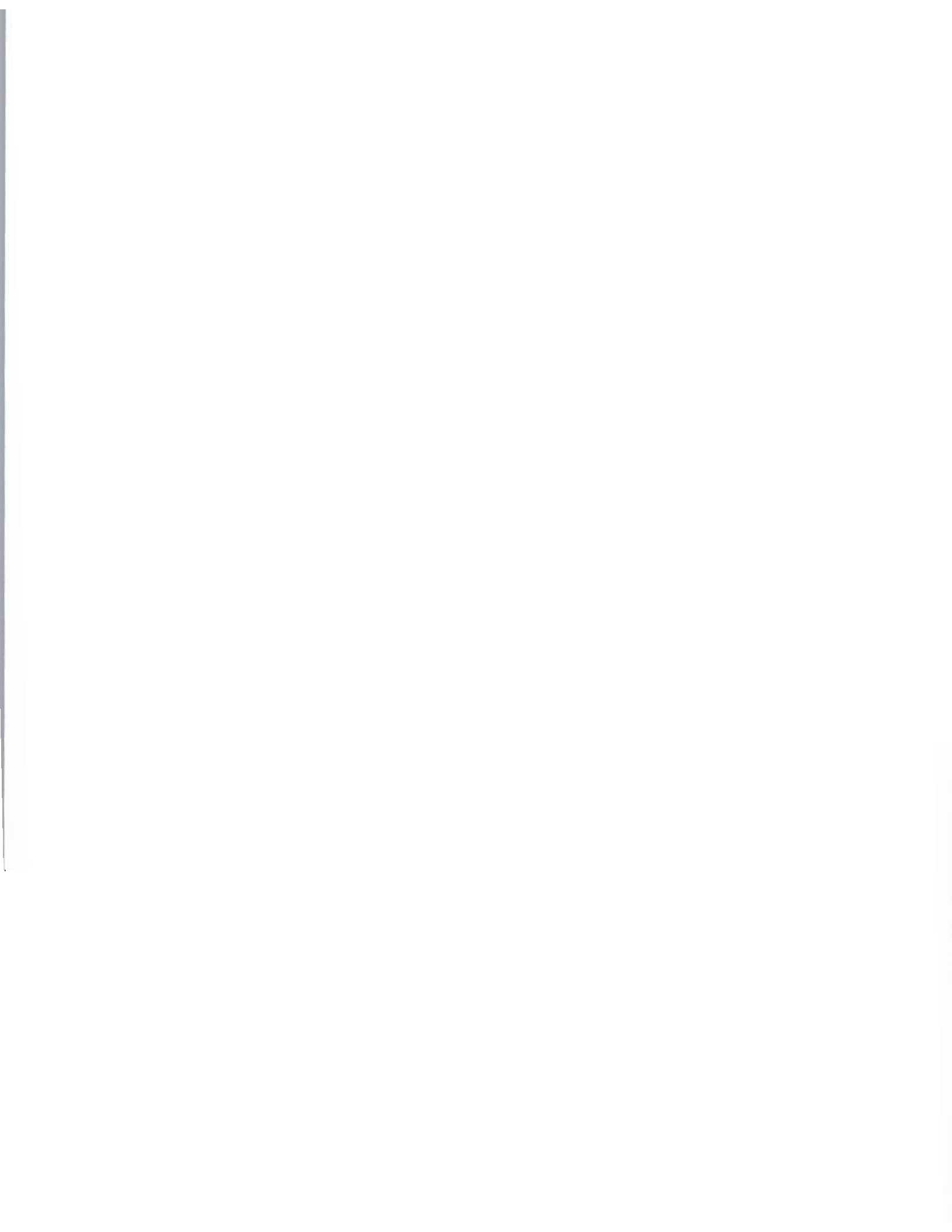


Stephen F. Austin State University

Unaudited Financial Report
For the Year Ended
August 31, 2009

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STEPHEN F. AUSTIN STATE UNIVERSITY

Office of the President

P.O. Box 6078, SFA Station • Nacogdoches, Texas 75962-6078

Phone (936) 468-2201 • Fax (936) 468-2202

November 20, 2009

Honorable Rick Perry, Governor
Honorable Susan Combs, Texas Comptroller
John O'Brien, Director, Legislative Budget Board
John Keel, 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, 2009, in compliance with Texas Government Code Annotated, Section 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. Letitia Hamilton may be contacted at (936) 468-2250 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

Baker Pattillo
President



STEPHEN F. AUSTIN STATE UNIVERSITY

Office of the Controller

P.O. Box 13035, SFA Station • Nacogdoches, Texas 75962-3035
Phone (936) 468-2303 • Fax (936) 468-2207

November 20, 2009

Dr. Baker Pattillo
President
Stephen F. Austin State University
P. O. Box 6078, SFA Station
Nacogdoches, Texas 75962

Dear Dr. Pattillo:

Submitted herein is the Annual Financial Report of Stephen F. Austin State University for the fiscal year ended August 31, 2009.

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 of Texas Comprehensive Annual Financial Report (CAFR); 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 me at (936) 468-2112.

Sincerely,

Dora Fuselier, C.P.A.
Controller

Approved:

Danny Gallant
Vice President for Finance and Administration

**STEPHEN F. AUSTIN STATE UNIVERSITY
ORGANIZATIONAL DATA
August 31, 2009**

Board of Regents

Officers

James A. Thompson, Chairman
Melvin R. White, Vice-Chairman
John R. Garrett, Secretary

Members

Name	Town	Term Expires
Richard B. Boyer	The Colony, Texas	January 31, 2011
James A. Thompson	Sugar Land, Texas	January 31, 2011
Melvin R. White	Pflugerville, Texas	January 31, 2011
Carlos Z. Amaral	Plano, Texas	January 31, 2013
James H. Dickerson	New Braunfels, Texas	January 31, 2013
John R. Garrett	Tyler, Texas	January 31, 2013
Scott H. Coleman	Houston, Texas	January 31, 2015
Valerie E. Ertz	Dallas, Texas	January 31, 2015
Steve D. McCarty	Alto, Texas	January 31, 2015
Morgan A. Tomberlain (student)	Longview, Texas	May 31, 2010

President

Baker Pattillo, Ph.D

Finance and Administration

Vice President – Danny Gallant
Controller - Dora Fuselier, C.P.A.
Assistant Controller – Dannette Sales, C.P.A.



