

Stephen F. Austin State University



UNAUDITED

**FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2003**

TITO GUERRERO, III, PRESIDENT
ROLAND SMITH, VICE PRESIDENT OF BUSINESS AFFAIRS

NACOGDOCHES, TEXAS

TABLE OF CONTENTS

	Page
Letter to Oversight Agencies	1
Letter of Transmittal.....	2
Organizational Data.....	3
Statement of Net Assets	4
Statement of Revenues, Expenses, and Changes in Net Assets	6
Matrix of Operating Expenses Reported by Function	8
Statement of Cash Flows	10
Notes to the Financial Statements	12
SCHEDULES:	
1-A Schedule of Expenditures of Federal Awards	24
1-B State Grant Pass-Through From/To State Agency	29
2-A Miscellaneous Bond Information.....	30
2-B Changes in Bonded Indebtedness	32
2-C Debt Service Requirements.....	34
2-D Analysis of Funds Available for Debt Service-General Obligation Bonds.....	36
2-D Analysis of Funds Available for Debt Service-Revenue Bonds.....	37
2-E Defeased Bonds Outstanding	38
3 Reconciliation of Cash in State Treasury	39

Stephen F. Austin State University

November 20, 2003

Honorable Rick Perry, Governor
Honorable Carole Keeton Strayhorn, Texas Comptroller
John Keel, Director, Legislative Budget Board
Lawrence F. Alwin, CPA, State Auditor

Lady and Gentlemen:

We are pleased to submit the Annual Financial Report of Stephen F. Austin State University for the year ended August 31, 2003, in compliance with TEX. GOV'T CODE ANN Sec. 2101.011, and in accordance with the requirements established by the Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions, please contact Dora Fuselier, at (936) 468-2112. Lisa Langlotz may be contacted at (936) 468-2250 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

Tito Guerrero, III
President

OFFICE OF THE PRESIDENT

P.O. Box 6078, SFA Station · Nacogdoches, Texas 75962-6078 · Office: (936) 468-2201 · FAX: (936) 468-2202

Stephen F. Austin State University



Office of the Controller

November 20, 2003

Dr. Tito Guerrero, III
President
Stephen F. Austin State University
P. O. Box 6078, SFA Station
Nacogdoches, Texas 75962

Dear Dr. Guerrero:

Submitted herein is the Annual Financial Report of Stephen F. Austin State University for the fiscal year ended August 31, 2003.

The financial statements in this report have been prepared in conformity with the General Provisions of the Appropriations Act, Article IX, and in accordance with the requirements established by the Comptroller of Public Accounts.

The accompanying Annual Financial Report will be considered for audit by the State Auditor as part of the audit of the State's Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the statements and related information contained in this report.

If you have any questions, please contact me at 936-468-2112.

Respectfully Submitted,

Dora Fuselier
Controller

Approved:

Roland K. Smith, Ph.D.
Vice President for Business Affairs

STEPHEN F. AUSTIN STATE UNIVERSITY
ORGANIZATIONAL DATA
August 31, 2003

Board of Regents

Officers

Kenneth James, Chair
Lyn Stevens, Vice Chair
Fred A. Wulf, Secretary

Members

Name	Town	Term Expires January 31,
Penny H. Butler	Houston, Texas	2003
Michael W. Enoch	Mont Belvieu, Texas	2003
Susan Roberds	Dallas, Texas	2003
Gary Lopez	Dallas, Texas	2005
Lyn Stevens	Beaumont, Texas	2005
Mike Wilhite	Henderson, Texas	2005
Margarita de la Garza-Grahm	Tyler, Texas	2007
Kenneth James	Kingwood, Texas	2007
Fred A. Wulf	Center, Texas	2007

President

Tito Guerrero, III, Ed.D.

Business Affairs

Vice President - Roland K. Smith, C.P.A., Ph.D.
Controller - Dora Fuselier, C.P.A.

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Statement of Net Assets
 For the Fiscal Year Ended August 31, 2003

	<u>Total</u>
Assets	
Current Assets:	
Cash and Cash Equivalents:	
Cash on Hand	\$ 1,145,098
Cash in Bank	9,773,612
Cash in Transit/Reimb due from Treasury	723,112
Cash in State Treasury	2,378,232
Cash Equivalents	8,993,505
Restricted:	
Cash and Cash Equivalents	
Cash in Bank	11,130,885
Legislative Appropriations	10,057,591
Restricted Short-term Investments	10,181,965
Receivables:	
Intergovernmental Receivables:	
Federal Receivables	748,753
State Receivables	202,150
Student Receivables	4,809,135
Accounts Receivables	1,172,032
Due From Other Agencies:	
Federal	112,685
State	18,606
Inventories:	
Consumable	446,714
Merchandise	2,398,398
Deferred Charges	8,157,249
Student Loans and Contracts	5,238,028
Allowance for Doubtful Accounts	(72,041)
Total Current Assets	<u>77,615,709</u>
Noncurrent Assets:	
Restricted:	
Investments	11,486,969
Student Loans and Contracts	2,820,476
Allowance for Doubtful Accounts	(38,792)
Unrestricted:	
Receivables	2,875,859
Investments	17,486,758
Capital Assets, Non-depreciable:	
Land and Land Improvements	3,428,957
Construction in Progress	17,419,890
Other Capital Assets	22,053,321
Capital Assets, Depreciable:	
Buildings and Building Improvements	148,810,752
Less Accumulated Depreciation	(127,786,595)
Infrastructure	7,710,890
Less Accumulated Depreciation	(4,975,276)
Facilities and Other Improvements	3,702,642
Less Accumulated Depreciation	(3,071,762)
Furniture and Equipment	15,542,148
Less Accumulated Depreciation	(10,313,467)
Vehicles, Boats, and Aircraft	4,195,879
Less Accumulated Depreciation	(2,930,468)
Other Capital Assets	205,150
Less Accumulated Depreciation	(183,169)
Total Noncurrent Assets	<u>108,440,162</u>
Total Assets	<u>\$ 186,055,871</u>

See accompanying Notes to the Financial Statement

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Statement of Net Assets
 For the Fiscal Year Ended August 31, 2003

	<u>Total</u>
Liabilities	
Current Liabilities:	
Payables:	
Accounts Payable	\$ 2,759,759
Payroll Payable	4,151,525
Benefits Payable	1,058,694
Deposits Payable	172,527
Due to Other Agencies	92,454
Deferred Revenues:	
Tuition and Fees	16,866,470
Sales and Services	8,744,355
Grants and Contracts	1,421,179
Employees' Compensable Leave	398,172
Capital Lease Obligations	189,861
Revenue Bonds Payable	1,720,000
Tuition Revenue Bonds Payable	670,000
General Obligation Bonds Payable	1,185,000
Accrued Bond Interest Payable	555,002
Funds Held for Others	6,661,184
Other Current Liabilities	721,962
Total Current Liabilities	<u>47,368,144</u>
Noncurrent Liabilities:	
Deposits	977,654
Capital Lease Obligations	691,835
Employees' Compensable Leave	1,743,293
Revenue Bonds Payable	8,400,000
Tuition Revenue Bonds Payable	18,100,000
General Obligation Bonds Payable	1,685,000
Total Noncurrent Liabilities	<u>31,597,782</u>
Total Liabilities	<u>\$ 78,965,926</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	\$ 49,803,929
Restricted for:	
Debt Retirement	300,000
Capital Projects	951,690
Funds Held as Permanent Endowments:	
Non-Expendable	5,945,548
Expendable	1,614,829
Other	9,886,237
Unrestricted	38,587,712
Total Net Assets	<u>\$ 107,089,945</u>

See accompanying Notes to the Financial Statement

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Statement of Revenues, Expenses, and
 Changes in Net Assets
 For the Fiscal Year Ended August 31, 2003

	<u>Total</u>
Operating Revenues:	
Tuition and Fees – Pledged	\$ 10,666,638
Tuition and Fees – Non-Pledged	24,101,806
Tuition and Fees – Discounts/Allowances	(5,904,668)
Auxiliary Enterprise – Pledged	23,738,185
Auxiliary Enterprise – Non-Pledged	857,712
Auxiliary Enterprise – Discounts/Allowances	(2,873,211)
Other Sales of Goods and Svcs - Non-Pledged	3,911,852
Interest and Investment Income (GR)	489,356
Interest and Investment Income (PR)	261,468
Federal Revenue	12,822,684
Federal Grant Pass Through Revenue	947,868
State Grant Revenue	1,591,117
State Grant Pass Through Revenue	4,638,926
Other Contracts and Grants	2,604,834
Other Operating Revenues	<u>327,927</u>
Total Operating Revenues	<u>78,182,494</u>
Operating Expenses:	
Cost of Goods Sold	8,696,482
Salaries and Wages	61,718,899
Payroll Related Costs	16,759,843
Professional Fees and Services	2,501,150
Travel	1,591,632
Materials and Supplies	4,186,957
Communication and Utilities	7,689,005
Repairs and Maintenance	2,203,082
Rentals and Leases	1,399,961
Printing and Reproduction	519,166
Federal Grant Pass Through Expense	280,192
Depreciation	3,508,875
Bad Debt Expense	4,956
Interest	1,711
Scholarships	11,833,026
Other Operating Expenses	<u>9,679,949</u>
Total Operating Expenses	<u>132,574,886</u>
Operating Income (Loss)	<u>(54,392,392)</u>

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Statement of Revenues, Expenses, and
 Changes in Net Assets
 For the Fiscal Year Ended August 31, 2003

