1/86. Business Education Building.	\$ 1,400,000	\$ -	\$ 1,400,000	\$ -	\$ -	\$ -	\$ -
Series B bonds dated 11/1/63 with interest rates from 3 1/4% to 3 7/8%. Final principal payment date 5/1/94. Various Buildings.	2,380,000	-	2,360,000	-	-	-	-
Series C bonds dated 4/1/66 with an interest rate of 3%. Final principal payment due 5/1/96. Various Buildings.	2,721,000	-	2,721,000	-	-	-	-
Series D bonds dated 4/1/66 with interest rates from 4 1/4% to 4 1/2%. Final principal payment date 5/1/94. Various Buildings.	5,280,000	-	5,280,000	-	-	-	-
Series E bonds dated 5/1/71 with an interest rate of 3%. Final principal payment due 5/1/98. Various Buildings.	2,733,000	-	2,733,000	-	-	-	-
Series F bonds dated 5/1/71 with interest rates from 6 1/2% to 7 1/4%. Final principal payment originally due 5/1/00. All bonds called in fiscal 1981-1982.	12,500,000	-	12,500,000	-	-	-	-
Series F refunding bonds dated 5/1/81 with interest rates from 5 3/10% to 5 7/8%. \$7,780,000 refunded on 9/30/83. Final principal payment date 5/1/94. Various Buildings.	11,770,000	-	11,770,000	-	-	-	-
Series F (second series) refunding bonds dated 9/1/83 with interest rates from 2.60% to 4.15%. Final principal payment due on 5/1/00. Various Buildings	7,955,000	1,645,000	7,260,000	695,000	84,331	695,000	24,023
Series G bonds dated 12/1/87 with interest rates from 5.75% to 7.25%. \$10,075,000 refunded on 5/2/93. Final principal payment due on 5/1/98. Various Buildings	14,785,000	-	14,785,000	-	-	-	-
Series G(2nd Series) dated 3/1/83 with interest rates of 3.10% to 5.60%. Final principal payment due on 5/1/07. Various Buildings	11,660,000	825,000	1,580,000	10,080,000	567,873	1,055,000	526,598
Series H bonds dated 03/01/92 with interest rates from 3 1/2% to 6 2/10 %. Final principal payment due 5/1/12. Various Buildings	4,625,000	180,000	1,045,000	3,580,000	221,731	185,000	212,296
Total Consolidated Educational Buildings Revenue Bonds	\$ 77,789,000	\$ 2,650,000	\$ 63,434,000	\$ 14,355,000	\$ 873,835	\$ 1,935,000	\$ 762,915

MURRAY STATE UNIVERSITY
 SCHEDULE OF BONDS AND NOTES PAYABLE
 For the Year Ended June 30, 1999

	Original Issue	Matured Current Year	Funded to Date	Not Matured June 30, 1999	Interest Expense Current Year	Bonds Maturing 1999-00	Interest Due 1999-00
<u>OTHER DEBT INSTRUMENTS</u>							
Regional Special Events Center Dated 5/1/97 with interest rate of 6.7%. Final principal payment due 6/1/02.	\$ 400,000	\$ 74,669	\$ 144,655	\$ 255,345	\$ 21,690	\$ 79,665	\$ 17,085
Campus Backbone Networking - Master Lease Dated 1/25/98 with interest of 4.23%. Final principal payment due 2/25/04.	1,500,000	155,234	192,137	1,307,863	37,198	258,621	51,113
Other liabilities - Murray State University Foundation Various notes for purchase of academic support equipment. Final principal due 8/1/03.	68,723	12,205	12,205	56,518	-	24,330	3,386
Total other debt instruments	<u>\$ 1,968,723</u>	<u>\$ 242,107</u>	<u>\$ 348,997</u>	<u>\$ 1,619,726</u>	<u>\$ 58,888</u>	<u>\$ 362,616</u>	<u>\$ 71,584</u>
Total all bond issues and notes payable	<u>\$ 100,914,723</u>	<u>\$ 3,462,107</u>	<u>\$ 74,132,997</u>	<u>\$ 26,781,726</u>	<u>\$ 1,123,606</u>	<u>\$ 2,882,616</u>	<u>\$ 1,251,138</u>

Required Supplementary Information:

Year 2000 Issues

The approach of the year 2000 presents many significant issues for many financial, informational and operational systems. Many systems in use today may not be able to appropriately interpret dates after December 31, 1999, because such systems allow only two digits to indicate the year in a date. As a result, such systems are unable to distinguish January 1, 2000 from January 1, 1900, which could have adverse consequences on the operations of the entity and the integrity of the information processed, causing safety, operational and financial issues.

The University recognizes the urgency in dealing with potential year 2000 issues and has established a Year 2000 project team. The team is composed of senior representatives from each major University sector, including representatives from Information Systems.

The University has developed a comprehensive plan to address year 2000 issues. The University year 2000 plan began with an inventory and a risk assessment of all potentially vulnerable equipment and systems. This effort was completed in July 1998. The University is subjecting such equipment and systems to the following stages of work to address year 2000 issues:

- *Awareness stage* - Establishing a budget and project plan for dealing with the year 2000 issue.
- *Assessment stage* - Identifying the systems and components for which year 2000 compliance work is needed.
- *Remediation stage* - Making changes to systems and equipment.
- *Validation/Testing stage* - Validating and testing the changes that were made during the remediation stage.

The University's year 2000 remediation work for its mission critical systems and electronic equipment are in the following stages of work as of June 30, 1999:

A - needs to be addressed, P - in process, C-completed

Mission Critical Systems Requiring Year 2000 Remediation	Awareness Stage	Assessment Stage	Remediation Stage	Validation/Testing Stage
Financial Accounting Systems				
Accounts Receivable System	C	C	C	C
Accounts Payable System	C	C	C	C
General Ledger System	C	C	C	C
Payroll/Human Resource System	C	C	C	C
Student Records System	C	C	C	C
Student Scheduling System	C	C	P	P

Testing and validation of the University's core mission critical systems are complete with the exception of the Student Scheduling System, which is in process. Testing and validation of the related information supply chain are underway, with completion based on published schedules from external vendors and/or governmental agencies.

The University expects to have commitments after June 30, 1999, related to the year 2000 remediation efforts, of less than \$100,000.

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH HOUSE BILL 622 (KRS 164A.555 TO 164A.630)
BASED ON THE AUDIT OF FINANCIAL STATEMENTS**

Board of Regents
Murray State University
Murray, Kentucky

We have audited the financial statements of Murray State University (the University) as of and for the year ended June 30, 1999, and have issued our report thereon dated September 24, 1999.

We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States, and the "Minimum Audit Scope Compliance House Bill 622 (KRS 164A.555 to 164A.630)", dated August 1983, issued by the Commonwealth of Kentucky Finance and Administration Cabinet. Those standards and the "Minimum Audit Scope Compliance House Bill 622 (KRS 164A.555 to 164A.630)" require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with the provisions of House Bill 622 applicable to the University is the responsibility of the management of the University. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the University's compliance with the applicable provisions of House Bill 622. However, the objective of our audit was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards* and the "Minimum Audit Scope Compliance House Bill 622 (KRS 164A.555 to 164A.630)".

This report is intended solely for the information and use of the Board of Regents, management of the University, and officials of the Commonwealth of Kentucky and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

September 24, 1999

**Deloitte Touche
Tohmatsu**

MURRAY STATE UNIVERSITY

**Financial Statements as of and for the Years Ended
June 30, 1999 and 1998, Supplemental Schedule
for the Year Ended June 30, 1999,
Independent Auditors' Report
and
Reports Required by *Government Auditing Standards*
and OMB Circular A-133 for the
Year Ended June 30, 1999**

MURRAY STATE UNIVERSITY

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INDEPENDENT AUDITORS' REPORT

To the Board of Regents
of Murray State University

We have audited the accompanying balance sheet of Murray State University (the "University") as of June 30, 1999, and the related statements of changes in fund balances and current funds revenues, expenditures, and other changes for the year then ended. These financial statements are the responsibility of the management of the University. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Murray State University as of June 30, 1999, and the changes in its fund balances and its current funds revenues, expenditures, and other changes for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of expenditures of federal awards on pages 16 - 22 is presented for purpose of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. This schedule is the responsibility of the University's management. Such schedule has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

The year 2000 supplementary information on page 23 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. Further, we were unable to apply to the information certain procedures prescribed by professional standards because of the unprecedented nature of the year 2000 issue and its effects, and the fact that authoritative measurement criteria regarding the status of remediation efforts have not been established. In addition, we do not provide assurance that the University is or will become year 2000 compliant, that the University's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the University does business are or will become year 2000 compliant.

In accordance with *Government Auditing Standards*, we have also issued a report, dated September 24, 1999, on our consideration of the University's internal control over financial reporting and our tests of compliance with certain provisions of laws and regulations, contracts and grants.