STEPHEN F. AUSTIN STATE UNIVERSITY

Management's Discussion and Analysis

Unaudited

For the Year Ended August 31, 2009

INTRODUCTION

Stephen F. Austin State University (the University) is a comprehensive regional public institution of higher education and an agency of the State of Texas. Named for the "Father of Texas", the University was founded in 1921. It is located in Nacogdoches in the Pineywoods area of East Texas. The main campus includes more than 400 acres, part of the original homestead of Thomas J. Rusk, early Texas patriot and United States Senator. In fall 2008, the University enrolled nearly 12,000 students in 33 academic units and 6 colleges which award degrees at the bachelor's, master's and doctoral levels.

The University is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools. Specific academic programs hold numerous other accreditations.

The University does not include any blended components in the Financial Statements.

OVERVIEW OF THE FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS

Stephen F. Austin State University presents in this discussion and analysis the Financial Statements for fiscal year 2009 with comparative information for 2008. This discussion, prepared by management, will focus on the University's current year data, trends in data, and overview of the financial activities for the year. It should be read in conjunction with the accompanying Financial Statements and Notes, which offer various financial definitions and accounting information.

Three primary statements are presented: Statement of Net Assets; Statement of Revenues, Expenses, and Changes in Net Assets; and Statement of Cash Flows. The Financial Statements are prepared in accordance with requirements established by the Texas Comptroller of Public Accounts.

FINANCIAL HIGHLIGHTS

- Enrollment for the 2008 fall semester of 11,990 was the highest reported in ten years.
- The University issued general obligation bonds in December 2008 for \$10.2 million to complete the early childhood research center.
- The University issued tuition revenue bonds in January 2009 for \$23.6 million. \$13 million is being used to construct a nursing facility and \$10 million is being used to finance deferred maintenance projects. These projects include a \$6 million chemistry building renovation and \$2.5 million power plant and HVAC upgrade.
- The University celebrated its halfway mark in its comprehensive software conversion. The first component, the finance system, was moved into production in August 2009.
- Capitalized expenditures totaled approximately \$35.3 million, including \$29.3 million for additions to construction in progress.
- The University entered into an energy savings performance contract at a cost not to exceed \$18 million, dependent on funding. Funding is anticipated to come from the State Energy Conservation Office and federal stimulus funds.
- The University adopted a "Purple Promise Program" to cover the full costs of tuition and fees for four years for students whose family income is \$30,000 or less. It will be effective for students enrolling in fall 2009.

CONDENSED FINANCIAL INFORMATION AND FINANCIAL HIGHLIGHTS

Statement of Net Assets

The Statement of Net Assets presents the assets, liabilities, and net assets of the University at a specific point in time, in this case August 31, 2009. Net assets are the difference between total assets and total liabilities and represent the residual interest in the University's assets after liabilities are deducted. "Net Assets" are presented in three major categories: Invested in Capital Assets, Net of Related Debt; Restricted Net Assets; and Unrestricted Net Assets. The Invested in Capital Assets, Net of Related Debt category identifies the equity in property, plant and equipment owned by the University. Restricted Net Assets are either expendable or non-expendable. Expendable restricted net assets may be expended only for the purposes designated by the external donor or provider of the assets. Non-expendable net assets are comprised entirely of funds held as permanent endowments. Unrestricted Net Assets are available for any lawful purpose of the University. Although unrestricted net assets are not subject to externally imposed stipulations, these assets may have other commitments for various future uses in support of the University's mission. These include commitments for encumbrances outstanding at year-end. Also, recognized in unrestricted net assets are unspent Higher Education Funds (HEF), which have restrictions imposed by the State of Texas. Assets and liabilities are generally measured using current values, except capital assets, which are stated at historical cost less an allowance for depreciation.

The Statement of Net Assets presents a snapshot view of assets available for use in the University's continuing operations and enables readers to determine the amounts owed to others. Over time, increases or decreases in net assets are indicators of the improvement or decline of the financial health of the University.

A summarized comparison of the University's Statement of Net Assets at August 31, 2009 and August 31, 2008 follows:

Statement of Net Assets		
	August 31, 2009	August 31, 2008 (as restated)
Assets		
Current Assets	\$133,276,982.78	\$115,613,208.72
Non-Current Assets		
Other Non-Current Assets	41,585,293.48	40,466,523.46
Capital Assets, Net of Depreciation	201,403,077.94	176,148,681.26
Total Assets	376,265,354.20	332,228,413.44
 Liabilities		
Current Liabilities	95,684,538.38	84,015,569.76
Non-Current Liabilities	155,442,096.75	130,585,118.08
Total Liabilities	251,126,635.13	214,600,687.84
 Net Assets		
Invested in Capital Assets, Net of Related Debt	60,177,418.41	50,964,707.43
Restricted Net Assets		
Expendable	15,765,712.16	19,169,309.22
Non-expendable	6,558,197.29	6,434,474.01
Unrestricted Net Assets	42,637,391.21	41,059,234.94
Total Net Assets	\$125,138,719.07	\$117,627,725.60

In fiscal year 2009, total assets of the University increased approximately \$44 million from the previous fiscal year.

Current assets increased approximately \$17.7 million. Increases in cash and cash equivalents and short-term investments accounted for approximately \$11.9 million of this increase. This is attributed to unspent bond proceeds held in short term investments and interest bearing bank accounts. Cash in transit, reimbursement from the treasury, legislative appropriations and cash in state treasury increased by nearly \$4 million. This is money held at the state on the University's behalf. Cash in state treasury funds reflect education and general revenue collections that are remitted to the state treasury. Unspent balances at year end will be used to reimburse the University for fiscal year 2009 expenses. Variances in both cash in state treasury and legislative appropriations between years 2008 and 2009 reflect a timing difference of when reimbursements for expenses are submitted and subsequently received. These changes do not represent changes in revenue from legislative appropriations for the fiscal year.

Other changes in current assets are attributed to an increase of prepaid items (primarily scholarships awarded for the subsequent fiscal year) of \$3.1 million. This increase is based on both increased awards and increased enrollment. The increase is offset by a decrease in current receivables of \$1.4 million. Current receivables declines are attributed primarily to timing of payments from federal and state entities.

Other non-current assets changed by \$1.1 million. This increase is primarily attributed to the reinvestment of interest earned on operating investments.

Capital assets, net of depreciation, increased approximately \$25.3 million. This is attributed to capital outlay expenditures, including new construction projects, of \$35.3 million offset by depreciation expenditures of \$10 million.