	<u>Total</u>
Nonoperating Revenues (Expenses)	
Legislative Revenue	37,958,518
OASI	2,538,449
ORP	1,129,166
\$100 Salary Increase	460,316
Longevity	99,212
Retirement-State Match	944,766
Insurance-State Paid	5,104,615
Unemployment	2,851
Gifts	1,884,933
Investment Income	821,480
Investing Activities Expenses	(1,266)
Interest Expenses and Fiscal charges	(1,631,456)
Gain(Loss) on Sale of Capital Assets	111,072
Net Increase (Decrease) Fair Value	200,037
Other Non-Operating Revenues (Expenses)	<u>30,128</u>
Total Nonoperating Revenues (Expenses)	<u>49,652,821</u>
Income (Loss) Before Other Revenues(Expenses), Gains(Losses) and Transfers	(4,739,571)
Other Revenues(Expenses), Gains(Losses) and Transfers	
Capital Contributions	182,168
Capital Appropriations	6,633,109
Additions to Permanent and Term Endowments	801,377
Transfers In	227,405
Transfers Out	(61,380)
Legislative Transfers In	<u>189,209</u>
Total Other Revenue(Expenses), Gains(Losses) and Transfers	<u>7,971,888</u>
Change in Net Assets	3,232,317
Total Net Assets, September 1, 2002	104,244,150
Restatements	<u>(386,522)</u>
Total Net Assets, September 1, 2002, as Restated	103,857,628
Total Net Assets, August 31, 2003	\$ <u><u>107,089,945</u></u>

STEPHEN F. AUSTIN STATE UNIVERSITY

Agency No. 755

Matrix of Operating Expenses Reported by Function

For the Fiscal Year Ended August 31, 2003

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services	Institutional Support
Cost of Goods Sold	\$	\$	\$ 1,378	\$ 2,700	\$ 1,966	\$ 5,943
Salaries and Wages	33,309,196	2,173,821	997,039	3,874,865	3,270,346	4,913,832
Payroll Related Costs	7,557,636	517,732	214,171	886,142	759,204	3,085,322
Professional Fees and Services	540,462	89,365	267,623	21,272	1,306	204,796
Travel	476,291	149,101	128,926	47,305	90,638	122,955
Materials and Supplies	866,777	148,090	343,748	113,771	332,765	328,610
Communications and Utilities	226,790	33,572	24,784	480,156	38,935	265,120
Repairs and Maintenance	244,575	114,604	52,515	107,061	15,920	652,562
Rentals and Leases	281,982	92,771	288,602	57,028	117,360	116,939
Printing and Reproduction	167,092	26,053	64,134	69,146	160,922	(272,158)
Federal Pass-Through Expenses		280,192				
Depreciation						
Bad Debt Expense					4,956	
Interest	276	61	19	10		752
Scholarships	1,314,938	41,293	4,600			
Other Operating Expenses	1,941,554	469,446	332,936	837,172	277,184	1,686,748
Total Operating Expenses	\$ 46,927,569	\$ 4,136,101	\$ 2,720,475	\$ 6,496,628	\$ 5,071,502	\$ 11,111,421

STEPHEN F. AUSTIN STATE UNIVERSITY

Agency No. 755

Matrix of Operating Expenses Reported by Function

For the Fiscal Year Ended August 31, 2003

Operating Expenses	Operation and Maintenance of Plant	Scholarship and Fellowships	Auxiliary Enterprises	Depreciation and Amortization	Total Expenditures
Cost of Goods Sold	\$ 29,620	\$	\$ 8,654,875	\$	\$ 8,696,482
Salaries and Wages	4,014,999	56,047	9,108,754		61,718,899
Payroll Related Costs	1,141,668	1,576	2,596,392		16,759,843
Professional Fees and Services	1,069,456	664	306,206		2,501,150
Travel	(2,759)		579,175		1,591,632
Materials and Supplies	946,340	1,740	1,105,116		4,186,957
Communications and Utilities	3,667,958	29	2,951,661		7,689,005
Repairs and Maintenance	(458,035)		1,473,880		2,203,082
Rentals and Leases	37,327		407,952		1,399,961
Printing and Reproduction	1,728	153	302,096		519,166
Federal Pass-Through Expenses					280,192
Depreciation				3,508,875	3,508,875
Bad Debt Expense					4,956
Interest	550		43		1,711
Scholarships		8,820,728	1,651,467		11,833,026
Other Operating Expenses	1,443,569	109,250	2,582,090		9,679,949
Total Operating Expenses	\$ 11,892,421	\$ 8,990,187	\$ 31,719,707	\$ 3,508,875	\$ 132,574,886

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Statement of Cash Flows
 For the Fiscal Year Ended August 31, 2003

	<u>Total</u>
Cash Flows From Operating Activities	
Proceeds Received from Tuition and Fees	\$ 29,321,347
Proceeds Received from Auxiliary Services	25,201,721
Proceeds from Grants and Contracts	17,546,515
Proceeds from Interest	750,824
Proceeds from Other Revenues	338,134
Payments to Suppliers for Goods and Services	(37,716,984)
Payments to Employees for Salaries	(61,457,040)
Payments to Employees for Benefits	(16,759,843)
Payments for Loans Issued to Students and Employees	(138,793)
Payments for Other Expenses	374,147
Payments for Scholarships	(11,833,026)
Payments for Interest	(1,711)
Net Cash Provided (Used) by Operating Activities	<u>(54,374,709)</u>
Cash Flows from Noncapital Financing Activities	
Proceeds from State Appropriations	50,748,434
Proceeds from Gifts & Grants	1,884,933
Proceeds from Transfers from Other Agencies	355,234
Proceeds from Other Revenues	30,128
Proceeds from Endowments	234,731
Net Cash Provided (Used) by Noncapital Financing Activities	<u>53,253,460</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from Sale of Capital Assets	111,072
Proceeds from Debt Issuance	2,177,360
Proceeds from State Appropriations-HEAF	6,633,109
Proceeds from Capital Grants and Gifts	182,168
Proceeds from Interest on Capital Investments	206,709
Payments for Additions to Capital Assets	(14,254,815)
Payments of Principal on Capital Debt	(3,773,036)
Payments of Interest on Capital Debt	(1,446,834)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(10,164,267)</u>
Cash Flows from Investing Activities	
Proceeds from Sales of Investments	3,872,029
Proceeds from Interest Income from Investments	613,505
Net Cash Provided (Used) by Investing Activities	<u>4,485,534</u>
Increase (Decrease) in Cash and Cash Equivalents	<u>\$ (6,799,982)</u>

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Statement of Cash Flows
 For the Fiscal Year Ended August 31, 2003

	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ (54,392,392)
Amortization and Depreciation	3,508,875
Bad Debt Expense	4,956
Operating Income and Cash Flow Categories	
Changes in Current Assets and Liabilities	
(Increase) Decrease in Receivables	(3,775,298)
(Increase) Decrease in Inventories	(823,490)
(Increase) Decrease in Loans to Students	(5,170,943)
(Increase) Decrease in Other Assets	69,955
(Increase) Decrease in Prepaid Expenses	1,349,798
(Increase) Decrease in Due from Other Agencies	172,658
Increase (Decrease) in Payables	(179,019)
Increase (Decrease) in Due to Other Agencies	(544,064)
Increase (Decrease) in Deferred Income	(2,969,803)
Increase (Decrease) in Compensated Absences	164,668
Increase (Decrease) in Current Portion Capital Lease Obligations	36,619
Increase (Decrease) in Current Portion of Bonds Payable	810,000
Increase (Decrease) in Other Liabilities	654,339
Increase (Decrease) in Assets Held for Others	554,548
Changes in Non-Current Assets and Liabilities	
Increase in Compensated Absences	17,874
Increase in Deposits Payable	10,768
Increase in Student Receivables	1,939,711
Increase in Loans to Students	5,032,150
Cash Reported in Other Categories	
Increase (Decrease) in Current Portion of Bonds Payable	(810,000)
Increase (Decrease) in Capital Lease Obligations	(36,619)
Net Cash Provided (Used) by Operating Activities	\$ <u><u>(54,374,709)</u></u>

**Reconciliation of Cash and Cash Equivalents to the
Statement of Net Assets**

Cash and Cash Equivalents, August 31, 2002	\$ 40,944,426
Increase (Decrease) in Cash and Cash Equivalents	<u>(6,799,982)</u>
Cash and Cash Equivalents, August 31, 2003	\$ <u><u>34,144,444</u></u>
Displayed as:	
Cash on Hand	\$ 1,145,098
Cash in Bank	9,773,612
Cash in Transit/Reimb. Due from Treasury	723,112
Cash in State Treasury	2,378,232
Cash Equivalents	8,993,505
Cash in Bank, Restricted	<u>11,130,885</u>
	\$ <u><u>34,144,444</u></u>

NOTE 1: Summary of Significant Accounting Policies

Entity

Stephen F. Austin State University (the University) is an agency of the State of Texas and its financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' Reporting Requirements for State Agencies.

The University serves the State as a public institution of higher education.

Due to the significant changes related to Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to be in compliance with generally accepted accounting principles (GAAP). The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

The University has not included any other component unit within this report.

Blended Component Units

No component units have been identified which should have been blended into an appropriated fund.

Discrete Component Units

No component units have been identified which should have been discretely presented.

Fund Structure

The accompanying financial statements are presented on the basis of funds, each of which is considered a separate accounting entity.

Proprietary Fund TypesEnterprise Funds

Enterprise Funds are used to account for any activity for which a fee is charged to external users for goods or services. Activities must be reported as enterprise funds if any one of the following criteria is met.

1. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity.
2. Laws or regulations require that the activity's costs of providing services including capital costs (such as depreciation or debt service), be recovered with fees and charges.
3. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.

Internal Service Funds

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of a governmental unit, or to other governmental units, within the State, on a cost reimbursement basis.

Fiduciary Fund Types

Fiduciary Funds account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. When assets are held under the terms of a formal trust agreement, either a pension trust fund, or a private purpose trust fund is used.

Agency Funds

Agency Funds are used to account for assets the government holds on behalf of others in a purely custodial capacity. Agency funds involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

UNAUDITED

Notes to the Financial Statements

August 31, 2003

Basis of Accounting

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Proprietary funds are accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred, subject to materiality. Proprietary funds distinguish operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the proprietary funds principal ongoing operations. Operating expenses for the enterprise and internal services funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

Budget and Budgetary Accounting

The budget is prepared annually and represents appropriations authorized by the legislature biennially and approved by the Governor (the General Appropriations Act) and locally generated sources of funds.

Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

Assets, Liabilities, and Fund Balances/Net Assets**ASSETS****Cash and Cash Equivalents**

Short-term highly liquid investments with an original maturity of three months or less are considered cash equivalents.

Restricted Assets

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of enterprise fund general obligation and revenue bonds and revenues set aside for statutory or contractual requirements.

Inventories

Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued at cost.

Capital Assets

Assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year are capitalized. These assets are capitalized at cost or, if not purchased, at appraised fair value as of the date of acquisition. Depreciation is reported on all "exhaustible" assets. "Inexhaustible" assets such as works of art, historical treasures, and library holdings are not depreciated. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

All capital assets acquired by proprietary funds are reported at cost or estimated historical cost, if actual historical cost is not available. Donated assets are reported at fair value on the acquisition dated. Depreciation is charged to operations over the estimated useful life of each asset, using the straight-line method.

Other Receivables

Other receivables include year-end revenue accruals not included in any other receivable category.

LIABILITIES**Accounts Payable**

Accounts Payable represents the liability for the value of assets or services received at the balance sheet date for which payment is pending.

Stephen F. Austin State University-755
UNAUDITED
Notes to the Financial Statements
August 31, 2003

Other Payables

Other payables are the accrual at year-end of expenditure transactions not included in any of the other payable descriptions.

Employees' Compensable Leave Balances

Employees' Compensable Leave Balances represent the liability that become "due" upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or noncurrent in the statement of net assets.

Capital Lease Obligations

Capital Lease Obligations represent the liability for future lease payments under capital lease contracts. Liabilities are reported separately as either current or noncurrent in the statement of net assets.

Bonds Payable - Revenue Bonds

The principal of revenue bonds is reported separately as either current or noncurrent in the statement of net assets. Bonds payable are recorded at par. Interest expense is recorded on the accrual basis.

Bonds Payable - Tuition Revenue Bonds

The principal of tuition revenue bonds is reported separately as either current or noncurrent in the statement of net assets. Bonds payable are recorded at par. Interest expense is recorded on the accrual basis.

Bonds Payable - General Obligation Bonds

The principal of general obligation bonds is reported separately as either current or noncurrent in the statement of net assets. Bonds payable are recorded at par. Interest expense is recorded on the accrual basis.

FUND BALANCE/NET ASSETS

The difference between fund assets and liabilities is 'Net Assets'.

Invested in Capital Assets, Net of Related Debt

Invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted Net Assets

Restricted net assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets

Unrestricted net assets consist of net assets which do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources, which are imposed by management, but can be removed or modified.

INTERFUND TRANSACTIONS AND BALANCES

The University has the following types of transactions among funds:

- Transfers: Legally required transfers that are reported when incurred as 'Transfers In' by the recipient fund and as 'Transfers Out' by the disbursing fund.
- Reimbursements: Repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one fund for another that are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund. Reimbursements are not displayed in the financial statements.
- Interfund receivables and payables: Interfund loans are reported as interfund receivables and payables. If repayment is due during the current year or soon thereafter it is classified as "Current"; repayment for two or more years is classified as "Non-Current".

UNAUDITED

Notes to the Financial Statements

August 31, 2003

- Interfund Sales and Purchases: Charges or collections for services rendered by one fund to another that are recorded as revenues of the recipient fund and expenditures or expenses of the disbursing fund.

The composition of the University's Interfund receivables and payables are presented in Note 7.

NOTE 2: Capital Assets

A summary of changes in Capital Assets for the year ended August 31, 2003, is presented below:

	Balance 9/01/02	Adjustments*	Reclassifications	Additions	Deletions	Balance 8/31/03
Business-type Activities:						
Non-depreciable Assets						
Land & Land Improvements	\$2,928,780			\$531,201	\$(31,024)	\$3,428,957
Construction in Progress	16,255,621		(8,997,950)	10,162,219		17,419,890
Other Capital Assets	21,302,782			750,539		22,053,321
Total Non-depreciable Assets	40,487,183		(8,997,950)	11,443,959	(31,024)	42,902,168
Depreciable Assets						
Buildings & Building Improvements	139,523,111	(234,892)		9,522,533		148,810,752
Infrastructure	7,710,891	(1)				7,710,890
Facilities & Other Improvements	3,702,642					3,702,642
Furniture & Equipment	15,243,376	(41,039)	68,551	1,770,896	(1,499,636)	15,542,148
Vehicles, Boats, & Aircraft	4,111,922	(18,066)	43,491	650,100	(591,568)	4,195,879
Other Capital Assets	205,150					205,150
Total Depreciable Assets at Historical Cost	170,497,092	(293,998)	112,042	11,943,529	(2,091,204)	180,167,461
Less Accumulated Depreciation for:						
Buildings & Improvements	(126,547,082)	223,162		(1,462,675)		(127,786,595)
Infrastructure	(4,730,954)			(244,324)		(4,975,276)
Facilities & Other Improvements	(3,026,700)			(45,062)		(3,071,762)
Furniture & Equipment	(10,288,402)	(9,168)	(4,570)	(1,423,606)	1,412,279	(10,313,467)
Vehicles, Boats, & Aircraft	(3,158,181)	7,443	(1,033)	(303,902)	525,205	(2,930,468)
Other Capital Assets	(153,862)			(29,307)		(183,169)
Total Accumulated Depreciation	(147,905,181)	221,438	(5,603)	(3,508,875)	1,937,484	(149,260,737)
Depreciable Assets, Net	22,591,911	(72,560)	106,439	8,434,654	(153,720)	30,906,724
Business-type Activities Capital Assets, Net	\$63,079,094	\$(72,560)	\$(8,891,511)	\$19,878,613	\$(184,744)	\$73,808,892

*The total of \$(72,560) in the adjustments column is the restatement of accumulated depreciation for the prior year, decreasing net assets in the amount of \$(16,142), and \$237,580 adjustment to accumulated depreciation for corrections and adjustments to State Property Accounting records for the current year. \$(293,998) is cumulative adjustments to assets as recorded in State Property Accounting records for the current year.

NOTE 3: Deposits, Investments, and Repurchase Agreements

The University is authorized by statute to make investments following the "prudent person rule." There were no significant violations of legal provisions during the period.

Deposits of Cash in Bank

- The carrying amount of \$27,721,345 for Cash in Bank (including restricted assets) is presented below.
- The bank balance of the University has been classified according to the following risk categories.
 - Category 1: Insured or collateralized with securities held by the governmental entity or by its agent in the name of the governmental entity.
 - Category 2: Collateralized with securities held by the pledging financial institution's trust department or agent in the governmental entity's name.
 - Category 3: Uncollateralized (which would include any deposits collateralized with securities held by the pledging financial institutions, or by its trust department or agent but not in the governmental entity's name).

Category 1	Category 2	Category 3	Bank Balance	Carrying Amount
\$541,702	\$25,368,352		\$25,910,054	\$27,721,345

Consisting of the following:

Demand Deposits	\$20,904,497
Proprietary Funds Certificates of Deposit	6,816,848
Total Deposits Carrying Amounts	\$27,721,345

Stephen F. Austin State University-755
UNAUDITED
Notes to the Financial Statements
August 31, 2003

Investments

The fair values of investments as of the balance sheet date are shown below. Investments are categorized to give an indication of the level of risk assumed by the University at year-end. The three categories are:

Category 1: Investments that are insured or registered, or for which the securities are held by the University, or its agent in the University's name.

Category 2: Uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the University's name.

Category 3: Uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the University's name.

Type of Security	Category	Category	Category	Fair Value
	1	2	3	
Govt. Investments		\$19,171,048		\$19,171,048
Govt. Mortgage Obligations		3,606,061		3,606,061
Corporate Stock		4,954,596		4,954,596
Totals		\$27,371,705		\$27,371,705

Uncategorized Investments:

Other (Money Market and Sweep Accounts)	\$13,960,644
Total Investments	\$41,332,349
Consisting of the following:	
Cash Equivalents	\$ 8,993,505
Proprietary Funds Current Short Term Investments	
Proprietary Funds Current Restricted Short Term Investments	10,181,965
Proprietary Funds Non-Current Restricted Investments	11,476,894
Proprietary Funds Non-Current Unrestricted Investments	10,679,985
Total, as above	41,332,349
Proprietary Funds CDs disclosed as Deposits but reported as Non-Current Restricted Investments on Financial Statement	10,075
Proprietary Funds CDs disclosed as Deposits but reported as Non-Current Investments on Financial Statement	6,806,773
Total Investments per Financial Statements (includes Cash Equivalents)	\$48,149,197

Reverse Repurchase Agreements

The University, by statute, is authorized to enter into reverse repurchase agreements. A reverse repurchase agreement is a transaction in which a broker-dealer or financial institution transfers cash to the University and the University transfers securities to the broker-dealer and promises to repay the cash plus interest in exchange for the same or similar securities. Credit risk exposure for the University arises when a broker-dealer does not return the securities or their value at the conclusion of the reverse repurchase agreement. There were no significant violations of legal or contractual provisions during the year.