Deloitte & Touche LLP

September 24, 1999

**Deloitte Touche
Tohmatsu**

MURRAY STATE UNIVERSITY
BALANCE SHEET

As of June 30, 1999

With Comparative Figures as of June 30, 1998

	Current Funds		Loan Funds	Endowment Funds	Plant Funds	Agency Funds	Totals	
	Unrestricted	Restricted					1999	1998
ASSETS								
Cash and cash equivalents	\$ 15,782,455	\$ 1,604,292	\$ 348,649	\$ 202,633	\$ 12,559,574	\$ 160,697	\$ 30,658,300	\$ 20,530,189
Investments	-	-	-	600,000	5,151,965	-	5,751,965	6,106,027
Accounts and loans receivable, net	2,002,111	1,011,315	4,322,921	-	-	-	7,336,347	6,985,830
Interest receivable	157,396	-	-	-	257,112	-	414,508	454,884
Inventories	1,393,495	-	-	-	-	-	1,393,495	1,309,984
Prepaid expenses	294,451	3,887	-	-	-	-	298,338	259,947
Discount on bonds payable	-	-	-	-	490,312	-	490,312	394,028
Due from other funds	1,317,009	-	-	-	2,781,928	-	4,098,937	3,356,400
Assets held by MSU Foundation	-	2,343,004	-	14,885,034	592,279	-	17,820,317	14,914,921
Property, plant and equipment	-	-	-	-	200,979,235	-	200,979,235	191,102,727
Total assets	\$ 20,946,917	\$ 4,962,498	\$ 4,671,570	\$ 15,687,667	\$ 222,812,405	\$ 160,697	\$ 269,241,754	\$ 245,414,937
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable	\$ 3,117,097	\$ 131,633	\$ 2,365	\$ -	\$ 722,652	\$ -	\$ 3,973,747	\$ 3,029,779
Accrued payroll	2,872,888	42,906	-	-	-	-	2,915,794	2,716,798
Other accrued expenses	963,618	-	12,399	-	-	-	976,017	581,150
Interest payable	-	-	-	-	249,376	-	249,376	240,881
Deposits	294,392	-	-	-	-	160,697	455,089	405,343
Deferred revenues	919,352	-	-	-	-	-	919,352	911,147
Due to other funds	1,125,432	2,031,495	-	-	942,010	-	4,098,937	3,356,400
Notes payable	-	-	-	-	1,619,726	-	1,619,726	893,109
Bonds payable	-	-	-	-	25,162,000	-	25,162,000	22,012,000
Capital lease obligations	-	-	-	-	2,264,563	-	2,264,563	2,494,855
Total liabilities	\$ 9,292,779	\$ 2,206,034	\$ 14,764	\$ -	\$ 30,960,327	\$ 160,697	\$ 42,834,601	\$ 36,641,462
Fund balance:								
Current unrestricted funds:								
Allocated for:								
Working capital	\$ 2,144,681	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,144,681	\$ 2,259,901
Prior year carryovers:								
Renovation and maintenance	1,272,945	-	-	-	-	-	1,272,945	1,543,838
Departmental operations	5,952,483	-	-	-	-	-	5,952,483	5,234,216

MURRAY STATE UNIVERSITY
BALANCE SHEET (cont'd)
As of June 30, 1999
With Comparative Figures as of June 30, 1998

	Current Funds		Loan Funds	Endowment Funds	Plant Funds	Agency Funds	Totals	
	Unrestricted	Restricted					1999	1998
LIABILITIES AND FUND BALANCE (cont'd)								
Fund balance (cont'd):								
Current unrestricted funds (cont'd):								
Encumbrances	\$ 408,396	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 408,396	\$ 689,632
Reserve for general contingency	975,633	-	-	-	-	-	975,633	798,371
Reserve for self insurance	900,000	-	-	-	-	-	900,000	900,000
Current restricted funds	-	2,756,464	-	-	-	-	2,756,464	1,396,535
Loan funds - restricted	-	-	4,656,806	-	-	-	4,656,806	4,650,445
Endowment funds - restricted	-	-	-	15,687,667	-	-	15,687,667	13,254,230
Plant funds:								
Unexpended	-	-	-	-	3,652,927	-	3,652,927	2,488,782
Renewal and replacements	-	-	-	-	3,607,509	-	3,607,509	4,538,408
Retirement of indebtedness	-	-	-	-	5,430,776	-	5,430,776	4,372,965
Net investment in plant	-	-	-	-	179,160,866	-	179,160,866	166,646,152
Total fund balance	\$ 11,654,138	\$ 2,756,464	\$ 4,656,806	\$ 15,687,667	\$ 191,852,078	\$ -	\$ 226,607,153	\$ 208,773,475
Total liabilities and fund balance	\$ 20,946,917	\$ 4,962,498	\$ 4,671,570	\$ 15,687,667	\$ 222,812,405	\$ 160,697	\$ 269,241,754	\$ 245,414,937

See notes to financial statements.

MURRAY STATE UNIVERSITY
STATEMENT OF CHANGES IN FUND BALANCES
For the Year Ended June 30, 1999

	Current Funds		Loan Funds	Endowment Funds	Plant Funds			Investment In Plant
	Unrestricted	Restricted			Unexpended	Renewals and Replacements	Retirement of Indebtedness	
REVENUES AND OTHER ADDITIONS:								
Current funds revenues	\$ 94,125,723	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contracts	-	15,239,734	-	-	-	-	-	-
Private gifts	-	-	-	470,449	-	-	12,205	-
Endowment income	-	287,087	-	1,439,062	-	-	-	-
Expenditures for plant facilities (including \$4,121,829 charged to current fund expenditures)	-	-	-	-	-	-	-	11,682,619
Donated plant facilities	-	-	-	-	-	-	-	23,750
Retirement of indebtedness	-	-	-	-	-	-	-	3,462,107
Interest income - restricted	-	-	103,275	-	39,811	144,483	444,609	-
Increase (decrease) in fair value of investments	-	-	-	475,879	-	3,321	4,219	-
Federal contributions	-	-	14,990	-	-	-	-	-
State grants and appropriations	-	-	-	-	3,719,599	-	-	-
Reduction in lease obligations	-	-	-	-	-	-	-	251,562
Proceeds from bonds (including accrued interest of \$31,871)	-	-	-	-	5,803,594	-	598,276	-
Proceeds from insurance	-	-	-	-	363,185	-	-	-
Proceeds from masterlease payable	-	-	-	-	350,000	-	-	-
Other additions	68,722	-	43,956	-	130,000	-	38,357	-
Total revenues and other additions	\$ 94,194,445	\$ 15,526,821	\$ 162,221	\$ 2,385,390	\$ 10,406,189	\$ 147,804	\$ 1,097,666	\$ 15,420,038
EXPENDITURES AND OTHER DEDUCTIONS:								
Educational and general expenditures	\$ 75,307,179	\$ 13,911,193	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Auxiliary enterprises expenditures	12,843,806	47,468	-	-	-	-	-	-
Refund to grantors	-	31,288	-	-	-	-	-	-
Loan cancellations and write-offs	-	-	114,624	-	-	-	-	-
Adjustment in allowance for bad debts	-	-	34,947	-	-	-	-	-
Administration and collection costs	-	-	8,648	-	-	-	-	-
Expended for plant facilities (including non- capitalized expenditures of \$132,341)	-	-	-	-	6,175,980	-	-	-
Retirement of indebtedness	-	-	-	-	-	-	3,462,107	-
Interest on indebtedness	-	-	-	-	37,199	-	1,123,606	-
Increase in lease obligations	-	-	-	-	-	-	-	21,270
Deletions and disposals	-	-	-	-	-	-	-	1,829,862

MURRAY STATE UNIVERSITY
STATEMENT OF CHANGES IN FUND BALANCES
For the Year Ended June 30, 1999

	Current Funds			Plant Funds				
	Unrestricted	Restricted	Loan Funds	Endowment Funds	Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment In Plant
EXPENDITURES AND OTHER								
DEDUCTIONS (cont'd):								
New bond/note indebtedness	-	-	-	-	6,370,000	-	-	68,722
New indebtedness under masterlease	-	-	-	-	-	-	-	900,000
Cost of bond issuance	-	-	-	-	69,000	-	-	-
Bond discount amortization	-	-	-	-	5,841	-	-	85,470
Other deductions	-	44,103	-	153	12,141	1,203	1,086	-
Total expenditures and other deductions	\$ 88,150,985	\$ 14,034,052	\$ 158,219	\$ 153	\$ 11,670,161	\$ 1,203	\$ 4,586,799	\$ 2,905,324
TRANSFERS AMONG FUNDS:								
Mandatory:								
Bond principal and interest	\$ (4,257,763)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,257,763	\$ -
Loan match	(2,359)	-	2,359	-	-	-	-	-
Total mandatory transfers	\$ (4,260,122)	\$ -	\$ 2,359	\$ -	\$ -	\$ -	\$ 4,257,763	\$ -
Non-mandatory:								
Transfer to current funds from renewal and replacement fund	\$ 1,077,500	\$ -	\$ -	\$ -	\$ -	\$ (1,077,500)	\$ -	\$ -
Transfer to current funds from restricted funds	84,640	(84,640)	-	-	-	-	-	-
Transfer from current funds to unexpended plant funds	(2,428,117)	-	-	-	2,428,117	-	-	-
Transfer from current funds to retirement of indebtedness fund	(289,181)	-	-	-	-	-	289,181	-
Transfer from restricted funds to endowment fund	-	(48,200)	-	48,200	-	-	-	-
Total non-mandatory transfers	\$ (1,555,158)	\$ (132,840)	\$ -	\$ 48,200	\$ 2,428,117	\$ (1,077,500)	\$ 289,181	\$ -
Net increase (decrease) for the year	\$ 228,180	\$ 1,359,929	\$ 6,361	\$ 2,433,437	\$ 1,164,145	\$ (930,899)	\$ 1,057,811	\$ 12,514,714
Fund balance at beginning of year	\$ 11,425,958	\$ 1,396,535	\$ 4,650,445	\$ 13,254,230	\$ 2,488,782	\$ 4,538,408	\$ 4,372,965	\$ 166,646,152
Fund balance at end of year	\$ 11,654,138	\$ 2,756,464	\$ 4,656,806	\$ 15,687,667	\$ 3,652,927	\$ 3,607,509	\$ 5,430,776	\$ 179,160,866

See notes to financial statements.