Total liabilities increased by approximately \$36.5 million. Current liabilities increased by approximately \$11.7 million. This is attributed to a number of factors. \$2.7 million of this total is due to the increase in deferred revenues related to tuition and fees and room and board rate increases and from increased enrollment for fall 2009. These charges to students prior to year-end are not recognized as fiscal year 2008-2009 revenues but are instead recognized as deferred revenues. \$1.9 million is due to increases in the current portion of long-term debt. \$4.1 million is attributed to increased year-end payables, including nearly \$.5 million in increased deposits payable. The University changed the student general deposit from \$10 to \$100 in the fall of 2008, but students re-enrolling were grandfathered at the older rates. With attrition and new enrollments, this liability will continue to increase over time. However, the University will benefit by being able to use this deposit to offset any unpaid student charges on the student's account.

Accounts payable increased by \$2.1 million. This is attributed to increased year-end payables for utilities and other vendor payables. Funds held for others increased \$3.3 million. Funds held for others include the year-end amounts held for students that represents scholarships and grants received in excess of tuition and fee charges and room and board charges. These are held on the students' behalf until disbursed to the students. This disbursement was made subsequent to August 31, 2009.

Of the \$24.9 million increase in non-current liabilities, \$24.7 million is attributed to the net change in bonds payable, which includes the \$33.8 million bond proceeds offset by current year principal payments of \$7.2 million, less the amounts recognized as the increases in current liabilities of \$1.9 million.

Net assets, invested in capital assets, net of related debt increased approximately \$9.2 million. As discussed above, this is attributed to capital outlay expenditures of approximately \$35.3 million offset by net changes in the expended portion of bonds payable of \$16 million and depreciation of \$10 million.

Statement of Revenues, Expenses, and Changes in Net Assets

Changes in total net assets are based on the activity shown on the Statement of Revenues, Expenses, and Changes in Net Assets. This statement presents operating revenues and expenses, non-operating revenues and expenses, and other gains and losses.

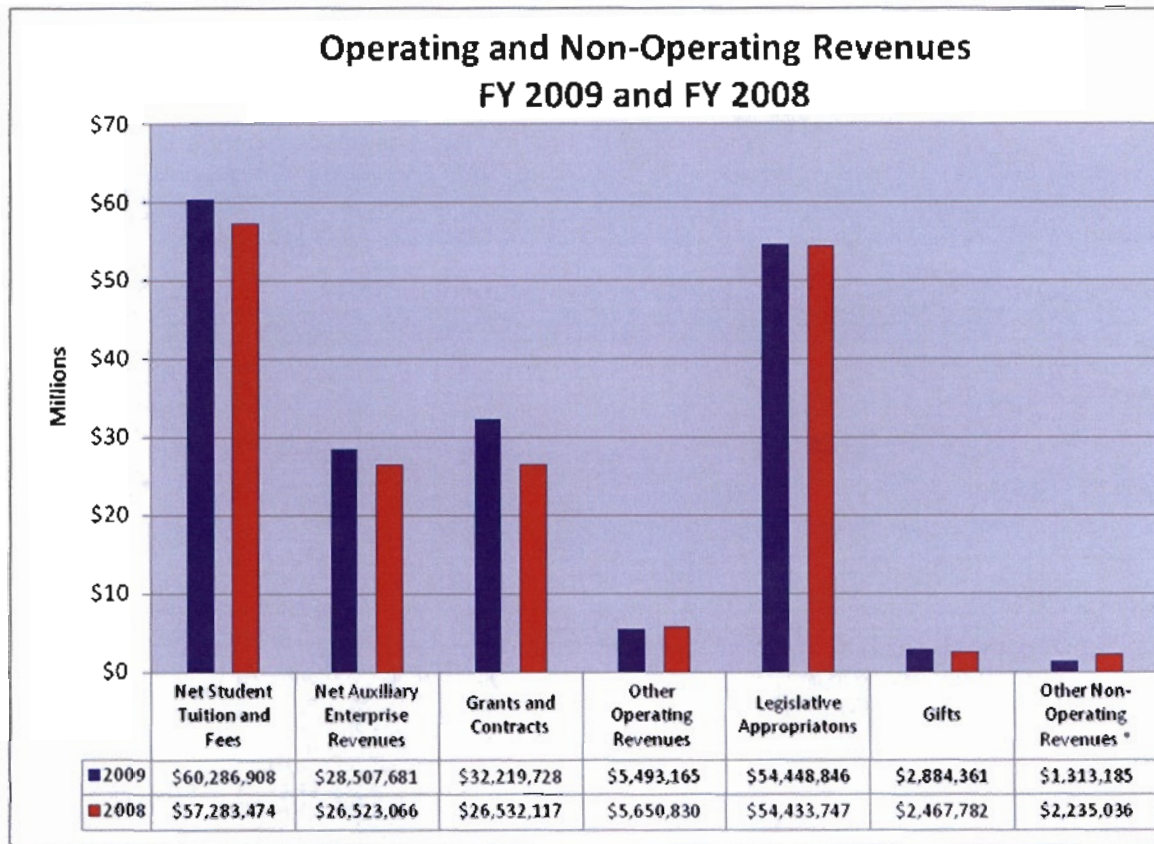
Operating revenues are revenues received for providing goods and services to the various constituencies of the University. Operating expenses are expenses paid to acquire goods and services provided in return for operating revenues to carry out the mission of the University. Non-operating revenues are those for which no goods or services have been provided. This category includes state legislative revenue and other appropriations.

A summarized comparison of the University's Statement of Revenues, Expenses, and Changes in Net Assets for the years ended August 31, 2009 and August 31, 2008 follows:

Statement of Revenues, Expenses, and Changes in Net Assets

	<u>2009</u>	<u>2008</u>
Operating Revenues:		
Net Student Tuition and Fees	\$ 60,286,908.49	\$ 57,283,473.97
Net Auxiliary Enterprise Revenues	28,507,680.65	26,523,065.92
Grants and Contracts	32,219,727.83	26,532,117.00
Other Operating Revenues	<u>5,493,165.32</u>	<u>5,650,830.25</u>
Total Operating Revenues	126,507,482.29	115,989,487.14
Total Operating Expenses	<u>179,870,528.46</u>	<u>170,907,876.31</u>
Operating Income (Loss)	<u>(53,363,046.17)</u>	<u>(54,918,389.17)</u>
 Non-Operating Revenues (Expenses):		
Legislative Revenue (State)	43,685,586.00	43,677,367.00
Additional Appropriations	10,763,259.61	10,756,380.31
Gifts	2,884,361.13	2,467,781.75
Net Investment Income (Loss)	2,020,044.50	2,534,013.79
Net Increase (Decrease) in Fair Value of Investments	(856,676.66)	(171,139.60)
Interest Expenses and Fiscal Charges	(5,397,151.96)	(5,216,737.93)
Net Other Non-Operating Revenues (Expenses)	<u>149,817.46</u>	<u>(127,838.09)</u>
Total Non-Operating Revenues (Expenses)	<u>53,249,240.08</u>	<u>53,919,827.23</u>
 Income (Loss) Before Other Revenues, Expenses, Gains or Losses	(113,806.09)	(998,561.94)
 Other Revenues, Expenses, Gains (Losses) and Transfers	<u>7,624,799.56</u>	<u>6,284,575.33</u>
 Change in Net Assets	<u>7,510,993.47</u>	<u>5,286,013.39</u>
 Net Assets, Beginning of Year	117,670,218.18	113,091,719.44
Restatements	<u>(42,492.58)</u>	<u>(707,514.65)</u>
Restated Net Assets, Beginning of Year	<u>117,627,725.60</u>	<u>112,384,204.79</u>
Net Assets, End of Year	<u><u>\$125,138,719.07</u></u>	<u><u>\$117,670,218.18</u></u>