As of August 31, 2003, the University was not participating in reverse repurchase agreements.

Securities Lending

The University may participate in a security-lending program. In securities lending transactions, the University transfers its securities to broker-dealers and other entities for collateral - which may be cash or securities - and simultaneously agrees to return the collateral for cash or the same securities in the future. The University invests the cash received as collateral and, if the returns on those investments exceed the "rebate" paid to the borrowers of the securities, the securities lending transactions generate income for the University. However, if the investment of the cash collateral does not provide a return exceeding the rebate or if the investment incurs a loss on principal, part of the payment to the borrower would come from the University's resources. The borrower will pay a "loan premium or fee" for the securities loan, thus generating income for the University.

Securities lending is authorized by state statutes. The University is authorized to lend its U.S. Government securities. Collateral is either cash or U.S. Government securities at a value of 102 percent of the value of the securities lent.

The securities lending contracts allow the University to pledge or sell collateral securities without borrower default. At year-end, the University has no credit risk exposure to borrowers because the amounts the University owes to borrowers exceed the amounts the borrowers owe the University. Contracts with the lending agents require them to indemnify the University if the borrowers fail to return the securities. The policy is to match the maturities of the collateral investments and the securities loans. There were no significant violations of legal or contractual provisions, any borrower or lending agent default losses, and no recoveries of prior-period losses during the year.

As of August 31, 2003, the University was not participating in securities lending transactions.

Derivative Investing

Derivatives are financial instruments (securities or contracts) whose value is linked to, or “derived” from, changes in interest rates, currency rates, and stock and commodity prices. Derivatives cover a broad range of financial instruments, such as forwards, futures, options, swaps, and mortgage derivatives. These mortgage derivatives are influenced by changes in interest rates, the current economic climate, and the geographic make-up of underlying mortgage loans.

As of August 31, 2003, the University owned no derivatives.

NOTE 4: Summary of Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended August 31, 2003, the following changes occurred in liabilities:

Business-type Activities	Balance 09/01/02	Additions	Reductions	Balance 08/31/03	Amounts Due Within One Year
Deposits Payable	1,133,984	648,216	632,018	1,150,182	172,527
Revenue Bonds Payable	10,475,000	1,320,000	1,675,000	10,120,000	1,720,000
Tuition Revenue Bonds Payable	19,485,000		715,000	18,770,000	670,000
General Obligation B/P	4,000,000		1,130,000	2,870,000	1,185,000
Capital Lease Obligations	277,372	857,360	253,036	881,696	189,861
Compensable Leave	1,958,923	182,542		2,141,465	398,172
Total Business-type Activities	37,330,279	3,008,118	4,405,054	35,933,343	4,335,560

Claims and Judgments

The University had no unpaid settlements as of August 31, 2003.

Employees' Compensable Leave

A State employee is entitled to be paid for all unused vacation time (annual leave) accrued in the event of the employee's resignation, dismissal, or separation from State employment, provided the employee has had continuous employment with the State for six months. The University reports the liability for the unpaid annual leave on the Statement of Net Assets. No liability is recorded for sick pay benefits.

NOTE 5: Capital Leases

The University has entered into long-term leases for financing the purchase of certain fixed assets. Such leases are classified as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments at the inception of the lease. The following is a summary of original capitalized costs of all such property under lease as well as the accumulated depreciation as of August 31, 2003:

Assets Under Capital Leases	Business-type Activities
Furniture and Equipment	1,138,948
Less: Accumulated Depreciation	266,241
Vehicles	563,959
Less: Accumulated Depreciation	102,304
Total	1,334,362

Stephen F. Austin State University-755
UNAUDITED
Notes to the Financial Statements
August 31, 2003

Future minimum lease payments under these capital leases, together with the present value of the net minimum lease payments at fiscal year-end, are as follows:

Future minimum lease payments	Business-type Activities	
	Principal	Interest
2004	189,861	38,227
2005	151,827	28,160
2006	142,004	21,944
2007	148,234	15,714
2008	145,476	9,225
2009-2013	104,294	4,171
Total Minimum Lease Payments	999,137	
Less: Amount Representing Interest at Various Rates	117,441	
Present value of Net Minimum Lease Payments	881,696	

NOTE 6: Operating Lease Obligations

Future minimum lease rental payments under non-cancelable operating leases having an initial term in excess of one year are as follows:

Year Ended August 31, 2003	
2004	120,520
2005	98,995
2006	86,350
2007	65,731
2008	25,324
2009-2013	0

NOTE 7: Interfund Balances/Activities

As explained in Note 1, numerous transactions between funds and agencies are recorded as interfund activities. At year-end amounts to be received or paid are reported as:

- Interfund Receivables or Interfund Payables
- Due From Other Agencies or Due To Other Agencies
- Due From Other Funds or Due To Other Funds
- Transfers In or Transfers Out
- Legislative Transfers In or Legislative Transfers Out

The University experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of interfund balances will occur within one year from the date of the financial statement.

Individual balances and activity at August 31, 2003, follow:

Current Portion	Current Interfund Receivable	Current Interfund Payable
General Revenue (01)	\$0	\$0
Total Interfund Receivable/Payable	\$0	\$0

Non-Current Portion	Non-Current Interfund Receivable	Non-Current Interfund Payable	Purpose (Disclosure required)
General Revenue (01)	\$0	\$0	\$0
Special Revenue (02)			
Enterprise Fund (05)			
Total Interfund Receivable/Payable	\$0	\$0	\$0

UNAUDITED

Notes to the Financial Statements

August 31, 2003

	Legislative Transfers In	Legislative Transfers Out
General Revenue (01)		
Appn Fund 0001, D23 Fund 0001		
Agy 479, D23 Fund 0001	\$189,209	\$0
Total Legislative Transfers	\$189,209	\$0

The detailed State Grant Pass Through information is listed on Schedule 1-B - Schedule of State Grant Pass Through From/To State Agencies.

NOTE 8: Contingent Liabilities

At August 31, 2003, various lawsuits and claims involving the University were pending. While the ultimate liability with respect to litigation and other claims asserted against the University cannot be reasonably estimated at this time, such liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the University.

NOTE 9: Continuance Subject to Review (Not Applicable)**NOTE 10: Risk Financing and Related Insurance**

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; losses resulting from providing health and other medical benefits to employees; and natural disasters. It is the University's policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed. The methods the University uses to handle each of these risks are summarized below.

Injuries to Employees: Employees of the University are covered by a workers' compensation insurance policy provided by the State Office of Risk Management (SORM). Costs are jointly paid by the State and the University. Transfers made by the State on behalf of the University for worker's compensation insurance were \$242,576 during the year ended August 31, 2003.

Provision for Health and Other Medical Benefits: Employees of the University are covered by a health insurance plan (the Plan). The coverage is provided through the State, under the Texas Employees Uniform Group Insurance Program (UGIP), which is administered by Blue Cross Blue Shield of Texas. Benefits include health, dental, life, and accidental death and dismemberment coverage for substantially all of the University's employees. All risks associated with this benefit are passed to the UGIP. All of the costs for health insurance coverage of the employee, and one-half of the costs for coverage of dependents of the employee are jointly paid by the State and the University. Contributions made by the State on behalf of the University for health and other medical benefits were \$5,104,615 for the year ended August 31, 2003.

Damage to Property: The University is required by certain bond covenants to carry fire and extended coverage and boiler insurance on buildings financed through the issuance of bonds. The insurance protects the bondholders from a disruption to the revenue stream that is being utilized to make the bond interest and principal payments. Claims in fiscal year 2003 were filed for damages caused by a lightning strike to a radio tower transmitter in the amount of \$8,825. After adjustment for the deductible of \$5,000, the amount received from the property insurance claim with Royal & Sunalliance was \$3,825.

Damage to Vehicles: The Texas Motor Vehicle Safety Responsibility Act requires that every non-governmental vehicle operated on a State highway be insured for minimum limits of liability in the amount of \$20,000/\$40,000 bodily injury and \$15,000 property damage. However, the University has chosen to carry liability insurance on its licensed vehicles in the amount of \$1,000,000 combined single limit for bodily injury and property damage.

Torts and Other Risks: The University is exposed to a variety of civil claims resulting from the performance of its duties. The University has purchased commercial insurance to address this risk.

NOTE 11: Segment Information (Not Applicable)
--

NOTE 12: Bonded Indebtedness

Bonds Payable

Detailed supplemental bond information is disclosed in Schedule 2-A, Miscellaneous Bond Information, Schedule 2-B, Changes in Bonded Indebtedness, Schedule 2-C, Debt Service Requirements, Schedule 2D, Analysis of Funds Available for Debt Service, and Schedule 2E, Defeased Bonds Outstanding.