MURRAY STATE UNIVERSITY
STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND OTHER CHANGES
For the Year Ended June 30, 1999
With Comparative Figures for the Year Ended June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	
REVENUES:				
Educational and general:				
Tuition and fees	\$ 26,013,973	\$ -	\$ 26,013,973	\$ 23,771,005
State appropriations	46,753,300	-	46,753,300	43,292,924
Grants and contracts	-	13,911,193	13,911,193	11,673,420
Indirect and administrative cost recoveries	290,649	-	290,649	302,874
Sales and services of educational activities	2,504,305	-	2,504,305	2,506,844
Other sources	4,554,223	-	4,554,223	3,905,300
Total educational and general	\$ 80,116,450	\$ 13,911,193	\$ 94,027,643	\$ 85,452,367
Auxiliary enterprises	\$ 14,009,273	\$ 47,468	\$ 14,056,741	\$ 13,341,377
Total revenues	\$ 94,125,723	\$ 13,958,661	\$ 108,084,384	\$ 98,793,744
EXPENDITURES AND MANDATORY TRANSFERS:				
Educational and general:				
Instruction	\$ 33,515,184	\$ 2,923,177	\$ 36,438,361	\$ 33,475,403
Research	1,018,608	1,065,756	2,084,364	2,002,537
Public service	3,576,381	789,207	4,365,588	3,971,961
Libraries	2,549,776	50,171	2,599,947	2,435,996
Academic support	3,862,411	701,540	4,563,951	4,094,796
Student services	7,169,970	563,220	7,733,190	6,746,901
Institutional support	8,399,287	257,853	8,657,140	7,235,795
Operation and maintenance of plant	8,812,826	486,556	9,299,382	7,766,800
Student financial aid	6,402,736	7,073,713	13,476,449	11,635,139
Educational and general expenditures	\$ 75,307,179	\$ 13,911,193	\$ 89,218,372	\$ 79,365,328
Mandatory transfers for:				
Bond principal and interest	\$ 3,543,183	\$ -	\$ 3,543,183	\$ 3,750,728
Loan fund matching grant	2,359	-	2,359	2,393
Total mandatory transfers	\$ 3,545,542	\$ -	\$ 3,545,542	\$ 3,753,121
Total educational and general	\$ 78,852,721	\$ 13,911,193	\$ 92,763,914	\$ 83,118,449
Auxiliary enterprises:				
Expenditures	\$ 12,843,806	\$ 47,468	\$ 12,891,274	\$ 12,199,683
Mandatory transfers for bond principal and interest	714,580	-	714,580	631,495
Total auxiliary enterprises	\$ 13,558,386	\$ 47,468	\$ 13,605,854	\$ 12,831,178
Total expenditures and mandatory transfers	\$ 92,411,107	\$ 13,958,661	\$ 106,369,768	\$ 95,949,627

MURRAY STATE UNIVERSITY
STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND OTHER CHANGES (cont.)
For the Year Ended June 30, 1999
With Comparative Figures for the Year Ended June 30, 1998

	1999			1998
	Unrestricted	Restricted	Total	
OTHER TRANSFERS AND ADDITIONS				
(DEDUCTIONS):				
Excess of restricted receipts over transfers to revenues	\$ -	\$ 1,568,160	\$ 1,568,160	\$ 127,780
Refunded to grantors	-	(31,288)	(31,288)	(27,896)
Non-mandatory transfers and other changes:				
Transfer from renewal and replacement fund	1,077,500	-	1,077,500	(433,143)
Transfer to unexpended plant funds	(2,428,117)	-	(2,428,117)	(1,220,874)
Transfer from (to) restricted fund	84,640	(84,640)	-	-
Transfer to endowment fund from restricted fund	-	(48,200)	(48,200)	(5,907)
Transfer to retirement of indebtedness fund	(289,181)	-	(289,181)	(143,468)
Other additions (deductions)	68,722	(44,103)	24,619	(45,518)
Total other transfers and additions (deductions)	\$ (1,486,436)	\$ 1,359,929	\$ (126,507)	\$ (1,749,026)
Net increase (decrease) in fund balance	\$ 228,180	\$ 1,359,929	\$ 1,588,109	\$ 1,095,091

See notes to financial statements.

MURRAY STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 1999

Note 1. Summary of Significant Accounting Policies

Nature of Entity

Murray State University (the University) is a state supported institution of higher education located in Murray, Kentucky and is accredited by the Southern Association of Colleges and Schools. The University awards graduate and undergraduate degrees and serves a student population of approximately 8,950. The University is a component unit of the Commonwealth of Kentucky.

Basis of Accounting

The financial statements of the University have been prepared in accordance with the AICPA Industry Audit Guide "Audits of Colleges and Universities". The statement of current funds revenues, expenditures, and other changes is a statement of financial activities of current funds related to the current reporting period. It does not purport to present the results of operations or the net income or loss for the period as would a statement of income or a statement of revenues and expenses.

To the extent that current funds are used to finance plant assets, the amounts so 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.

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of the resources available to the University, the accounts of the University are maintained in accordance with the principles of "fund accounting". This is the procedure by which resources for various activities 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 and reported as five balanced fund groups: current funds, loan funds, endowment funds, plant funds, and agency funds. Accordingly, all financial transactions have been recorded and reported by fund group. Within each group, fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes by action of the University's Board of Regents. Externally restricted funds may be utilized only in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which the University retains control to use in achieving its institutional purposes.

Current funds are used primarily to account for the transactions affecting the general operation of the University. These resources are expendable for performing the primary and support objectives of the University. Restricted gifts, grants, appropriations, and other restricted resources are accounted for in the appropriate restricted funds.

Restricted current funds are reported as revenues and expenditures when expended for current operating expenses.

The loan funds group is used to account for loan programs available to students and financed primarily by the Federal government.

Endowment funds are those for which donors or other external agencies have stipulated, under the terms of the instrument creating the fund, that the principal is not expendable. That is, it is to be maintained inviolate and in perpetuity, and is to be invested for the purpose of producing current and future income which may be expended or added to principal.

Note 1. Summary of Significant Accounting Policies (cont'd)

Plant fund groups are used to account for the transactions relating to investment in University property. Plant fund subgroups include (1) unexpended plant, (2) renewals and replacements, (3) retirement of indebtedness, and (4) investment in plant. The unexpended plant subgroup consists of funds to be used for the acquisition and/or construction of physical properties for institutional purposes but unexpended at the reporting date. The renewals and replacements subgroup consists of funds to be expended for renewals and replacements of plant fund assets, including some renewals and replacements of a type not ordinarily capitalized in the investment in plant subgroup. The retirement of indebtedness subgroup consists of funds set aside for debt service reserves and charges, and for retirement of indebtedness on institutional properties. The investment in plant subgroup consists of funds expended for and thus invested in institutional properties and the bond indebtedness incurred to finance plant acquisitions and construction. Physical plant and equipment are stated at cost at the date of acquisition or at fair market value at the date of donation for gifts.

Agency funds are used to account for assets held by the University as custodian or fiscal agent for others and used for certain organized activities.

All gains and losses arising from the sale, collection or other disposition of investments and other noncash assets are accounted for in the funds which owned such assets. Ordinary income derived from investments, receivables, and the like is accounted for in the fund owning such assets, except for income derived from investments of endowment funds, which income is accounted for in the fund to which it is restricted.

Cash and Cash Equivalents

The University's policy is to treat cash in local checking accounts and cash held by the Commonwealth for the University as cash and cash equivalents.

Investments

Equity securities with readily determinable fair values and debt securities are reported at fair value.

Inventories

Inventories are stated at the lower of cost, (first-in, first-out method) or market.

Assets Held by Murray State University Foundation

Assets held by the Murray State University Foundation (the "Foundation") represent resources neither in the possession nor the control of the University, but are held and administered by the Foundation. The Foundation is governed by an independent board. The University recognizes gifts and donations made to the Foundation for the exclusive use and benefit of the University as assets and revenues of the University. The University recognizes the assets held by the Foundation at the estimated fair value of the assets or the present value of the future cash flows when the University is notified of the existence of the gift or the endowment.