The following graph represents operating and non-operating revenues by major source:



* Other Non-Operating Revenues includes Net Investment Income, Net Increase (Decrease) in Fair Value of Investments, and Other Non-Operating Revenues.

Some of the fiscal year 2009 highlights presented in the Statement of Revenues, Expenses, and Changes in Net Assets are as follows:

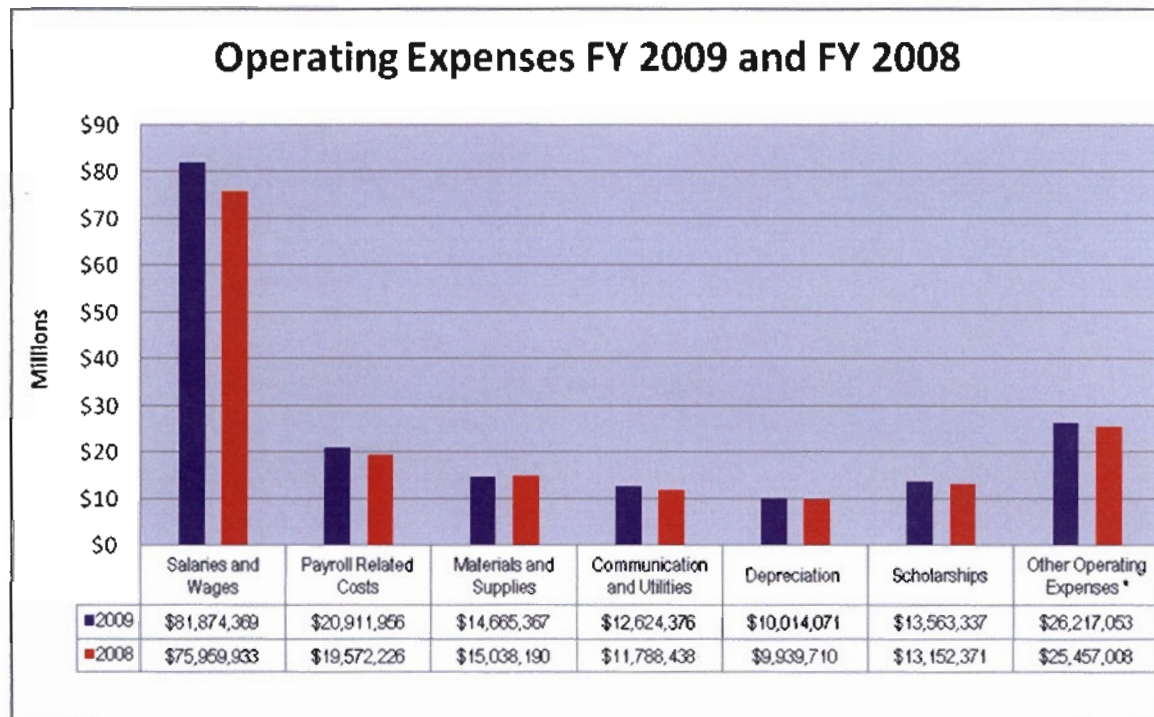
- Net student tuition and fees increased by approximately \$3 million in 2009. This is due to increased enrollment and increases in designated tuition of \$9 per semester credit hour. The actual amounts charged for tuition and fees increased approximately \$5 million, but this is offset by increases in discounts and allowances of approximately \$2 million.
- Net auxiliary enterprise revenues increased approximately \$1.9 million. This is attributed to increased room and board charges and the increased demand because of the new housing facilities. Gross receipts for auxiliary enterprises increased approximately \$3.1 million, but these were offset by increased discounts and allowances of \$1.1 million.
- Grants and contracts income increased by \$5.6 million. This is primarily attributed to an increase in Pell grants revenue of \$2 million and increased financial aid grants from the state of Texas of \$2 million.
- There were no significant changes in legislative revenue. Since this is the second year of the biennium, no substantive changes for legislative appropriations were anticipated.
- There was no significant change in interest expenses and fiscal charges. While the amounts paid for bond interest were higher than in previous years, the difference is not apparent on the financial statement since the amounts paid in 2009 on the new bonds were capitalized as expenditures

related to the project. The net difference between interest paid and interest received on bond investments is capitalized until the projects related to the bond funding are completed.

The following data summarizes the operating expenses in the natural classification expense categories for the fiscal years ended August 31, 2009 and 2008:

Operating Expenses:	<u>2009</u>	<u>2008</u>
Cost of Goods Sold	\$ 8,865,591.93	\$ 7,793,097.40
Salaries and Wages	81,874,368.98	75,959,932.65
Payroll Related Costs	20,911,955.65	19,572,226.46
Professional Fees and Services	1,694,081.27	1,624,462.25
Travel	2,412,500.87	2,278,772.90
Materials and Supplies	14,665,366.68	15,038,190.40
Communications and Utilities	12,624,375.55	11,788,437.97
Repairs and Maintenance	3,193,878.56	3,895,941.33
Rentals and Leases	1,910,739.25	2,110,335.99
Printing and Reproduction	560,396.56	698,274.37
Federal and State Pass-Through Expenses	1,131,231.82	1,056,689.99
Depreciation	10,014,071.45	9,939,710.39
Bad Debt Expense	251,695.44	317,074.39
Scholarships	13,563,336.67	13,152,370.79
Other Operating Expenses	6,196,937.78	5,682,359.03
Total Operating Expenses	<u><u>\$179,870,528.46</u></u>	<u><u>\$170,907,876.31</u></u>

Following is a graphic presentation of the major operating expense categories for the fiscal years ended August 31, 2009:



**Other Operating Expenses includes Cost of Goods Sold, Professional Fees and Services, Travel, Repairs and Maintenance, Rentals and Leases, Printing and Reproduction, Federal and State Pass-Through Expenses, Bad Debt Expense and Other Operating Expenses.*

Some of the 2009 significant changes from the prior year Operating Expenses are:

- Cost of goods sold increased approximately \$1.1 million. This is attributed to both the increased food costs for meals served to students and the increased number of meals served.
- Salaries and wages and payroll related costs increased by approximately \$7.3 million. This increase is due to 3% merit pool raises and equity adjustments given to employees, and the related increase in employee benefits.