General information related to bonds payable is summarized below:

Consolidated University Revenue Refunding Bonds - Series 1991 B

- To advance refund \$6,015,000 principal of existing Stephen F. Austin State University bonds payable as shown below:

<u>Bond Issue</u>	<u>Issued</u>	<u>Principal</u>
Student Housing System Revenue Bonds - Series 1984	04-1-84	\$3,640,000
Combined Fee Revenue Bonds - Series 1985	08-1-85	<u>2,375,000</u>
Total		<u>\$6,015,000</u>

- Issued 4-15-91
- \$5,990,000; all authorized bonds have been issued.
- Source of Revenue for debt service:
 - Gross Revenues of the University Building System
 - Pledged Student Tuition
 - General Fee
 - University Center Fee
 - Investment income on Interest and Sinking Fund, the Reserve Fund, and any other Fund maintained pursuant to the Resolution

Any additional revenue pledged to the payment of the Bonds or Additional Bonds

State of Texas Constitutional Appropriation Bonds (Stephen F. Austin State University) - Series 1995

- To acquire funds for renovations and capital improvements to the Music Building, the Austin Building and the Education Building.
- Issued 6-15-95
- \$6,800,000; all authorized bonds have been issued.
- Source of Revenue for debt service: solely from an irrevocable pledge of the Pledged Revenues allocated to Stephen F. Austin State University pursuant to article VII, section 17 of the Texas Constitution (Higher Education Assistance Funds).

State of Texas Constitutional Appropriation Bonds (Stephen F. Austin State University) - Series 1996

- To acquire funds for renovations and capital improvements to the Austin Building and the Utility Loop.
- Issued 1-1-96
- \$3,590,000; all authorized bonds have been issued.
- Source of Revenue for debt service: solely from an irrevocable pledge of the Pledged Revenues allocated to Stephen F. Austin State University pursuant to article VII, section 17 of the Texas Constitution (Higher Education Assistance Funds).

Stephen F. Austin State University Consolidated Revenue Pledge - Series 1996

- To provide funds for capital improvements to the air conditioning systems in six dormitories, to install a lighting system on the Intramural Field, and to improve accessibility in the University Center.
- Issued 1-1-96
- \$4,135,000; all authorized bonds have been issued.
- Source of Revenue for debt service:
 - Gross Revenues of the University Building System
 - Pledged Student Tuition
 - General Fee
 - University Center Fee
 - Investment income on Interest and Sinking Fund, the Reserve Fund, and any other Fund maintained pursuant to the Resolution
 - Annual interest grants received from the United States Department of Education
 - Any additional revenue pledged to the payment of the Bonds or Additional Bonds

Stephen F. Austin State University Revenue Financing System, Texas Public Finance Authority Revenue Bonds - Series 1998

- To provide funds for renovations to Miller Science Building
- Issued 9-1-98
- \$6,000,000; all authorized bonds have been issued.
- Source of Revenue for debt service:
 State Funds appropriated for this purpose

Stephen F. Austin State University Revenue Financing System, Texas Public Finance Authority Revenue Bonds - Series 2000

- To provide funds for improvements to residence halls and student apartments
- Issued 3-1-00
- \$7,000,000; all authorized bonds have been issued.
- Source of Revenue for debt service:
 Pledged Student Tuition
 Other Pledged Revenues

Stephen F. Austin State University Revenue Financing System, Texas Public Finance Authority Revenue Bonds - Series 2002

- To provide funds for construction of a facility to replace the Birdwell Building, a new Telecommunications and Networking building, and Power Plant renovations.
- Issued 7-9-02
- \$14,070,000; all authorized bonds have been issued.
- Source of Revenue for debt service:
 State Funds appropriated for this purpose

Stephen F. Austin State University Revenue Financing System, Texas Public Finance Authority Revenue Bonds - Series 2002(A)

- To provide funds for renovation of the stadium press box
- Issued 12-19-02
- \$1,320,000; all authorized bonds have been issued.
- Source of Revenue for debt service:
 Auxiliary enterprises

Advance Refunding Bonds

No bonds were advance refunded during the year.

Early Extinguishment Bonds

The 1991A issue was called for redemption as follows:

Maturity Date	Principal Amount	Redemption Date	Interest Rate
October 15, 2004	\$755,000	Jan 15, 2003	6.50 %
Total	\$755,000		

Proceeds from unrestricted investments were used to call the bonds.

NOTE 13: Subsequent Events

In October, 2003, the University submitted a request to the Texas Public Finance Authority to apply for financing of a project to renovate and make additions to the SFA University Center. The University Center is the primary non-residential student life building on the SFA campus. Cost of the project is estimated to be in the range of \$27 to \$30 million. The University will borrow \$22 to \$25 million to finance the construction, depending upon interest rates available when project bonds are sold. Debt will be serviced by collections from a \$9 per semester credit hour University Center fee which the University will begin assessing effective with the Spring, 2004 semester. The University anticipates the new facility will be complete by January 2007.

On November 12, 2003, the Governor of Texas announced appointment of Mr. Joe Max Green of Nacogdoches to the Board of Regents of Stephen F. Austin State University. Mr. Green's term extends through January 31, 2009. Mr. Green serves in the position formerly occupied by Mrs. Penny H. Butler of Houston.

NOTE 14: Related Parties

Three entities exist to benefit the University: Stephen F. Austin State University Foundation, Inc., the Stephen F. Austin State University Alumni Association, Inc., and Stephen F. Austin State University Alumni Foundation, Inc. Since the University's Board of Regents is not financially accountable for these entities and does not appoint their board members, they are not considered Related Parties per GASB 14. Accordingly, their financial data are not included in this financial report.

The Stephen F. Austin State University Foundation, Inc., is a non-profit organization with the sole purpose of supporting the educational and other activities of the University. The Foundation solicits donations and acts as coordinator of gifts made by other parties for the use and benefit of the University. During the fiscal year, the University furnished certain services, such as office space, utilities, and some staff assistance to the Foundation.

The Stephen F. Austin State University Alumni Association, Inc. is a non-profit organization dedicated to serving the alumni, friends, and current students of the University through programs, scholarships, and activities that create an attitude of continued loyalty and support. The Alumni Association provided services on behalf of the University for which the University paid. These services included maintaining records on the students who had graduated from the University. In addition to the amount paid, the University provided certain services, such as office space, utilities, some staff assistance, and custodial services to the Association.

The Stephen F. Austin State University Alumni Foundation, Inc. is a non-profit organization which exists to award scholarships to students at the University. The Alumni Foundation is housed with the Alumni Association. Therefore, the University provides the same utilities, office space, staff assistance, and custodial services for the Alumni Foundation as it does for the Alumni Association.

NOTE 15: Stewardship, Compliance, and Accountability

The university administration is not aware of any noncompliance items.

NOTE 16: The Financial Reporting Entity

The University is an agency of the State of Texas. The nine members of its Board of Regents are appointed by the Governor. The University has no component units.

NOTE 17: Restatement of Fund Balances

During fiscal year 2003, three adjustments were made which required the restatement of the amounts in fund balances and fund equity as follows:

	Total
Fund Bal/Equity August 31, 2002	\$ 104,244,150
Restatements:	
a. Prior Year Accrued Bond Interest Payable	(370,380)
b. Prior Year Accumulated Depreciation	(16,142)
Net Restatements	(386,522)
Fund Bal/Equity Sept. 1, 2002, as Restated	\$ 103,857,628

NOTE 18: Employees Retirement Plans

The State of Texas has joint contributory retirement plans for substantially all of its employees. One of the primary plans in which the University participates is administered by the Teacher Retirement System of Texas (TRS). The contributory percentages of participant salaries currently provided by the State and by each participant are 6.0% and 6.4 %, respectively, of annual compensation. The Teacher Retirement System does not separately account for each of its component government agencies, since the Retirement System itself bears sole responsibility for retirement commitments beyond contributions fixed by the State Legislature. Further information regarding actuarial assumptions and conclusions, together with audited financial statements are included in the Retirement System's annual financial report.

UNAUDITED

Notes to the Financial Statements

August 31, 2003

The State has also established an optional retirement program (ORP) for institutions of higher education. Participation in the optional retirement program is in lieu of participation in the Teacher Retirement System. The optional retirement program provides for the purchase of annuity contracts. The contributory percentages on salaries for participants entering the program prior to September 1995 are 8.5% and 6.65% by the State and each participant, respectively. The State's contribution is comprised of 6.00% from the ORP appropriation and 2.5% from other funding sources. The 6.00% contribution is mandatory with the other 2.5% being at the discretion of the Board. The Board has approved the additional contributions for employees of the University. The contributory percentages on salaries for participants entering the program after August 31, 1995, are 6.00% and 6.65% by the State and each participant, respectively. Since these are individual annuity contracts, the State has no additional or unfunded liability for this program.

NOTE 19: Deferred Compensation

University employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in the TEX. GOV'T. CODE ANN., sec 609.001. Two plans are available for employees, the 403(b) Tax Sheltered Annuity (TSA) plan and the Texasaver 457(b) plan. The TSA is administered by Stephen F. Austin State University. The 457(b) plan is administered by the Texas Employees Retirement System.

NOTE 20: Donor-Restricted Endowments

Endowments

Donor-Restricted Endowment	Amounts of Net Appreciation	Reported in Net Assets
True Endowments	\$244,654	Funds Held as Permanent Endowments, Expendable
Term Endowments	602	Funds Held as Permanent Endowments, Expendable
Total	\$245,256	

The University spending policy provides for a target distribution rate of 5%. However, that rate is limited by actual earnings and realized gain.

Note 21: Management Discussion and Analysis

The University issued \$1.32 million in revenue bonds during the fiscal year. These bond proceeds were combined with \$1.28 million in fund balances and \$600,000 in revenue from the University's soft-drink contract to fund a \$3.2 million renovation of the Homer Bryce Stadium press box. The project was completed in September, 2003.