Pledges receivable

The University's policy is to recognize pledges as revenue when the cash is received.

In December 1998, the Governmental Accounting Standards Board (GASB) issued Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions." This Statement established accounting and financial reporting standards for nonexchange transactions involving financial or capital resources (for example, most taxes, grants and private donations). The principal issue addressed in this statement is the timing of recognition of nonexchange transactions. This statement is effective for financial statements for years beginning after June 15, 2000. The University has not determined the effect, if any, the adoption of this Statement will have on its financial statements.

In 1999, a comprehensive capital campaign was initiated to prepare the University to meet the challenges of the future.

Note 1. Summary of Significant Accounting Policies (cont'd)

Deferred revenue

Revenues of summer school academic terms are reported in the fiscal year in which the programs are predominantly conducted. Therefore, deferred tuition revenue is recorded for terms which have not begun at fiscal year end.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to use estimates and assumptions. The accompanying financial statements include estimates for items such as allowances for doubtful accounts and loans receivable, self-insurance liabilities and other accrued liabilities. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to the 1998 amounts to conform to the 1999 presentation.

Note 2. Deposits and Investments

The University currently uses commercial banks and the Commonwealth of Kentucky as depositories. Deposits with commercial banks are covered by Federal depository insurance or collateral held by the banks in the University's name. At the Commonwealth level, the University's accounts are pooled with other agencies of the Commonwealth. These Commonwealth pooled deposits are substantially covered by Federal depository insurance or by collateral held by the bank in the Commonwealth's name. The investments of the University not held in the Commonwealth investment pool are insured or registered, or are held by the University or by an agent in the University's name.

Below is a summary of the investments:

	June 30, 1999		June 30, 1998	
	Cost	Fair Value	Cost	Fair Value
U. S. government securities	\$ 5,156,151	\$ 5,151,965	\$ 5,311,499	\$ 5,311,027
Certificates of deposit	600,000	600,000	795,000	795,000
Total	\$ 5,756,151	\$ 5,751,965	\$ 6,106,499	\$ 6,106,027

Note 3. Inventories

Inventories at June 30, consisted of:

	1999	1998
Current unrestricted funds-		
Inventories:		
University bookstore	\$ 969,723	\$ 908,446
Physical plant	308,391	295,948
Food and food service supplies	101,541	92,765
Central stores - supplies	13,840	12,681
Subtotal	\$ 1,393,495	\$ 1,309,840
Endowment fund-		
Inventories:		
Folke Tegetthoff - books	\$ -	\$ 144
Total	\$ 1,393,495	\$ 1,309,984

Note 4. Accounts and Loans Receivable

Below is a summary of accounts and loans receivable:

	<u>June 30, 1999</u>	<u>June 30, 1998</u>
Current unrestricted funds -		
Accounts receivable:		
Student	\$ 1,148,623	\$ 1,104,876
Employee:		
Travel advances	20,297	18,619
Computer loans	42,126	34,898
Outside sales	1,125,929	615,476
State agencies	142,990	251,069
Allowance for doubtful accounts	<u>(477,854)</u>	<u>(424,697)</u>
Subtotal	<u>\$ 2,002,111</u>	<u>\$ 1,600,241</u>
Current restricted funds -		
Accounts receivable:		
Grants and contracts	<u>\$ 1,011,315</u>	<u>\$ 1,160,913</u>
Loan funds -		
Student loans	\$ 4,584,400	\$ 4,452,783
Allowance for doubtful accounts	<u>(261,479)</u>	<u>(228,107)</u>
Subtotal	<u>\$ 4,322,921</u>	<u>\$ 4,224,676</u>
Total	<u>\$ 7,336,347</u>	<u>\$ 6,985,830</u>

Note 5. Assets Held by MSU Foundation

Assets held by the Murray State University Foundation are invested primarily in an investment pool managed by the Foundation and are carried at fair market value. The assets in the pool are invested as follows: securities of the U.S. government and its agencies, 53%; marketable equity securities, 36%; certificates of deposit, 5%; and other 6%.

Note 6. Property, Plant, and Equipment

Below is a summary of property, plant, and equipment:

	<u>June 30, 1999</u>	<u>June 30, 1998</u>
Land	\$ 3,388,989	\$ 2,677,739
Buildings	120,600,769	119,557,990
Improvements other than buildings	9,382,388	8,919,432
Equipment	29,357,969	26,444,190
Library holdings	19,779,553	19,198,282
Construction in progress	<u>18,469,567</u>	<u>14,305,094</u>
Total	<u>\$ 200,979,235</u>	<u>\$ 191,102,727</u>

During the year ended June 30, 1999, the University capitalized interest cost of approximately \$52,000.

The University purchased real estate from the Murray State University Foundation in 1999, with a total purchase price of \$451,000. The purchase price approximated the Foundation's cost.

Note 7. Employee Benefits

A. Kentucky Teachers Retirement System:

All faculty and exempt employees required to hold a degree and occupying full-time positions, defined as seven-tenths (7/10) of normal full-time service on a daily or weekly basis are required by state law to participate in the Kentucky Teachers Retirement System (KTRS) or an optional retirement plan. KTRS, a cost sharing, multiple-employer, public employee retirement system, provides retirement benefits based on an employee's final average salary and number of years service. Benefits are subject to certain reductions if the employee retires before reaching age sixty or has less than twenty-seven years of participation in the plan. The plan also provides for disability, death and survivor benefits and medical insurance.

The Kentucky Teachers Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Kentucky Teachers Retirement System, 479 Versailles Road, Frankfort, Kentucky 40601-3868 or by calling (502) 573-5120.

Funding for the plan is provided from eligible employees who contribute 6.16% of their salary through payroll deductions and the University, which also contributes 13.84% of current eligible employees' salaries to the KTRS. Contribution requirements of the plan members and the University are established by Kentucky Revised Statutes and the KTRS Board of Trustees. The University's contributions to KTRS for the fiscal years ending June 30, 1999, 1998, and 1997 were \$3,390,925, \$3,428,144, and \$3,454,623, respectively, and were equal to the required contributions for each year.

B. Kentucky Employee Retirement System:

Substantially all other full-time University employees are required by law to participate in the Kentucky Employee Retirement System (KERS), a cost sharing multiple-employer, public employee retirement system. KERS provides retirement benefits based on an employee's final average salary and number of years of service. Benefits are subject to certain reductions if the employee retires before reaching age sixty-five or has less than twenty-seven years of service. The plan also provides for disability, death and survivor benefits and medical insurance.

The Kentucky Employee Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Kentucky Employees Retirement System, 1260 Louisville Road, Perimeter Park West, Frankfort, Kentucky 40601 or by calling (502)564-4646.

Funding for the plan is provided from eligible employees who contribute 5.00% of their salary through payroll deductions and the University, which also contributes 8.89% of current eligible employees' salaries to the KERS. University contribution rates are determined by the Kentucky Revised Statutes and the Board of Trustees of the Kentucky Retirement Systems each biennium. The University's contributions to KERS for the years ending June 30, 1999, 1998, and 1997, were \$853,208, \$882,611, and \$853,354, respectively, and were equal to the required contributions for each year.

C. University Health Self-Insurance Program:

The University maintains a self-insurance program for employees' health insurance. The University pays substantially all expenses of the plan for permanent full-time employees and their families. Expenses incurred to cover claims paid by the University under the plan for year ending June 30, 1999 totaled \$3,286,457 excluding administrative and stop-loss fees.

Note 8. Notes Payable

Notes payable at June 30, 1999 consist of the following:

	<u>Outstanding</u>
Commonwealth of Kentucky note issued for expenditures related to the Regional Special Events Center, matures 2002, interest rate 6.7%	\$ 255,345
Bank master lease agreement to finance the campus networking project, matures 2004, interest rates 4.23% to 4.35%; collateralized by network infrastructure equipment	1,307,863
Murray State University Foundation notes issued for various departmental operating expenditures, with maturities to 2003, interest rates 7.0% to 8.5%.	56,518
Total	<u><u>\$ 1,619,726</u></u>

A schedule of the mandatory principal payments for the next five fiscal years and thereafter is presented below:

<u>June 30</u>	<u>Principal</u>
2000	\$ 362,516
2001	368,176
2002	385,660
2003	294,154
2004	209,220
Total	<u><u>\$ 1,619,726</u></u>

Note 9. Bonds Payable

Bonds payable at June 30, 1999 consist of the following:

	<u>Outstanding</u>
Consolidated Educational Building Revenue Bonds, issued 1971 to 1993, with maturities to 2012, interest rates 3.0% to 6.20%	\$ 14,355,000
Consolidated Housing and Dining System Revenue Bonds, issued 1965 to 1999, with maturities to 2019, interest rates 2.88% to 5.40%	10,807,000
Total	<u><u>\$ 25,162,000</u></u>

Revenues from student housing and dining facilities, certain other auxiliary enterprises and student fees are pledged for the retirement of the bonds. All bonds are collateralized by land and buildings.