Statement of Cash Flows

The Statement of Cash Flows provides details about the University's major sources and uses of cash during the year. It presents detailed information about the cash activity and an indication of the University's liquidity and ability to meet cash obligations. There are four categories of cash flow activity:

1. Cash Flows From Operating Activities – the net cash used by operating activities
2. Cash Flows From Non-Capital Financing Activities – the net cash received and spent for non-operating, non-capital financing and non-investing purposes
3. Cash Flows from Capital and Related Financing Activities – the net cash from capital and related financing activities that is used to acquire, construct or improve capital assets
4. Cash Flows from Investing Activities – the net cash from the acquisition and disposition of debt or equity instruments

The sum of the net cash provided (used) by these four activity types is the Increase (Decrease) in Cash and Cash Equivalents.

The final section of the Statement of Cash Flows reconciles the Net Cash Provided (Used) by Operating Activities to the Operating Income (Loss) reflected on the Statement of Revenues, Expenses, and Changes in Net Assets. A summarized comparison of the Statement of Cash Flows at August 31, 2009 and 2008 follows:

Statement of Cash Flows

	<u>2009</u>	<u>2008 As Restated</u>
Net Cash Provided (Used) by:		
Operating Activities	\$(35,721,106.79)	\$(44,148,037.15)
Non-Capital Financing Activities	54,319,686.08	58,538,156.92
Capital and Related Financing Activities	(5,284,309.96)	(3,311,338.06)
Investing Activities	<u>(9,278,989.71)</u>	<u>(8,502,569.26)</u>
Increase (Decrease) in Cash and Cash Equivalents	4,035,279.62	2,576,212.45
Cash and Cash Equivalents, Beginning of Year	<u>70,215,478.61</u>	<u>67,639,266.16</u>
Cash and Cash Equivalents, End of Year	<u>\$ 74,250,758.23</u>	<u>\$ 70,215,478.61</u>

Net Cash Provided (Used) by Operating Activities should be viewed together with Net Cash Provided (Used) by Non-Capital Financing Activities. State appropriations are significant sources of recurring revenue in support of operating expenses, but under Governmental Accounting Standards Board (GASB)

Statement No. 35, they must be classified as Non-Capital Financing Activities instead of Operating Activities.

The change in cash used for Operating Activities of \$8.4 million is attributed to several factors. The University had increased cash flow of approximately \$4.6 million from tuition and fees, \$.8 million from auxiliary enterprises, and \$6.4 from grant and contracts payments. These increases were offset by the cumulative effect of increased expenses of \$7.1 million for salaries and benefits and decreased expenses of \$2.2 for goods and supplies and \$1.9 million for scholarships. Except for the payments for salaries and benefits, these changes in cash flow do not correlate to the income and expenditures related to these categories, but are attributed to timing differences of when amounts are received or paid.

The change in cash flows from Non-Capital Financing Activities of \$4.2 million is primarily attributed to the timing of amounts drawn down from state appropriations. Although there was no significant change in state appropriations from fiscal year 2008 to fiscal year 2009, the timing differences of reimbursements attributed to the \$4.2 million change.

The change of \$2 million in Capital and Related Financing Activities can be attributed to the increase of debt proceeds of \$13.6 million offset by the increase for payments for capital assets of \$16.3 million and increases of proceeds of capital gifts of \$.8 million.

There was no significant change in Cash Flows from Investing Activities.

CAPITAL ASSET AND DEBT ADMINISTRATION

The University continues to improve its campus through development and renewal of its facilities and other capital assets. Capital additions totaled approximately \$35 million in fiscal year 2009, \$19 million in fiscal year 2008, and \$29.3 million in fiscal year 2007.

In fiscal year 2007, the Texas Legislature approved tuition revenue bond funding for \$30.178 million for University educational projects previously authorized but not funded in the 2005 legislative session. These projects included funding for the Early Childhood Research Center and deferred maintenance projects. Tuition revenue bonds of \$20.175 million were issued in March 2008 to finance a portion of the Early Childhood Research Center. An additional \$10.2 million of HEF general obligation bonds were issued in December 2008 to complete the facility. The Early Childhood Research Center, which also houses the Stephen F. Austin State University Charter School, celebrated its grand opening in July 2009. Final payments will be made to the architects and construction managers in fiscal year 2010, at which time this project will be moved to depreciable assets.

The balance of the approved 2007 tuition revenue bond funding of \$10 million bonds for the deferred maintenance projects was issued in fiscal year 2009. In addition, during 2007, the Texas Legislature authorized \$13 million of special tuition revenue bond funding for the University to construct the Richard and Lucille Dewitt School of Nursing facility on property donated by the family to the University. The University issued these tuition revenue bonds for this project in conjunction with the \$10 million for the deferred maintenance projects in January 2009.

Credit ratings assigned to the tuition revenue bonds issued in fiscal year 2009 were Aa2 from Moody's Corporation and AAA from Fitch Ratings, with a "stable" outlook. Credit ratings assigned to the HEF general obligation bonds were AA+ from Standard & Poor's with a stable outlook and AA+ from Fitch Ratings. The Standard & Poor's rating changed from AA to AA+ in fiscal year 2009.

One parcel of real estate adjacent to the University campus was purchased during the year. Total cost for this addition was approximately \$400,000.

Other capital gifts and pledges of approximately \$400,000 were received in fiscal year 2009. They will be used to purchase equipment for the new nursing facility.

ECONOMIC OUTLOOK

Management is not aware of any known facts, decisions, or conditions that are expected to have a material effect on the financial position or results of operations during the fiscal year 2010. Enrollment trends continue to remain positive. Fall 2008 enrollment of 11,990 was the highest headcount in ten years. Fall 2009 enrollment was 12,845, the University's highest recorded enrollment. Campus improvements and increased marketing efforts are expected to have a continued positive impact on enrollment.

Housing for the student body for fall 2009 was at 100 percent capacity. To meet the demands and expectations of students, the University plans to build a new freshman residence hall and parking garage. Administration plans to sell bonds to support this project in the spring of 2010. The estimated project cost is expected to be approximately \$35 million.

SIGNIFICANT EVENTS

Management is not aware of any significant events that impacted the financial statements this year.