Major construction was initiated in the prior fiscal year on the Human Services/Telecommunications building with proceeds from the sale of tuition revenue bonds. Construction on that project at the end of the fiscal year 2003 was approximately forty percent complete.

The University made a commitment to begin major renovations of the University Center. The architects and construction manager were selected for the project. Cost of the project is estimated to be in the range of \$27 to \$30 million. The University transferred \$5.43 million from Auxiliary funds to begin the project. Bonds will be issued to cover the balance of the project costs. Debt will be serviced by collections from a \$9 per semester credit hour University Center fee which the University will begin assessing effective with the Spring, 2004 semester. The University anticipates the new facility will be complete by January 2007.

Note 22: Post Employment Health Care and Life Insurance Benefits (Not Applicable)

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Schedule 1A-Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2003

Federal Grantor/ Pass Through Grantor Program Title	CFDA Number	Identifying Number	Pass Through From		
			Agy/ Univ. #	Agencies Or Univ. Amount	Non-State Entities Amount
U.S. Department of Defense					
Direct Programs:					
Military Science	12.113	9903001		\$	\$
GIS Survey East Texas Lakes	12.000	416011			
Barksdale Food Plots	12.420	DAMD17-00-2-0045			
Total U.S. Department of Defense				<u>0</u>	<u>0</u>
U.S. Department of Education					
Direct Programs:					
LTT Undergrad Ed	84.129	H129L980013			
Orientation & Mobility	84.129	H129P980002			
Rehab Counsel Ed	84.129	H129B010022			
Improve Prep Yr1	84.325H	H325H020097			
Low Incid Train	84.325	H325A010107			
High Incidence	84.325H	H325H990023			
High Incidence	84.325H	H325H990124			
Gear-Up	84.334A	P334A990206			
FIPSE Math Project	84.116	P1168B011116			
Tech Prep School Counseling	84.243	1934001			
Tech Prep Mini Grant	84.243	1934001			
Learning Anytime Anywhere Partners	84.339B	P339B990414			
Pass Through To:					
Texas Tech University					
Texas School for the Blind & Visually Impaired					
Pass Through From:					
Texas School for the Blind & Visually Impaired					
VIP Prep Program	84.027	IDEA-B Disc_Other 3	771	325,710	
Texas Higher Education Coordinating Board					
Eisenhower Professional Grants	84.281			40,702	
Teacher Quality Program-Grants	84.367B		781	<u>23,456</u>	
Total U.S. Department of Education				<u>389,868</u>	<u>0</u>
U.S. Dept of Health and Human Services					
Pass Through From:					
TX Dept Protective & Reg Services					
Child Welfare	93.658		530	<u>307,510</u>	
Total U.S. Dept of Health & Human Services				<u>307,510</u>	<u>0</u>
U. S. Department of Commerce					
Pass Through From:					
The University of Texas Medical Branch					
TOP-UTMB	11.552	48-60-100033	723	<u>108,680</u>	
Total U. S. Dept of Commerce				<u>108,680</u>	<u>0</u>
U. S. Department of Energy					
Direct Programs:					
Terres Carbon Sinks	81.000	DE-FC26-00NT40931			
Total U. S. Dept of Energy				<u>0</u>	<u>0</u>
National Aeronautics Space Administration					
Columbia Shuttle Recovery	43.000	416075			
NASA-NOVA	43.001	NAG5-9388			
Total National Aeronautics Space Administration				<u>0</u>	<u>0</u>
National Science Foundation					
TX Middle & Secondary School Math	47.076	EHR-0227128			
Pass Through From:					
Southwest Texas State University					
Middle School Math	47.076	101945	754	<u>(22,757)</u>	
Total National Science Foundation				<u>(22,757)</u>	<u>0</u>
Federal Emergency Management Agency					
Pass Through From:					
Texas Department of Public Safety					
Columbia Shuttle Recovery	83.544		405	<u>85,903</u>	
Total Federal Emergency Management Agency				<u>85,903</u>	<u>0</u>
Enviromental Protection Agency					
Direct Program					
It's A Wonderful World					
It's A Wonderful World	66.951	NE-97605501-0			
Pass Through From:					
Pinewoods RCD					
Pinewoods RCD	66.460	C-9-996236-09			
Total Environmental Protection Agency				<u>0</u>	<u>0</u>

<u>Direct Program Amount</u>	<u>Total PT From & Direct Program</u>	<u>Agy #/ Univ. #</u>	<u>State Agy. Or Univ. Amount</u>	<u>Non-State Entities Amount</u>	<u>Expenditures Amount</u>	<u>Total PT To & Expenditures</u>
\$ 98,857	\$ 98,857		\$	\$	\$ 98,857	\$ 98,857
4,655	4,655				4,655	4,655
<u>13,923</u>	<u>13,923</u>				<u>13,923</u>	<u>13,923</u>
<u>117,435</u>	<u>117,435</u>		<u>0</u>	<u>0</u>	<u>117,435</u>	<u>117,435</u>
78,391	78,391				78,391	78,391
82,504	82,504				82,504	82,504
72,670	72,670				72,670	72,670
169,238	169,238				169,238	169,238
360,553	360,553				360,553	360,553
52,170	52,170				52,170	52,170
18,670	18,670				18,670	18,670
513,026	513,026				513,026	513,026
22,180	22,180				22,180	22,180
2,376	2,376				2,376	2,376
680	680				680	680
457,710	457,710	733	121,213		177,519	298,732
		771	158,979			158,979
	325,710				325,710	325,710
	40,702				40,702	40,702
	<u>23,456</u>				<u>23,456</u>	<u>23,456</u>
<u>1,830,168</u>	<u>2,220,036</u>		<u>280,192</u>	<u>0</u>	<u>1,939,844</u>	<u>2,220,036</u>
	<u>307,510</u>		<u>0</u>	<u>0</u>	<u>307,510</u>	<u>307,510</u>
<u>0</u>	<u>307,510</u>		<u>0</u>	<u>0</u>	<u>307,510</u>	<u>307,510</u>
	<u>108,680</u>		<u>0</u>	<u>0</u>	<u>108,680</u>	<u>108,680</u>
<u>0</u>	<u>108,680</u>		<u>0</u>	<u>0</u>	<u>108,680</u>	<u>108,680</u>
<u>198,030</u>	<u>198,030</u>		<u>0</u>	<u>0</u>	<u>198,030</u>	<u>198,030</u>
<u>198,030</u>	<u>198,030</u>		<u>0</u>	<u>0</u>	<u>198,030</u>	<u>198,030</u>
10,467	10,467				10,467	10,467
4,643	4,643				4,643	4,643
<u>15,110</u>	<u>15,110</u>		<u>0</u>	<u>0</u>	<u>15,110</u>	<u>15,110</u>
467,615	467,615				467,615	467,615
	(22,757)				(22,757)	(22,757)
<u>467,615</u>	<u>444,858</u>		<u>0</u>	<u>0</u>	<u>444,858</u>	<u>444,858</u>
	<u>85,903</u>		<u>0</u>	<u>0</u>	<u>85,903</u>	<u>85,903</u>
<u>0</u>	<u>85,903</u>		<u>0</u>	<u>0</u>	<u>85,903</u>	<u>85,903</u>
8,345	8,345				8,345	8,345
<u>1,737</u>	<u>1,737</u>		<u>0</u>	<u>0</u>	<u>1,737</u>	<u>1,737</u>
<u>10,082</u>	<u>10,082</u>		<u>0</u>	<u>0</u>	<u>10,082</u>	<u>10,082</u>

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Schedule 1A-Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2003

Federal Grantor/ Pass Through Grantor Program Title	CFDA Number	Identifying Number	Pass Through From		
			Agy/ Univ. #	Agencies Or Univ. Amount	Non-State Entities Amount
National Endowment for the Arts					
Pass Through From:					
Texas Commission on the Arts Gallery Exhibitions 03	45.025	02-6100-2044	813	500	
Total National Endowment for the Arts				<u>500</u>	<u>0</u>
National Oceanic & Atmospheric Admin					
NOAA	11.473	NA160C2573			
Total National Oceanic & Atmospheric Admin				<u>0</u>	<u>0</u>
U. S. Department of Agriculture					
Upland Island Wilderness	10.000	03-CS-11081301-020			
Forest Service	10.000	491443			
Forest Service Exp	10.000	SRS-03-CR-11330128-178			
Pass Through From:					
Texas Tech University USDA Challenge Grant	10.217	00-38411-9305	733	18,230	
Texas Forest Service TRS-EOC	10.664	02-05-01	576	19,229	
Total U. S. Department of Agriculture				<u>37,459</u>	<u>0</u>
Student Financial Assistance Cluster					
U.S. Department of Education					
Direct Programs:					
Fed SEOG	84.007	P007A024129			
GSL/SLS/PLUS Loans	84.032				
Federal Work Study	84.033	P003A024129			
Perkins Loans	84.038	P038A014129			
Fed Pell	84.063	P063P011677			
Total Student Financial Asst Cluster Programs				<u>0</u>	<u>0</u>
Research and Development Cluster					
U.S. Department of Agriculture					
Direct Programs:					
Alum Project	10.652	68-7442-6-274			
Biology Field Experience	10.652	SRS01-CR-11330128-337			
Biology Field Experience	10.652	SRS02-CR-11330128-146			
Conservation Ed	10.652	SRS00-CR-11330128-162			
McIntyre Stennis	10.652	99-CRMS-0-6101			
Recreation Use Survey	10.652	03-CS-11081301-010			
Rattle Burn Arizona	10.652	02-JV-11221615-155			
Rev Eco Class System	10.652	01-CS-11080613-040			
Field Education II	10.652	SRS-02-CR-11330128-110			
Field Education III	10.652	SRS-03-CR-11330128-060			
USFS Ed Field Exp	10.652	SRS-01-CR-11330128-417			
Jemez Mountains New Mexico	10.652	00-JV-11221615-108			
USFS-Southern Research	10.652	SRS-01-CA-11330132-486			
Cottonwood Planting	10.902	40-7482-2-86			
Silvopasture Demo	10.901	68-7482-2-68Y			
Pass Through From:					
Texas Agricultural Experiment Station SARE-Alfalfa	10.215	RD-309-031/8454854	556	304	
U.S. Department of the Interior					
Direct Programs:					
America View Coop Agreement	15.808	02CRGR0010			
America View Consortium Board	15.808	02CRGR0004			
Banding Woodcock	15.FFA	1448-20181-99-G959			
Pine Forest Sparrows	15.000	1448-20181-01-G944			
PNPC Big Thicket	15.000	H714002001			
Total R&D Cluster Programs				<u>304</u>	<u>0</u>
General Services Administration					
Pass Through From:					
General Service Commission Donation of Federal Surplus Personal Property (NON-MONETARY)	39.030		303	561	
Total General Services Administration				<u>561</u>	<u>0</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE				<u>\$ 908,028</u>	<u>\$ 0</u>