Note 9. Bonds Payable (cont'd)

A schedule of the mandatory principal payments for the next five fiscal years and thereafter is presented below:

Year Ending June 30	Consolidated Educational Building Revenue Bonds	Consolidated Housing and Dining System Revenue Bonds	Total
2000	\$ 1,935,000	\$ 790,000	\$ 2,725,000
2001	1,300,000	825,000	2,125,000
2002	1,365,000	850,000	2,215,000
2003	1,430,000	860,000	2,290,000
2004	1,510,000	600,000	2,110,000
Thereafter	6,815,000	6,882,000	13,697,000
Total	\$ 14,355,000	\$ 10,807,000	\$ 25,162,000

The required minimum reserves of \$2,717,099 and \$1,139,802 for the Consolidated Educational Sinking Fund and the Housing and Dining Sinking Fund, respectively, are on deposit with the trustee and are included in the "Cash" and "Investments" amounts in Plant Funds in the accompanying balance sheet.

Note 10. Capitalized Lease Obligations

The University leases certain equipment and facilities, under capital lease agreements. Remaining minimum annual lease payments pursuant to these leases are as follows:

Year Ending June 30	
2000	\$ 287,146
2001	272,179
2002	193,180
2003	181,168
2004	179,628
Thereafter	2,330,866
	<u>3,444,167</u>
Less amount representing interest	(1,179,604)
Present value of capital lease obligations	<u>\$ 2,264,563</u>

Note 11. Contingencies

The University has been named as defendant in various lawsuits. It is the opinion of management and its legal counsel, based in part on the doctrine of sovereign immunity and other statutory provisions, that the ultimate outcome of litigation will not have a material effect on the future operations or financial position of the University.

On September 18, 1998, a fire damaged one of the University's student housing units and one student resident was fatally injured and another student seriously injured. Litigation is pending; however, at this time University management does not expect this litigation to have a material impact on the University's financial position.

Note 12. Murray State University Foundation, Inc.

Murray State University Foundation, Inc. (the Foundation) is a Kentucky not-for-profit corporation formed to receive and invest funds for the enhancement and improvement of the University. The Foundation also operates the Francis E. Miller Golf Course as a separate enterprise, and manages certain endowments and investments on behalf of the University.

The Foundation has a Board of Trustees separate from that of the University; however, the President and certain other officers of the University are also officers of the Foundation.

The University provides office space and pays certain operating expenses of the Foundation in exchange for investment management services provided by the Foundation. The Foundation prepares and issues its own financial statements.

Note 13. National Scouting Museum

The National Scouting Museum of the Boy Scouts of America, Inc. (the Museum) operates a museum on the campus of the University. Under an agreement that expires on September 30, 2030, the University provides a building on the University's campus to house the Museum. The building, including building maintenance, utilities, office space, and certain administrative services, is provided by the University at no cost to the Museum. The University also provides \$85,000 of direct support to the Museum annually.

Murray State University
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 1999

Grantor/Program Title	Pass Through Grant Agency	Pass Through Grant Number	Federal CFDA Number	Federal Expenditures
Student Financial Aid- Cluster				
Department of Education:				
Perkins Loan Program			84.038	3,122
SEOG Program			84.007	324,718
Workstudy Program			84.033	465,421
Pell Grant Program			84.063	4,664,901
				<u>\$ 5,458,162</u>
Department of Health & Human Services:				
Nurse Anesthetist Traineeship			93.124	13,484
Professional Nurse Traineeship			93.358	38,331
Student Nurse Loan Program			93.364	11,868
				<u>\$ 63,683</u>
Total Student Financial Aid				
				<u>\$ 5,521,845</u>
Research & Development- Cluster				
Department of Agriculture:				
Characterizing Plasmids & Conjugation Frequencies in Streptococcus			10.206	<u>\$ 12,600</u>
Department of Defense:				
Ohmic Contacts to P-Type SIC			12.300	<u>\$ 8,777</u>
Department of Energy:				
Transport, Accumulation, & Utilization of Organic Carbon	University of Kentucky Research Foundation	UKRF-4-25745-95-68	81.049	<u>\$ 93,688</u>
Environmental Protection Agency:				
Water Quality Assessment of Lake Barkley	Kentucky Department of Environmental Protection	M/A 018721	66.454	1,444
Water Quality Monitoring in West Kentucky	University of Kentucky Research Foundation	UKRF-G13-4-61384-99-89	66.463	1,793
A Comparison of Agricultural vs. Forested Basins			66.505	<u>67,367</u>
				<u>\$ 70,604</u>
Federal Emergency Management Agency:				
Western Kentucky Access Route Prioritization Year III	Kentucky Department of Military Affairs	M/A 019200	83.521	<u>\$ 5,146</u>

Murray State University
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 1999

Grantor/Program Title	Pass Through Grant Agency	Pass Through Grant Number	Federal CFDA Number	Federal Expenditures
Department of Health & Human Services:				
Targeted Prevention for Fourth Grade High Risk Youth	University of Kentucky Research Foundation	UKRF-4-60407-97-183	93.230	57,671
Language Testing for Rural Education	University of Kentucky Research Foundation	UKRF-4-60407-98-136	93.230	8,552
Experimental Education Summer Camp	University of Kentucky Research Foundation	UKRF-4-60408-98-137	93.230	1,992
Viral Like Sequences			93.390	15,297
				<u>\$ 83,512</u>
National Aeronautics & Space Administration:				
Land Cover Mapping of Western Puerto Rico	Kentucky Space Grant Consortium	WKU 521781-98-07	43.001	1,159
SIC II Budget II Amendment 4	Auburn University	97-CCDS-4-26008-MSU	43.001	9,356
SIC II Budget II Amendment 5	Auburn University	97-CCDS-4-26008-MSU	43.001	9,669
Fluidization Characteristics in Varying Gravitational Fields	Kentucky Space Grant Consortium	WKU 521782-99-12	43.001	7,721
Mapping of Hurricane Marilyn's Damage on St. Croix Island	Kentucky Space Grant Consortium	WKU 521782-99-11	43.002	12,832
				<u>\$ 40,737</u>
National Science Foundation:				
Mechanism of Target-Cell Stimulated Elevation of Camp Nitrogen & Phosphorus	University of Kentucky Research Foundation	UKRF-4-28851-97-208	47.049	7,033
Environmental Change Detection in LBL Using Remote Sensing	Marine Biological Laboratory	P.O. 29008385	47.050	1,710
Artic Ecosystems	University of Kentucky Research Foundation	UKRF-4-28851-98-193	47.050	8,218
Chemosignals & Female Mate Choice	Marine Biological Laboratory	PO26413785	47.051	3,177
Effect of Chondroitin Sulfate in Primitive Streak Formations	University of Kentucky Research Foundation	UKRF-4-28851-96-230	47.074	(88)
Molecular Mechanisms of Cell Sorting in Check Embryo	University of Kentucky Research Foundation	UKRF-4-28851-97-208	47.074	(11)
Adaptive Significance of Genetic Variation in the Termite	University of Kentucky Research Foundation	UKRF-4-28851-98-194	47.074	11,074
Development of Genetic Markers	University of Kentucky Research Foundation	UKRF-4-28851-98-191	47.076	10,635
SIC Visible Light Photodiodes	University of Kentucky Research Foundation	UKRF-4-28851-09-190	47.076	11,423
	University of Kentucky Research Foundation	UKRF-4-28851-98-192	47.076	11,999
				<u>\$ 65,170</u>
Office of Personnel Management:				
MARC: Fort Campbell, Kentucky	DAO-IN, Fort Campbell	MIPR8HJMURY006	27.001	<u>\$ 69,149</u>
Tennessee Valley Authority:				
TVA/LBL Timber Harvest Survey			62.001	3,413
Coliform Sampling in Kentucky Lake			62.001	3,996
Update Cemetery Records			62.001	2,991
LBL Visitor Profile Study:Murray State University			62.004	8,633
				<u>\$ 19,033</u>
Total Research & Development				<u>\$ 468,416</u>

Murray State University
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 1999