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Statement of Net Assets
 For the Fiscal Year Ended August 31, 2009

	2009	2008 as restated
ASSETS		
Current Assets		
Cash and Cash Equivalents:		
Cash on Hand	\$ 930,083.00	\$ 871,812.74
Cash in Bank	41,402,633.45	4,233,332.56
Cash in Transit/Reimburse from Treasury	715,418.80	99,271.31
Cash in State Treasury	1,016,028.34	481,282.27
Cash Equivalents	397,074.02	54,445,434.09
Short Term Investments	16,015,892.05	0.00
Restricted:		
Cash and Cash Equivalents		
Cash in Bank	15,911,377.01	6,986,059.24
Cash Equivalents	13,878,143.61	2,807,476.80
Short Term Investments:		
Proceeds from Bond Sales	2,390,945.35	9,707,334.88
Legislative Appropriations	6,457,043.69	3,610,014.16
Receivables:		
Intergovernmental Receivables:		
Federal	784,471.06	1,222,141.47
State	364,400.01	996,177.47
Interest and Dividends	191,172.91	252,750.28
Student Receivable	7,789,428.65	8,038,232.97
Accounts Receivable	2,669,275.80	2,289,664.02
Gifts/Pledges Receivables	260,000.00	253,550.00
Due From Other Agencies:		
Federal	1,342,930.02	1,425,621.96
State	177,725.91	0.00
Consumable Inventories	533,241.81	544,637.83
Prepaid Items	17,897,914.95	14,739,801.17
Student Loans Receivables	2,151,782.34	2,608,613.50
Total Current Assets	<u>133,276,982.78</u>	<u>115,613,208.72</u>

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Statement of Net Assets
 For the Fiscal Year Ended August 31, 2009

	2009	2008 as restated
Noncurrent Assets		
Restricted:		
Cash Equivalents	0.00	290,809.60
Investments		
Endowments	8,711,490.27	9,181,498.97
Student Loans Receivables	6,272,808.31	6,086,764.84
Allowance for Doubtful Accounts	(934,783.46)	(704,718.49)
Unrestricted:		
Investments:		
Operating	21,467,400.15	20,114,261.56
Quasi-Endowments	4,445,521.28	4,082,180.20
Student Accounts Receivables	6,041,759.69	5,426,100.84
Allowance for Doubtful Accounts	(4,418,902.76)	(4,010,374.06)
Capital Assets, Non-depreciable:		
Land and Land Improvements	7,083,322.11	6,928,322.11
Construction in Progress	37,333,078.91	11,415,080.37
Other Capital Assets	697,419.27	650,144.27
Capital Assets, Depreciable:		
Buildings and Building Improvements	288,797,356.34	282,625,020.30
Less Accumulated Depreciation	(149,177,547.09)	(141,839,213.92)
Infrastructure	10,183,040.07	10,183,040.07
Less Accumulated Depreciation	(5,205,110.90)	(4,635,297.38)
Facilities and Other Improvements	6,586,044.30	6,393,859.30
Less Accumulated Depreciation	(3,820,962.03)	(3,612,359.40)
Furniture and Equipment	19,694,749.66	18,561,716.89
Less Accumulated Depreciation	(14,259,393.52)	(13,766,628.92)
Vehicles, Boats, and Aircraft	4,681,571.81	4,330,492.63
Less Accumulated Depreciation	(3,457,923.56)	(3,406,301.20)
Other Capital Assets	15,444,921.26	15,200,512.15
Less Accumulated Depreciation	(13,177,488.69)	(12,879,706.01)
Total Noncurrent Assets	<u>242,988,371.42</u>	<u>216,615,204.72</u>
Total Assets	<u>376,265,354.20</u>	<u>332,228,413.44</u>

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Statement of Net Assets
 For the Fiscal Year Ended August 31, 2009

	2009	2008 as restated
LIABILITIES		
Current Liabilities:		
Payables:		
Accounts Payable	5,122,114.94	2,989,728.36
Payroll Payable	6,250,472.64	5,784,403.74
Deposits	1,946,647.99	1,416,880.99
Benefits Payable	1,618,030.69	1,592,852.47
Due to Other Agencies	465,235.27	75,472.87
Deferred Revenues:		
Tuition and Fees	36,018,700.63	33,546,338.91
Sales and Services	16,702,960.85	16,332,284.24
Grants and Contracts	570,264.40	664,907.87
Employees' Compensable Leave	479,200.51	397,563.43
Capital Lease Obligations	16,289.03	18,175.27
Revenue Bonds Payable	4,165,000.00	4,000,000.00
Tuition Revenue Bonds Payable	2,365,000.00	1,475,000.00
General Obligation Bonds Payable	870,000.00	0.00
Accrued Bond Interest Payable	2,590,951.43	2,205,051.12
Funds Held for Others	13,926,414.14	10,609,743.24
Payable From Restricted Assets	2,577,255.86	2,907,167.25
Total Current Liabilities	<u>95,684,538.38</u>	<u>84,015,569.76</u>
Noncurrent Liabilities:		
Capital Lease Obligations	22,516.36	27,798.35
Employees' Compensable Leave	2,971,136.07	2,797,319.73
Revenue Bonds Payable	92,410,000.00	96,575,000.00
Tuition Revenue Bonds Payable	50,708,444.32	31,185,000.00
General Obligation Bonds Payable	9,330,000.00	0.00
Total Noncurrent Liabilities	<u>155,442,096.75</u>	<u>130,585,118.08</u>
Total Liabilities	<u>251,126,635.13</u>	<u>214,600,687.84</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	60,177,418.41	50,964,707.43
Restricted for:		
Capital Projects	499,347.13	2,620,479.94
Funds Held as Permanent Investments:		
Non-Expendable	6,558,197.29	6,434,474.01
Expendable	1,886,108.34	2,719,692.56
Other	13,380,256.69	13,829,136.72
Unrestricted	42,637,391.21	41,059,234.94
Total Net Assets	<u>\$ 125,138,719.07</u>	<u>\$ 117,627,725.60</u>

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UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Statement of Revenues, Expenses, and Changes in Net Assets
 For the Fiscal Year Ended August 31, 2009