Direct Program Amount	Total PT From & Direct Program	Pass Through To		Non-State Entities Amount	Expenditures Amount	Total PT To & Expenditures
		Agy #/ Univ. #	State Agy. Or Univ. Amount			
	500				500	500
<u>0</u>	<u>500</u>		<u>0</u>	<u>0</u>	<u>500</u>	<u>500</u>
16,154	16,154				16,154	16,154
<u>16,154</u>	<u>16,154</u>		<u>0</u>	<u>0</u>	<u>16,154</u>	<u>16,154</u>
8,812	8,812				8,812	8,812
1,423	1,423				1,423	1,423
853	853				853	853
	18,230				18,230	18,230
	19,229				19,229	19,229
<u>11,088</u>	<u>48,548</u>		<u>0</u>	<u>0</u>	<u>48,548</u>	<u>48,548</u>
361,671	361,671				361,671	361,671
28,114,491	28,114,491				28,114,491	28,114,491
541,718	541,718				541,718	541,718
1,184,937	1,184,937				1,184,937	1,184,937
8,620,984	8,620,984				8,620,984	8,620,984
<u>38,823,801</u>	<u>38,823,801</u>		<u>0</u>	<u>0</u>	<u>38,823,801</u>	<u>38,823,801</u>
2,874	2,874				2,874	2,874
182	182				182	182
15,758	15,758				15,758	15,758
7,845	7,845				7,845	7,845
397,100	397,100				397,100	397,100
45,827	45,827				45,827	45,827
25,299	25,299				25,299	25,299
3,282	3,282				3,282	3,282
3,206	3,206				3,206	3,206
2,145	2,145				2,145	2,145
512	512				512	512
45,391	45,391				45,391	45,391
21,501	21,501				21,501	21,501
705	705				705	705
3,319	3,319				3,319	3,319
	304				304	304
65,464	65,464				65,464	65,464
13,829	13,829				13,829	13,829
5,557	5,557				5,557	5,557
9,936	9,936				9,936	9,936
3,296	3,296				3,296	3,296
<u>673,029</u>	<u>673,333</u>		<u>0</u>	<u>0</u>	<u>673,333</u>	<u>673,333</u>
	561				561	561
<u>0</u>	<u>561</u>		<u>0</u>	<u>0</u>	<u>561</u>	<u>561</u>
\$ <u>42,162,513</u>	\$ <u>43,070,541</u>		\$ <u>280,192</u>	\$ <u>0</u>	\$ <u>42,790,349</u>	\$ <u>43,070,541</u>

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Schedule 1A-Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2003

Note 1 - Nonmonetary Assistance

The "Donation of Federal Surplus Personal Property" is presented at 23.3% of the federal acquisition cost of \$2,407.38. The surplus property is passed through from the Texas Building and Procurement Commission.

The federal grantor agency is the General Services Administration (GSA) and the federal CFDA number is 39.003.

The estimated fair value for fiscal year 2003 is \$560.92.

Note 2 - Reconciliation

Below is a reconciliation of the total of federal pass through and federal expenditures as reported on the Schedule of Federal Financial Assistance to the total of **federal revenues** and **federal**

grant pass-through revenues as reported in the general-purpose financial statements. Generally, federal funds are not earned until expended; therefore, federal revenues equal federal expenditures for the reporting period.

Per Combined Statement of Changes in Revenues, Expenses and Net Assets

Federal Revenue Operating	\$12,822,684
Federal Grant Pass-Through Revenue	947,868
Subtotal	<u>\$13,770,552</u>
Reconciling Items:	
Non-monetary:	
Federal Surplus Property	561
New Loans Processed:	
GSL/SLS/PLUS Loans	28,114,491
Federal Perkins Loans	1,184,937
Total Pass Through and Expenditures per Federal Schedule	<u><u>\$43,070,541</u></u>

Note 3 - Student Loans Processed and Administrative Costs Recovered

Federal Grantor/CFDA Number/ Program Name	New Loans Processed	Admin Costs Recovered	Total Loans Processed & Admin Costs Recovered	End Balances of Previous Year's Loans
Department of Education 84.038 Federal Perkins Loan	1,184,937	120,682	1,305,619	5,775,822
Department of Education 84.032 GSL/SLS/Plus Loans	28,114,491		28,114,491	
Total Department of Education	29,299,428	120,682	29,420,110	5,775,822

Note 4 - Petroleum Violation Escrow (PVE) Funds -
N/A

Note 5 - Depository Libraries for Government Publications - N/A

Note 6 - Unemployment Insurance -
N/A

Note 7 - Rebates from the Special Supplemental Food Program for Women, Infant and Children (WIC) - N/A

Note 8 - Federal Deferred Revenue

Federal Deferred Revenue 9-1-02	\$19,800
Increase (Decrease)	<u>20,602</u>
Federal Deferred Revenue 8-31-03	<u><u>\$40,402</u></u>

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Schedule 1B - Schedule of State Grant Pass Through From/To State Agencies
 For The Fiscal Year Ended August 31, 2003

Pass Through From:

Operating:

Texas Higher Ed. Coord. Board (Agy #781)	
TEXAS Grant Program	\$4,188,666
Advanced Research Program	(4,962) *
Nursing and Allied Health	89,676
Gen. Academic Enrollment Growth	226,600
Developmental Education Program	87,027
College Work Study Program	37,124
5th Year Accounting Students Scholarships-Grants	<u>14,795</u>
 Total Operating Pass-Through From Other Agencies	 <u><u>\$4,638,926</u></u>

* Amounts returned to grantor for previous years unspent funds

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Schedule 2A - Miscellaneous Bond Information
 For The Fiscal Year Ended August 31, 2003

Description of Issue	Types of Bond	Subtype	Bond is Reported In	Bonds Issued to Date	Range of Interest Rates	
Cons Univ Rev Ref Bds Ser '91-B	Revenue	Self-Supporting	Business-Type Activities	5,990,000	4.60	6.50
Cons Univ Rev Bds Ser '96	Revenue	Self-Supporting	Business-Type Activities	4,135,000	3.60	4.63
Rev Fin Sys Bds Ser '00	Revenue	Self-Supporting	Business-Type Activities	7,000,000	5.13	5.38
Rev Fin Sys Bds Ser '02 (A)	Revenue	Self-Supporting	Business-Type Activities	1,320,000	3.59	3.59
Rev Fin Sys Bds Ser '98	Tuition Rev		Business-Type Activities	6,000,000	3.65	5.10
Rev Fin Sys Bds Ser '02	Tuition Rev		Business-Type Activities	14,070,000	1.45	5.05
Stephen F. Austin State Univ Ser '95	G.O.	Not Self-Supporting	Business-Type Activities	6,800,000	3.50	4.90
Stephen F. Austin State Univ Ser '96	G.O.	Not Self-Supporting	Business-Type Activities	3,590,000	3.60	4.63

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Schedule 2A - Miscellaneous Bond Information
 For The Fiscal Year Ended August 31, 2003

Description of Issue	<u>Scheduled Maturities</u>				
	The Terms of Variable Interest Rate	First Year	Last Year	First Call Date	Comment
Cons Univ Rev Ref Bds Ser '91-B		1991	2004	10/15/00	Extinguished in FY 03
Cons Univ Rev Bds Ser '96		1996	2005		
Rev Fin Sys Bds Ser '00		2003	2009		
Rev Fin Sys Bds Ser '02 (A)		2004	2010		
Rev Fin Sys Bds Ser '98		1999	2018	10/15/08	
Rev Fin Sys Bds Ser '02		2002	2021	10/15/12	
Stephen F. Austin State Univ Ser '95		1995	2004		
Stephen F. Austin State Univ Ser '96		1996	2005		

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Schedule 2B - Changes In Bonded Indebtedness
 For The Fiscal Year Ended August 31, 2003