Grantor/Program Title	Pass Through Grant Agency	Pass Through Grant Number	Federal CFDA Number	Federal Expenditures
Other-				
Department of Agriculture:				
MARC: Digitizing Soils for Graves County, Kentucky			10.001	684
MARC: Dix River & Beech Fork Drainage Basins	Kentucky Soil Conservation Service		10.054	774
				\$ 1,458
Department of Commerce:				
Bureau of Economics & Business			11.300	918
NTIA/PTFP Translators in Paducah, Kentucky & Paris, Tennessee			11.550	16,782
				\$ 17,700
Department of Education:				
Adult Learning Center	Kentucky Department for Adult Education & Literacy	DAEL 97-98-029	84.002	11,579
Student Support Services			84.042	188,411
Talent Search			84.044	247,834
Upward Bound			84.047A	357,614
VOC ED: Title II C	Kentucky Cabinet for Workforce Development	2444 DBDO BXX	84.048	8
VOC ED: More Effective & Equitable Instruction	Kentucky Cabinet for Workforce Development	2436 DBBO W27	84.048	10,821
VOC ED: Gender Equity Resource Center	Kentucky Cabinet for Workforce Development	2436 DBCO W23	84.048	132
VOC ED: Field Based Teacher Education	Kentucky Cabinet for Workforce Development	2424 DBBO K28	84.048	(19)
VOC ED: Integration fo Academics & Vocational Education	Kentucky Department of Education	7303 MDBP A01	84.048	187
VOC ED: Gender Equity Training for Cabinet for Workforce Development Staff	Kentucky Cabinet for Workforce Development	2436 DBCO W34	84.048	33
VOC ED: Technology Education Enrichment	Kentucky Cabinet for Workforce Development	2424 DBBO K35	84.048	391
VOC ED: Retailing Skills Standards	Kentucky Department of Education	7301 MDBP A10	84.048	1,517
VOC ED: Teachers Guide for Technology Ed Systems Courses	Kentucky Department of Education	7303 MDBP A01	84.048	21
VOC ED: Title IIC Carryforward	Kentucky Department of Education	2444 DBDO BXX	84.048	3
VOC ED: Travel & Tourism Workshops	Kentucky Department of Education	7301 MDBP A10	84.048	1,819
VOC ED: Program Administration	Kentucky Cabinet for Workforce Development	2424 DBBO K22	84.048	1,000
VOC ED: Agricultural Education Enrichment	Kentucky Cabinet for Workforce Development	2424 DBBO K23	84.048	7,099
VOC ED: Business Enrichment	Kentucky Cabinet for Workforce Development	2424 DBBO K24	84.048	5,000
VOC ED: Family & Consumer Sciences	Kentucky Cabinet for Workforce Development	2424 DBBO K27	84.048	5,506
VOC ED: Field-Based Teacher Education	Kentucky Cabinet for Workforce Development	2424 DBBO K28	84.048	13,911

Murray State University
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 1999

Grantor/Program Title	Pass Through Grant Agency	Pass Through Grant Number	Federal CFDA Number	Federal Expenditures
VOC ED: Marketing Enrichment	Kentucky Cabinet for Workforce Development	2424 DBBO K29	84.048	504
VOC ED: Technology Education Enrichment	Kentucky Cabinet for Workforce Development	2424 DBBO K35	84.048	7,814
VOC ED: Gender Equity Services Center	Kentucky Cabinet for Workforce Development	2436 DBCO W22	84.048	48,531
VOC ED: More Effective & Equitable Instruction	Kentucky Cabinet for Workforce Development	2436 DBCO W23	84.048	38,426
VOC ED: More Effective & Equitable Workshop:Next Step	Kentucky Cabinet for Workforce Development	2436 DBCO W28	84.048	12,874
VOC ED: Eliminating Gender Bias & Sterotyping	Kentucky Cabinet for Workforce Development	2436 DBCO W34	84.048	11,348
VOC ED: Gender Equity Resource Center	Kentucky Cabinet for Workforce Development	2436 DBCO W34	84.048	14,782
VOC ED: Title II Part C	Kentucky Cabinet for Workforce Development	2444 DBDO BXX	84.048	86,196
VOC ED: Integration of Academic & Vocational Education	Kentucky Department of Education	7303 MDBP	84.048	15,062
VOC ED: Teacher Externship	Kentucky Department of Education	7303 MDBP	84.048	3,910
Synergy II	Kentucky Council on Post Secondary Education		84.168	20,930
Interdisciplinary Early Childhood Educator Institute	Kentucky Department of Education		84.173	20,538
Kentucky Early Intervention Services	Kentucky Department of Mental Health/Retardation	MH 98-99-5148	84.181	40,877
Commonwealth Business Seminar	School to Work, Labor Market Region I		84.199H	19,314
Student Enterprises Development Loan Fund	School to Work, Local Labor Market Area I		84.199H	(2,600)
KIRM: Kentucky Academy of Technology Education	Kentucky Department of Education	M/A 017404	84.203	19,051
Literacy Link Innovation Site Agreement	Kentucky Educational Television Foundation, Inc.		84.203	12,046
Multidisciplinary Science Course for Elementary & Middle School Science Teachers	Kentucky Science & Technology Council	KSTC 93-1326-97-98-1	84.281B	4,970
Project Watershed	Kentucky Council on Post Secondary Education		84.281B	17,803
National Writing Project	University of California	92-KY05	84.994	20,061
				\$ 1,265,304
Department of Health & Human Services:				
Area Health Education Center	University of Louisville Research Foundation	5U76PE3023-05	93.107	9,977
Occupational Safety & Health: Program Improvement			93.263	3,529
1998-99 Combined Undergraduate & Graduate Training Program			93.263	51,069
1997-98 Training Resource Center	Kentucky Department of Social Services/EKU		93.556	52
Training Resource Center: Title IV-E	Kentucky Department of Social Services/EKU		93.556	87,443
Training Resource Center: NonTitle IV-E	Kentucky Department of Social Services/EKU		93.556	1,378
Training Resource Center: Foster Parent Mentor Training	Kentucky Department of Social Services/EKU		93.556	29,244
One Family/One Plan Initiative	Kentucky Department of Social Services/EKU		93.556	15,141
Kentucky Transitional Assistance Program (K-TAP)	Kentucky Department of Social Services/EKU		93.558	33,662
Public Child Welfare Certification Program	Kentucky Department of Social Services/EKU		93.658	8,979
				\$ 240,474

Murray State University
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 1999

Grantor/Program Title	Pass Through Grant Agency	Pass Through Grant Number	Federal CFDA Number	Federal Expenditures
Department of Interior:				
Vertebrate Mapping & Habitat Modeling-Kentucky GAP Analysis	Kentucky Department of Fish & Wildlife		15.805	39,553
MARC: Vegetation Mapping for Kentucky Gap	Kentucky Department of Fish & Wildlife	M/A 18725	15.808	151,519
Historic Buildings Survey of Hickman County	Kentucky Heritage Council	21-97-12020	15.904	1,341
Civil War In The Pennyrile: A Thematic Survey	Kentucky Heritage Council	FY99098HP010	15.904	3,565
1998 Archaeology Weekend at Wickliffe Mounds	Kentucky Heritage Council	FY9998ARC029	15.904	1,230
				<u>\$ 197,208</u>
Department of Labor:				
1999 Summer Challenge	West Kentucky Private Industry Council/ Purchase Area Development District	A994330433	17.250	<u>\$ 135</u>
Environmental Protection Agency:				
Department of Environmental Protection Lab Program	Kentucky Department of Natural Resources & Environmental Protection	M/A 016456	66.419	12,533
Teacher Training for Hazardous Waste Education			66.950	47,574
Creating Connections Using Environmental Education			66.971	37,034
				<u>\$ 97,141</u>
Federal Emergency Management Agency:				
Earthquake Loss Estimation Methodology	Kentucky Department of Military Affairs	M/A 021735	83.521	<u>\$ 1,332</u>
Federal Highway Administration:				
Wickliffe Mounds Upgrade	Kentucky Transportation Cabinet	OSTPE-03000-124	20.205	<u>\$ 13,550</u>
National Foundation on the Arts & the Humanities:				
Jesse Stuart Writing Symposium	Kentucky Humanities Council	98-030	45.129	443
Conservation Assessment			45.301	128
				<u>\$ 571</u>
National Science Foundation:				
Enhancement of Mapping Sciences at Murray State University			47.050	751
Faculty Institutes for Reforming Science Teaching	University of Oregon	DUE9752713	47.074	5,150
Faculty Institutes for Reforming Science Teaching	University of Oregon	DUE9752713	47.074	2,410
				<u>\$ 8,311</u>
Small Business Administration:				
Small Business Development Center	University of Kentucky Research Foundation	UKRF 4-61482-98-91	59.005	36,979
Small Business Development Center	University of Kentucky Research Foundation	UKRF-4-62360-99-93	59.005	114,833
				<u>\$ 151,812</u>

Murray State University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 1999

Grantor/Program Title	Pass Through Grant Agency	Pass Through Grant Number	Federal CFDA Number	Federal Expenditures
Tennessee Valley Authority:				
Identification of Potential Habitat for Animals on TVA's LBL			62.001	11,771
Phase I Archaeological Survey of 5000 LBL Acres			62.001	22,727
Development of a Cultural Resource Management Plan for LBL			62.001	6,981
				<u>\$ 41,479</u>
United States Information Agency:				
USIA Student Program: Internationals	American Collegiate Consortium		82.018	<u>\$ 11,635</u>
Total Federal Expenditures				<u><u>\$ 8,038,371</u></u>

MURRAY STATE UNIVERSITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards includes the federal grant transactions of Murray State University (the "University") recorded on the accrual basis of accounting.

2. LOAN PROGRAMS

The University advanced \$723,512 to students for the Perkins Loan Program (CFDA #84.038) for the year ended June 30, 1999. The University processed \$15,075,050 of new loans under the Federal Family Education Loan Program (CFDA #84.032) (which includes Stafford Loans, Parents Loans for Undergraduate Students, and Supplemental Loans for Students). The University advanced \$66,250 of new loans under the Student Nursing Loan Program (CFDA #93.364). Perkins Loan balances and Student Nursing Loan balances were \$4,207,792 and \$323,399 at June 30, 1999.