	<u>2009</u>	<u>2008</u>
Operating Revenues:		
Sales of Goods and Services		
Tuition & Fees - Pledged	\$ 72,088,646.20	\$ 67,239,335.84
Tuition & Fees - Non-Pledged	3,562,407.60	3,436,715.83
Discounts and Allowances	(15,364,145.31)	(13,392,577.70)
Auxiliary Enterprise - Pledged	33,593,430.57	30,791,331.57
Auxiliary Enterprise - Non-Pledged	1,460,297.79	1,152,566.59
Discounts and Allowances	(6,546,047.71)	(5,420,832.24)
Other Sales of Goods and Svcs - Pledged	4,442,240.45	4,428,406.35
Other Sales of Goods and Svcs - Non-Pledged	931,861.85	1,028,787.38
Interest and Investment Income	114,602.65	189,528.85
Federal Revenue	19,914,109.33	17,431,335.02
Federal Pass-Through Rev from Non-State Agency	141,401.93	
Federal Pass-Through Revenue	3,969,012.84	3,321,741.43
State Grant Revenue		837,983.13
State Grant Pass-Through Revenue	6,883,873.70	4,042,864.40
Local Contracts and Grants	824,447.91	595,523.14
Other Contracts and Grants	486,882.12	302,669.88
Other Operating Revenues - Pledged	4,460.37	4,107.67
Total Operating Revenues	<u>126,507,482.29</u>	<u>115,989,487.14</u>
Operating Expenses:		
Cost of Goods Sold	8,865,591.93	7,793,097.40
Salaries and Wages	81,874,368.98	75,959,932.65
Payroll Related Costs	20,911,955.65	19,572,226.46
Professional Fees and Services	1,694,081.27	1,624,462.25
Travel	2,412,500.87	2,278,772.90
Materials and Supplies	14,665,366.68	15,038,190.40
Communication and Utilities	12,624,375.55	11,788,437.97
Repairs and Maintenance	3,193,878.56	3,895,941.33
Rentals and Leases	1,910,739.25	2,110,335.99
Printing and Reproduction	560,396.56	698,274.37
Federal Pass-Through Expenditure	1,104,067.94	1,056,689.99
State Pass-Through Expenditure	27,163.88	0.00
Depreciation	10,014,071.45	9,939,710.39
Bad Debt Expense	251,695.44	317,074.39
Interest Expense	32.16	476.06
Scholarships	13,563,336.67	13,152,370.79
Claims and Settlements	(21,793.32)	250.00
Other Operating Expenses	6,218,698.94	5,681,632.97
Total Operating Expenses	<u>179,870,528.46</u>	<u>170,907,876.31</u>
Operating Income (Loss)	<u>(53,363,046.17)</u>	<u>(54,918,389.17)</u>

See accompanying Notes to the Financial Statements

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Statement of Revenues, Expenses, and Changes in Net Assets
 For the Fiscal Year Ended August 31, 2009

	<u>2009</u>	<u>2008</u>
Non-Operating Revenues (Expenses):		
Legislative Revenue	43,685,586.00	43,677,367.00
Additional Appropriations	10,763,259.61	10,756,380.31
Federal Pass Through Revenue	0.00	0.00
Gifts - Nonpledged	2,682,256.25	2,431,849.99
Gifts - Pledged	202,104.88	35,931.76
Land Income	0.00	3,200.00
Other Rental Income	10,173.60	2,767.59
Investment Income - Pledged	2,447,307.21	2,405,550.47
Investment Income - Non-Pledged	(464,636.62)	290,619.25
Net Increase (Decrease) Fair Value - Pledged	(729,315.06)	325,691.67
Net Increase (Decrease) Fair Value - Nonpledged	(127,361.60)	(496,831.27)
Investing Activities Expenses	(50,578.82)	(80,558.91)
Income on Loans Receivable	103,485.85	(115,694.24)
Interest Income on Capital Investments-Pledged	(15,533.12)	34,097.22
Interest Expenses and Fiscal Charges	(5,397,151.96)	(5,216,737.93)
Gain (Loss) on Sale of Capital Assets	71,023.47	(119,971.47)
Settlement of Claims	68,620.39	(12,219.21)
Other Non-Operating Expenses		(1,615.00)
Total Non-Operating Revenues (Expenses)	<u>53,249,240.08</u>	<u>53,919,827.23</u>
Income (Loss) Before Other Revenues, Expenses, Gains/Losses and Transfers	<u>(113,806.09)</u>	<u>(998,561.94)</u>
Other Revenues, Expenses, Gains/Losses and Transfers		
Capital Contributions	1,422,276.78	372,360.77
Capital Appropriations (Higher Education Fund)	6,907,643.00	7,025,771.00
Additions to Permanent and Term Endowments	123,723.28	136,678.46
Lapsed Appropriations	0.00	(550,000.00)
Transfers In	0.00	0.00
Transfers Out	(828,843.50)	(700,234.90)
Total Other Revenue, Expenses, Gain/Losses and Transfers	<u>7,624,799.56</u>	<u>6,284,575.33</u>
Change in Net Assets	<u>7,510,993.47</u>	<u>5,286,013.39</u>
Net Assets, Beginning of Year	117,670,218.18	113,091,719.44
Restatements	(42,492.58)	(707,514.65)
Net Assets, Beginning of Year, as Restated	<u>117,627,725.60</u>	<u>112,384,204.79</u>
Net Assets, August 31, 2009	<u>\$ 125,138,719.07</u>	<u>\$ 117,670,218.18</u>

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Matrix of Operating Expenses by Function
 For the Fiscal Year Ended August 31, 2009

<u>Operating Expenses</u>	<u>Instruction</u>	<u>Research</u>	<u>Public Service</u>	<u>Academic Support</u>	<u>Student Services</u>	<u>Institutional Support</u>
Cost of Goods Sold	\$ 0.00	\$ 0.00	\$ 56,135.41	\$ 59,087.30	\$ 30,695.99	\$ (26,761.41)
Salaries and Wages	41,340,931.00	3,922,532.32	1,244,956.77	6,417,444.52	8,468,274.88	8,103,887.41
Payroll Related Costs	8,858,861.94	780,312.14	233,719.64	1,415,875.97	1,879,748.25	4,004,172.13
Professional Fees and Services	251,360.74	257,781.65	400,187.22	125,787.77	132,082.83	181,917.34
Travel	396,799.11	284,375.30	54,749.47	502,862.64	805,638.71	162,664.65
Materials and Supplies	2,848,147.63	756,700.68	398,519.55	1,743,562.38	2,007,113.20	1,428,972.96
Communications and Utilities	141,554.08	28,202.26	6,214.38	1,013,260.11	168,210.99	(189,660.19)
Repairs and Maintenance	183,710.76	57,262.64	216,373.76	151,603.21	500,757.33	1,031,851.76
Rentals and Leases	297,132.28	163,238.84	166,263.10	67,637.81	777,870.17	154,963.80
Printing and Reproduction	113,309.81	18,613.68	36,236.63	113,989.40	338,857.32	(274,250.53)
Federal Pass-Through Expenses	0.00	1,101,049.72	3,018.22	0.00	0.00	0.00
State Pass-Through Expense	0.00	27,163.88	0.00	0.00	0.00	0.00
Depreciation	0.00	0.00	0.00	0.00	0.00	0.00
Bad Debt Expense	0.00	0.00	0.00	0.00	251,695.44	0.00
Interest	6.23	0.00	0.00	0.00	0.00	11.34
Scholarships	0.00	0.00	0.00	0.00	0.00	0.00
Claims and Judgments	0.00	0.00	0.00	(21,793.32)	0.00	0.00
Other Operating Expenses	748,324.37	180,773.62	160,559.71	1,175,180.69	1,169,481.43	1,684,232.62
	<u>\$ 55,180,137.95</u>	<u>\$ 7,578,006.73</u>	<u>\$ 2,976,933.86</u>	<u>\$ 12,764,498.48</u>	<u>\$ 16,530,426.54</u>	<u>\$ 16,262,001.88</u>