Description of Issue	Bonds		Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds
	Outstanding (Beginning)	Bonds Issued			Outstanding (Ending)
Cons Univ Rev Ref Bds Ser '91-B	1,075,000	0	320,000	755,000	0
Cons Univ Rev Bds Ser '96	2,400,000	0	600,000	0	1,800,000
Rev Fin Sys Bds Ser '00	7,000,000	0	0	0	7,000,000
Rev Fin Sys Bds Ser '02 (A)	0	1,320,000	0	0	1,320,000
Rev Fin Sys Bds Ser '98	5,415,000	0	215,000	0	5,200,000
Rev Fin Sys Bds Ser '02	14,070,000	0	500,000	0	13,570,000
Stephen F. Austin State Univ Ser '95	2,360,000	0	750,000	0	1,610,000
Stephen F. Austin State Univ Ser '96	1,640,000	0	380,000	0	1,260,000

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Schedule 2B - Changes In Bonded Indebtedness
 For The Fiscal Year Ended August 31, 2003

(For Proprietary Funds only: Reconciliation)

Description of Issue	(For Proprietary Funds only: Reconciliation)				Net Bonds	Amounts	Comment
	Unamortized Premium	Unamortized Discount	Issuance Costs	Gain/(Loss) on Refunding	Outstanding (Ending) ²	Due Within One Year	
Cons Univ Rev Ref Bds Ser '91-B	0	0	0	0	0	0	
Cons Univ Rev Bds Ser '96	0	0	0	0	1,800,000	600,000	
Rev Fin Sys Bds Ser '00	0	0	0	0	7,000,000	1,000,000	
Rev Fin Sys Bds Ser '02 (A)	0	0	0	0	1,320,000	120,000	
Rev Fin Sys Bds Ser '98	0	0	0	0	5,200,000	225,000	
Rev Fin Sys Bds Ser '02	0	0	0	0	13,570,000	445,000	
Stephen F. Austin State Univ Ser '95	0	0	0	0	1,610,000	785,000	
Stephen F. Austin State Univ Ser '96	0	0	0	0	1,260,000	400,000	

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Schedule 2C – Debt Service Requirements
 For The Fiscal Year Ended August 31, 2003

Description of Issue	FY	Principal	Interest	Comment
Cons Univ Rev Bds Ser '96	2003	600,000	95,550	
Cons Univ Rev Bds Ser '96	2004	600,000	68,850	
Cons Univ Rev Bds Ser '96	2005	600,000	41,550	
Cons Univ Rev Bds Ser '96	2006	600,000	13,875	
Cons Univ Rev Ref Bds Ser '91-B	2003	1,075,000	23,943	Extinguished in FY 03
Rev Fin Sys Bds Ser '02 (A)	2003	0	15,269	
Rev Fin Sys Bds Ser '02 (A)	2004	120,000	45,234	
Rev Fin Sys Bds Ser '02 (A)	2005	150,000	40,388	
Rev Fin Sys Bds Ser '02 (A)	2006	160,000	34,823	
Rev Fin Sys Bds Ser '02 (A)	2007	165,000	28,989	
Rev Fin Sys Bds Ser '02 (A)	2008	170,000	22,976	
Rev Fin Sys Bds Ser '02 (A)	2009	180,000	16,694	
Rev Fin Sys Bds Ser '02 (A)	2010	185,000	10,142	
Rev Fin Sys Bds Ser '02 (A)	2011	190,000	3,411	
Rev Fin Sys Bds Ser '00	2003	0	365,000	
Rev Fin Sys Bds Ser '00	2004	1,000,000	339,375	
Rev Fin Sys Bds Ser '00	2005	1,000,000	288,125	
Rev Fin Sys Bds Ser '00	2006	1,000,000	236,875	
Rev Fin Sys Bds Ser '00	2007	1,000,000	185,000	
Rev Fin Sys Bds Ser '00	2008	1,000,000	132,500	
Rev Fin Sys Bds Ser '00	2009	1,000,000	80,000	
Rev Fin Sys Bds Ser '00	2010	1,000,000	26,875	
Rev Fin Sys Bds Ser '02	2003	500,000	510,396	
Rev Fin Sys Bds Ser '02	2004	445,000	595,575	
Rev Fin Sys Bds Ser '02	2005	470,000	577,275	
Rev Fin Sys Bds Ser '02	2006	495,000	557,975	
Rev Fin Sys Bds Ser '02	2007	520,000	537,675	
Rev Fin Sys Bds Ser '02	2008	550,000	516,275	
Rev Fin Sys Bds Ser '02	2009	575,000	493,775	
Rev Fin Sys Bds Ser '02	2010	605,000	469,419	
Rev Fin Sys Bds Ser '02	2011	635,000	443,069	
Rev Fin Sys Bds Ser '02	2012	665,000	414,613	
Rev Fin Sys Bds Ser '02	2013	695,000	384,013	
Rev Fin Sys Bds Ser '02	2014	725,000	353,150	
Rev Fin Sys Bds Ser '02	2015	760,000	321,585	
Rev Fin Sys Bds Ser '02	2016	795,000	287,556	
Rev Fin Sys Bds Ser '02	2017	830,000	251,193	
Rev Fin Sys Bds Ser '02	2018	870,000	212,290	
Rev Fin Sys Bds Ser '02	2019	915,000	170,331	
Rev Fin Sys Bds Ser '02	2020	960,000	125,800	

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Schedule 2C – Debt Service Requirements
 For The Fiscal Year Ended August 31, 2003

Description of Issue	FY	Principal	Interest	Comment
Rev Fin Sys Bds Ser '02	2021	1,005,000	77,875	
Rev Fin Sys Bds Ser '02	2022	1,055,000	26,375	
Rev Fin Sys Bds Ser '98	2003	215,000	250,664	
Rev Fin Sys Bds Ser '98	2004	225,000	239,395	
Rev Fin Sys Bds Ser '98	2005	235,000	228,953	
Rev Fin Sys Bds Ser '98	2006	245,000	219,051	
Rev Fin Sys Bds Ser '98	2007	260,000	208,443	
Rev Fin Sys Bds Ser '98	2008	270,000	197,113	
Rev Fin Sys Bds Ser '98	2009	280,000	185,148	
Rev Fin Sys Bds Ser '98	2010	295,000	172,350	
Rev Fin Sys Bds Ser '98	2011	310,000	158,583	
Rev Fin Sys Bds Ser '98	2012	320,000	143,933	
Rev Fin Sys Bds Ser '98	2013	340,000	128,253	
Rev Fin Sys Bds Ser '98	2014	355,000	111,484	
Rev Fin Sys Bds Ser '98	2015	375,000	93,688	
Rev Fin Sys Bds Ser '98	2016	390,000	74,750	
Rev Fin Sys Bds Ser '98	2017	410,000	54,750	
Rev Fin Sys Bds Ser '98	2018	435,000	33,625	
Rev Fin Sys Bds Ser '98	2019	455,000	11,375	
Stephen F. Austin State Univ Ser '95	2003	750,000	95,730	
Stephen F. Austin State Univ Ser '95	2004	785,000	59,265	
Stephen F. Austin State Univ Ser '95	2005	825,000	20,213	
Stephen F. Austin State Univ Ser '96	2003	380,000	66,030	
Stephen F. Austin State Univ Ser '96	2004	400,000	48,670	
Stephen F. Austin State Univ Ser '96	2005	420,000	30,010	
Stephen F. Austin State Univ Ser '96	2006	440,000	10,175	

STEPHEN F. AUSTIN STATE UNIVERSITY

Agency No. 755

Schedule 2D - Analysis of Funds Available for Debt Service - General Obligation Bonds

For the Fiscal Year Ended August 31, 2003

Description of Issue	Application of Funds		Comment
	2003 Principal	2003 Interest	
Stephen F. Austin State Univ Ser '95	750,000	125,019	
Stephen F. Austin State Univ Ser '96	380,000	87,656	

STEPHEN F. AUSTIN STATE UNIVERSITY

Agency No. 755

Schedule 2D - Analysis of Funds Available for Debt Service - Revenue Bonds

For the Fiscal Year Ended August 31, 2003

Description of Issue	Net Available for Debt Service		Debt Service		Comment
	Total Pledged and Other Sources	Operating Expenses/Expenditures and Capital Outlay	2003 Principal	2003 Interest	
Cons Univ Rev Bds Ser '96	35,517,940	530	600,000	126,431	Total Pledged Sources
Cons Univ Rev Ref Bds Ser '91-B	*	0	320,000	23,943	
Rev Fin Sys Bds Ser '00	*	1,700	0	501,875	
Rev Fin Sys Bds Ser '02	*	2,740	500,000	691,663	
Rev Fin Sys Bds Ser '98	*	1,620	215,000	342,547	
Rev Fin Sys Bds Ser '02 (A)	*	210	0	33,039	

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 2E – Defeased Bonds Outstanding
For The Fiscal Year Ended August 31, 2003

Description of Issue	Bond is Reported In	Year Refunded	Par Value	
			Outstanding	Comment
Building Revenue Bonds, Series 1965-B	Business-Type Activities	1991	1,655,000	
Combined Fee Revenue Bonds, Series 1990	Business-Type Activities	1991	240,000	
Housing System Revenue Bonds, Series 1962-D	Business-Type Activities	1991	1,522,000	
Housing System Revenue Bonds, Series 1963-A	Business-Type Activities	1991	654,000	
Housing System Revenue Bonds, Series 1964	Business-Type Activities	1991	595,000	

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 3 – Reconciliation of Cash in State Treasury
For the Fiscal Year Ended August 31, 2003

<u>Cash in State Treasury</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Restricted</u>
Local Revenue Fund 0261	<u>\$2,378,232</u>	<u>\$2,378,232</u>	<u>\$0</u>
Total Cash in State Treasury	<u><u>\$2,378,232</u></u>	<u><u>\$2,378,232</u></u>	<u><u>\$0</u></u>