3. INDIRECT COSTS

Predetermined fixed indirect cost rates have been approved as follows:

Period covered	7/1/96 - 6/30/01
Based on financial information for fiscal year	1992
Predetermined rate	50%

These rates are applied to direct salaries and wages, excluding all fringe benefit costs, for on-campus programs.

Required Supplementary Information:

Year 2000 Issues

The approach of the year 2000 presents many significant issues for many financial, informational and operational systems. Many systems in use today may not be able to appropriately interpret dates after December 31, 1999, because such systems allow only two digits to indicate the year in a date. As a result, such systems are unable to distinguish January 1, 2000 from January 1, 1900, which could have adverse consequences on the operations of the entity and the integrity of the information processed, causing safety, operational and financial issues.

The University recognizes the urgency in dealing with potential year 2000 issues and has established a Year 2000 project team. The team is composed of senior representatives from each major University sector, including representatives from Information Systems.

The University has developed a comprehensive plan to address year 2000 issues. The University year 2000 plan began with an inventory and a risk assessment of all potentially vulnerable equipment and systems. This effort was completed in July 1998. The University is subjecting such equipment and systems to the following stages of work to address year 2000 issues:

Awareness stage - Establishing a budget and project plan for dealing with the year 2000 issue.

Assessment stage - Identifying the systems and components for which year 2000 compliance work is needed.

Remediation stage - Making changes to systems and equipment.

Validation/Testing stage - Validating and testing the changes that were made during the remediation stage.

The University's year 2000 remediation work for its mission critical systems and electronic equipment are in the following stages of work as of June 30, 1999:

A - needs to be addressed, P - in process, C-completed

Mission Critical

Systems Requiring Year 2000 Remediation	Awareness Stage	Assessment Stage	Remediation Stage	Validation/Testing Stage
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Financial Accounting Systems

Accounts Receivable System	C	C	C	C
Accounts Payable System	C	C	C	C
General Ledger System	C	C	C	C
Payroll/Human Resource System	C	C	C	C
Student Records System	C	C	C	C
Student Scheduling System	C	C	P	P

Testing and validation of the University's core mission critical systems are complete with the exception of the Student Scheduling System, which is in process. Testing and validation of the related information supply chain are underway, with completion based on published schedules from external vendors and/or governmental agencies.

The University expects to have commitments after June 30, 1999, related to the year 2000 remediation efforts, of less than \$100,000.

REPORTS ON COMPLIANCE AND ON INTERNAL CONTROL



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

To the Board of Regents
of Murray State University

We have audited the financial statements of Murray State University (the "University") as of and for the year ended June 30, 1999, and have issued our report thereon dated September 24, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

This report is intended solely for the information and use of the finance committee, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

September 24, 1999

**Deloitte Touche
Tohmatsu**

Our consideration of the University's internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the finance committee, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

September 24, 1999

**Murray State University
Schedule of Findings and Questioned Costs
Year Ended June 30, 1999**

Part I - Summary of Auditors' Results

1. The independent auditors' report on the financial statements expressed an unqualified opinion.
2. No instance of noncompliance considered material to the financial statements was disclosed by the audit.
3. The independent auditors' report on compliance with requirements applicable to major federal award programs expressed an unqualified opinion.
4. The audit disclosed no findings required to be reported by OMB Circular A-133.
5. The Organization's major programs were:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Student Financial Aid	84.038; 84.007; 84.032 84.033; 84.063 93.364
Research and Development	10.206 12.300 27.001 43.001; 43.002 47.049; 47.050; 47.051 47.074; 47.076 62.001; 62.004 66.454; 66.463; 66.505 81.049 83.521 93.230; 93.390
Department of Education: Talent Search	84.044

6. A threshold of \$300,000 was used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133.
7. The Organization did qualify as a low-risk auditee as that term is defined in OMB Circular A-133.

Part II - Financial Statement Findings Section

<u>Reference Number</u>	<u>Findings</u>	<u>Questioned Costs</u>
No matters are reportable.		

Part III - Federal Award Findings and Questioned Cost Section

<u>Reference Number</u>	<u>Findings</u>	<u>Questioned Costs</u>
No matters are reportable.		

**Deloitte &
Touche****Deloitte & Touche LLP**
Suite 2100
220 West Main Street
Louisville, Kentucky 40202-5313Telephone: (502) 562-2000
Facsimile: (502) 562-2073

September 24, 1999

Board of Regents
Murray State University
Murray, Kentucky

In planning and performing our audit of the consolidated financial statements of Murray State University (the University) for the year ended June 30, 1999 (on which we have issued our report dated September 24, 1999), we considered its internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the consolidated financial statements and not to provide assurance on the University's internal control. Our consideration of the University's internal control would not necessarily disclose all matters in the University's internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A description of the responsibility of management for establishing and maintaining internal control, and of the objectives of and inherent limitations of internal control, is set forth in the attached Appendix, and should be read in conjunction with this letter. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the University's internal control and its operations that we consider to be material weaknesses as defined above.

We did note other matters related to the University's internal control and certain other accounting, administrative, and operating matters. Our comments are presented in the attached Exhibit.

This report is intended solely for the information and use of the Board of Regents, management, others within the University, officials of the Commonwealth of Kentucky, federal grantor agencies and pass-through agencies and is not intended to be and should not be used by anyone other than these specified parties.

We will be pleased to discuss these comments with you and, if desired, to assist you in implementing any of the suggestions.

Yours truly,

*Deloitte + Touche LLP***Deloitte Touche
Tohmatsu**

APPENDIX

MANAGEMENT'S RESPONSIBILITY FOR, AND THE OBJECTIVES AND LIMITATIONS OF, INTERNAL CONTROL

The following comments concerning management's responsibility for internal control and the objectives and inherent limitations of internal control are adapted from the Statements on Auditing Standards of the American Institute of Certified Public Accountants.

Management's Responsibility

Management is responsible for establishing and maintaining internal control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls.

Objectives

The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Limitations

Because of inherent limitations in any internal control, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that the internal control may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

EXHIBIT

COMMENTS ON ACCOUNTING, ADMINISTRATIVE AND OPERATING MATTERS

GRANT ADMINISTRATION AND USE OF UNIVERSITY CREDIT CARD

Observation

During a routine review of credit card purchases charged to a grant program performed by the Murray State University Accounting Department, management noted a number of deficiencies in documentation of expenditures, certain expenditures that did not appear to be properly chargeable to the grant and a general laxness in the fiscal administration of the grant by the principal investigator. The questionable expenditures were reimbursed by the principal investigator.

Management has taken certain steps to improve the fiscal administration of the grant, including revoking university credit card privileges from the principal investigator and requiring all expenditures to be reviewed and approved by the academic department head. We believe the actions taken by management appear to be appropriate to ensure compliance with University, federal and state procurement procedures and grant administration rules and regulations.

Recommendation

We encourage management to continue monitoring grants for compliance with federal, state and University laws and regulations.

NETWORK/ INTERNET SECURITY

Observation:

The University is in the process of implementing a campus-wide, internal network. This network will include connectivity to critical mainframe applications as well as to the Internet. Information Services (IS) is currently using a technology called SecureFast, manufactured by Cabletron, to help secure the internal network.

Recommendation:

Management should ensure that appropriate security measures are implemented to protect the internal network and critical applications from both internal and external threats. These include implementation of the planned Firewall in a timely manner and capturing and reviewing network activity logs on a frequent basis.

Management's Response:

The University does now have firewall capabilities with the Smart Switch Router Model 8000 and Spectrem software, which allows us to block IP addresses and maintain access control lists. These security measures will be adopted for all critical applications at the time of installation.

Procedures for reviewing system logs on a weekly basis are currently being developed.

REMOTE ACCESS SECURITY

Observation:

For both the OS/390 and Windows NT environments, the following security concerns were identified:

- No secondary authentication mechanisms (i.e. additional ID and password, challenge/response, dial-back routine) have been implemented to control dial-up access. Currently, remote users receive the normal RACF/NT logon prompt. Lack of proper security over dial-up access significantly increases the opportunity for unauthorized access to system resources.
- Dial-up access to the mainframe/network is logged and reviewed, but not on a regular basis. Thus, the risk is increased that unauthorized access to the mainframe/network resources will not be detected on a timely basis.

Recommendation:

- Management should consider implementing additional security measures to control dial-up access. At a minimum, an additional ID and password should be required.
- Management should implement measures to capture dial-up access attempts (successful and unsuccessful) and review the logged activities on at least a weekly basis to help detect any remote access security violations.

Management's Response:

For dial-up access to both the OS/390 and Windows NT environments, an ID and password is required on the initial log-in which provides an IP address. We have implemented the requirement for an additional password to gain access to campus resources. Security measures are in place for critical administrative applications that deny any dial-up access capabilities.

All session information, both successful and unsuccessful, is logged. Procedures for reviewing this information on a weekly basis are currently being developed.

LOGICAL SECURITY ADMINISTRATION

Observation:

During a review of logical security administration, the following settings were noted:

OS/390 Environment

- Minimum Password length: 6
- Password Expiration: 120 days
- Password History: 1 retained
- Account Lockout: 9 invalid attempts
- Inactive userid's revoked: 225 days

Windows NT Environment

- Minimum Password length: 3
- Password Expiration: 120 days
- Password History: 2 retained
- Account Lockout: Not used
- Inactive userid's revoked: N/A on NT

Recommendation:

The following system settings are recommended for both the OS/390 and Windows NT platforms:

- Minimum Password length: 6
- Password Expiration: 60-90 days
- Password History: 4-5 retained
- Account Lockout: 3-5 invalid attempts
- Inactive userid's revoked: 90-120 days

Management's Response:

Effective January 1, 2000, we will be using the following system settings for both the OS/390 and Windows NT environments:

Minimum Password Length: 6
Password Expiration: 90 days
Password History: 4 retained
Account Lockout: 7 invalid attempts
Inactive userid's revoked: 120 days automatic revocation

PROGRAMMER ACCESS TO APPLICATIONS

Observation:

Three programmers have been granted full access to applications in order to troubleshoot system problems experienced by users. Typically, programmers should be required to duplicate the error in the test environment and address/correct the problem there before making the change in the production environment. In addition, monitoring and review procedures that may detect inappropriate system activities by the programmers are performed in the accounting department, but no such detective controls have been implemented concerning the student systems.

Recommendation:

Management should reconsider the need to allow the programmers direct access to production applications, and investigate alternative solutions. If these access levels are determined to be absolutely essential, a complete review of production transactions should be performed frequently in these two user departments to help detect potential inappropriate system activities.

Management's Response:

The University allows only three highly trained Information Systems staff members to have the ability to access production applications. Production applications are only accessed when necessary to assist in correcting critical user problems in a timely manner. Test systems do not always allow for the response time required by the user. In the event production applications are accessed, these programmers are in constant contact with the user department to insure changes are monitored and reviewed.

Test environments are available for all critical systems and are utilized on a routine basis.

BUSINESS CONTINUITY PLANNING

Observation:

Significant progress has been made in laying the foundation for a disaster recovery plan, specifically with regard to the technical procedures needed to restore the system. However, development of an alternate-processing site has not been completed and testing of the plan has not been performed.

Recommendation:

University management should oversee the development of manual procedures for key business functions to provide continuity of university operations in the event of extended downtime. Management should also ensure that a secondary processing site is completed and functional in the event of an emergency. In addition, the plan should be tested at least annually to help ensure the plan's viability and consistency with the systems environment.

Management's Response:

Business continuity planning has been accomplished in connection with Y2K procedure development. Alternate sites for the most critical applications have been established and will be tested annually to help ensure the viability of the plan. Departments responsible for other key business functions have developed manual procedures to utilize in the event of computer systems failure. These plans were developed with the intent to maintain critical University operations during emergency situations.

REGISTRATION/ BILLING RECONCILIATIONS

Observation:

No reconciliation is performed on the information sent from the registration system to the billing system. A report should be developed in the registration system that lists daily totals (hours and fees) to be reconciled to the current report in the billing system.

Recommendation:

Management should implement measures to develop reporting capabilities in the registration system to reconcile to an existing report in the billing system. This reconciliation report would help ensure the completeness and accuracy of information sent to the billing system.

Management's Response:

Currently, the Information Systems, Admissions and Records, and Accounting Departments are working together on a project to develop a tuition calculation module. A reconciliation report of registration system transactions will be developed within this project.

EMPLOYEE TERMINATION NOTICES

Observation:

The IS department is currently being notified of employee terminations by the Personnel Department on a periodic basis. However, we reviewed sample memorandums from Personnel and several employees had left the university thirty days before the user's account was disabled. Not removing terminated users' systems access capabilities on a timely basis increases the risk that the user IDs could be utilized by an unauthorized user to access the system.

Recommendation:

Notification should be sent from Human Resources - Personnel Department to IS on a more frequent basis (i.e. weekly) stating which employees have left the university so that their systems access privileges can be revoked in an effective manner.

Management's Response:

Currently, the Human Resources Department forwards copies of Employee Clearance Forms to Information Systems staff upon the completion of the form. IS then prepares a report listing these terminations and distributes it throughout their department. This report acts as notification to IS staff that accounts should be disabled. Effective on January 1, 2000, these reports will be distributed on a weekly basis and IS accounts will be promptly disabled upon the termination date.

AFFIRMATIVE ACTION POLICY

Murray State University formally declares its commitment to all laws mandating affirmative action and equal opportunity regulations together with all valid state and federal regulations enacted pursuant thereto. The policy of Murray State University is to guarantee freedom from discrimination in its operation and administration of its programs, services, and employment practices; in its relationships with students, faculty, and staff; and in its interactions with the community which it serves.

Murray State University endorses the intent of all federal and state laws created to prohibit discrimination. Murray State University does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services and provides, upon request, reasonable accommodation including auxiliary aids and services necessary to afford individuals with disabilities and equal opportunity to participate in all programs and activities.

The policy of Affirmative Action is an on-going commitment. The policy of affirmative action is limited in that the achievement of its objective removes the necessity of its existence. Murray State University is committed to achieving the goals that have been established and published in the Murray State University Affirmative Action Plan adopted by the MSU Board of Regents in May 1985. It should also be known that this Affirmative Action Plan is an official policy of Murray State University.

Functions in connection with the evaluation and monitoring of the Affirmative Action Program of Murray State University have been assigned to the Affirmative Action Committee by the President of the University. To this end, the Committee should have access to all records and on-going processes necessary to effectuate its responsibility. A description of the composition and specific duties of the Affirmative Action Committee is found in Policy VI. H., University Governance System.

Persons who wish to inspect the MSU Affirmative Action Plan or who seek other information concerning the Affirmative Action Program of Murray State should contact the Director of Equal Opportunity, Murray State University, Murray, KY 42071.

Reaffirmed: _____

Murray State University Board of Regents

Date _____

RESOLUTION

WHEREAS, MURRAY STATE UNIVERSITY is committed to Affirmative Action and has been so committed since the initial Affirmative Action Compliance Program of 1976, and

WHEREAS, MURRAY STATE UNIVERSITY wishes to reconfirm its commitment to Affirmative Action,

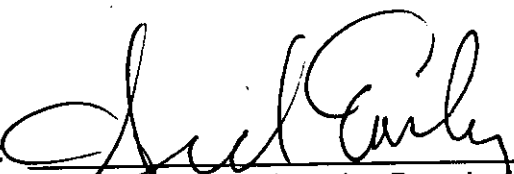
NOW, THEREFORE, be it resolved that it is the policy of Murray State University to advocate freedom from discrimination in its operation and administration of its programs, services, and employment practices, and

NOW THEREFORE, be it resolved that continued good faith efforts to eliminate discrimination are vital to the welfare of Murray State University, and

BE IT FURTHER RESOLVED that the University community be apprised of this dedication to the ideals of Affirmative Action as expressed by the Carnegie Council, including but not limited to:

. . . actions to eliminate discrimination: creation of more adequate pools of talent, active searches for talent wherever it exists, revision of policies and practices that permitted or abetted discrimination, commitment to the development of a staff whose composition does not reflect the impacts of discrimination, provision of judicial processes to hear complaints, and the making of decisions without improper regard for sex, race, or ethnic origin.

Reaffirmed.


Murray State University Board of Regents

_____ Date

RECOMMENDATION: That the section of the Murray State University Affirmative Action Plan in brackets below be omitted and the underlined text substituted:

VIII. THE AFFIRMATIVE ACTION COMMITTEE – DUTIES AND RESPONSIBILITIES

The Murray State University Affirmative Action Committee is a standing committee of the University representing a cross section of the University community. Its membership includes three members of the faculty, three members of the staff, two students, and a representative of the Office of Public Safety. **[These members, who serve staggered three-year terms, are appointed by the President. Meetings of the Committee will be called by the President or the Affirmative Action Officer.]**

Members of this Committee are appointed by the President. Faculty and Staff members serve staggered three-year terms. The student members serve one-year renewable terms. Meetings of the Committee will be called by the President or the Director of Equal Opportunity.

The responsibilities of the committee are as follows:

- A. Serve as the sounding board for individuals or groups with concerns that fall within the interests protected by equal opportunity/affirmative action law;
- B. review and survey those aspect of university life which involve affirmative action;
- C. ensure that the University will comply with the Higher Education Guidelines for Executive Order 11246 (or succeeding relevant guidelines) as published by the Department of Education;
- D. evaluate and monitor existing affirmative action goals and timetables;
- E. survey and investigate past discrimination resulting from overt acts or from unconscious, systematic exclusion of minorities and women;
- F. recommend to the President new policies and procedures which will aid the University in meeting its affirmative action responsibilities;
- G. serve as Affirmative Action Compliance Officers on search committees organized to fill vacant and/or new positions on which they may serve.