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Matrix of Operating Expenses by Function
 For the Fiscal Year Ended August 31, 2009

<u>Operating Expenses</u>	<u>Operation and Maintenance of Plant</u>	<u>Scholarships and Fellowships</u>	<u>Auxiliary Enterprises</u>	<u>Depreciation and Amortization</u>	<u>Total Expenses</u>
Cost of Goods Sold	\$ 2,127.26	\$ 0.00	\$ 8,744,307.38	\$ 0.00	\$ 8,865,591.93
Salaries and Wages	4,532,997.36	0.00	7,843,344.72	0.00	81,874,368.98
Payroll Related Costs	1,318,457.84	0.00	2,420,807.74	0.00	20,911,955.65
Professional Fees and Services	122,651.26	0.00	222,312.46	0.00	1,694,081.27
Travel	18,821.90	0.00	186,589.09	0.00	2,412,500.87
Materials and Supplies	3,278,017.57	0.00	2,204,332.71	0.00	14,665,366.68
Communications and Utilities	6,470,777.89	0.00	4,985,816.03	0.00	12,624,375.55
Repairs and Maintenance	(252,599.97)	0.00	1,304,919.07	0.00	3,193,878.56
Rentals and Leases	54,935.75	0.00	228,697.50	0.00	1,910,739.25
Printing and Reproduction	2,374.00	0.00	211,266.25	0.00	560,396.56
Federal Pass-Through Expenses	0.00	0.00	0.00	0.00	1,104,067.94
State Pass-Through Expense	0.00	0.00	0.00	0.00	27,163.88
Depreciation	0.00	0.00	0.00	10,014,071.45	10,014,071.45
Bad Debt Expense	0.00	0.00	0.00	0.00	251,695.44
Interest	14.59	0.00	0.00	0.00	32.16
Scholarships	0.00	13,563,336.67	0.00	0.00	13,563,336.67
Claims and Judgments	0.00	0.00	0.00	0.00	(21,793.32)
Other Operating Expenses	543,284.95	0.00	556,861.55	0.00	6,218,698.94
	<u>\$ 16,091,860.40</u>	<u>\$ 13,563,336.67</u>	<u>\$ 28,909,254.50</u>	<u>\$ 10,014,071.45</u>	<u>\$ 179,870,528.46</u>

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Statement of Cash Flows
 For the Fiscal Year Ended August 31, 2009

	2009	2008 as restated
Cash Flows From Operating Activities		
Proceeds Received from Tuition and Fees	\$ 62,800,944.38	\$ 58,218,613.60
Proceeds Received from Auxiliary Services	28,878,357.26	28,045,268.53
Proceeds Received from Other Sales and Services	5,385,498.32	5,411,044.49
Proceeds from Grants and Contracts	32,028,117.45	25,616,095.14
Proceeds from Interest Income	114,602.65	189,528.85
Proceeds from Other Revenues	4,460.37	4,107.67
Payments to Suppliers for Goods and Services	(50,392,854.81)	(52,576,553.28)
Payments to Employees for Salaries	(81,152,846.66)	(75,519,888.01)
Payments to Employees for Benefits	(20,886,777.43)	(19,368,272.54)
Proceeds (Payments) of Loans Issued to Students and Employees	352,643.07	(692,320.66)
Proceeds from Other Activities	21,793.32	321,605.62
Payments to Students for Scholarships	(12,875,012.55)	(13,796,790.50)
Payments for Interest Expense	(32.16)	(476.06)
Net Cash Provided (Used) by Operating Activities	<u>(35,721,106.79)</u>	<u>(44,148,037.15)</u>
Cash Flows from Noncapital Financing Activities		
Proceeds from State Appropriations	51,601,816.08	56,076,328.13
Proceeds from Gifts	2,884,361.13	2,467,781.75
Payments of Transfers to Other Agencies	(828,843.50)	(700,234.90)
Proceeds (Payments) for Claims and Settlements	68,620.39	(12,219.21)
Payments for Other Expenses	-	(1,615.00)
Proceeds from the Sale of Endowment Investments	593,731.98	708,116.15
Net Cash Provided (Used) by Noncapital Financing Activities	<u>54,319,686.08</u>	<u>58,538,156.92</u>
Cash Flows from Capital and Related Financing Activities		
Proceeds from Sale of Capital Assets	71,023.47	43,142.50
Proceeds from Debt Issuance	33,780,145.60	20,182,756.68
Proceeds from State Appropriations-Higher Education Funds (HEF)	6,907,643.00	7,025,771.00
Proceeds from Capital Grants and Gifts	1,415,826.78	568,810.77
Proceeds from Other Financing Activities	-	3,200.00
Proceeds from Other Rental Income	10,173.60	2,767.59
Proceeds from Interest on Capital Investments	-	34,097.22
Payments for Additions to Capital Assets	(35,268,468.13)	(18,994,918.53)
Payments of Principal on Capital Debt	(7,209,803.23)	(7,168,577.38)
Payments of Interest on Capital Debt	(4,990,851.05)	(5,008,387.91)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(5,284,309.96)</u>	<u>(3,311,338.06)</u>
Cash Flows from Investing Activities		
Payments for the Purchase of Investments	(17,732,371.72)	(1,153,990.00)
Proceeds from Interest Income from Investments	1,993,669.14	2,529,895.22
Net Increase (Decrease) in Fair Value	(856,676.66)	(171,139.60)
Proceeds (Payments) from Redemption of Bond Investments	7,316,389.53	(9,707,334.88)
Net Cash Provided (Used) by Investing Activities	<u>(9,278,989.71)</u>	<u>(8,502,569.26)</u>
Increase (Decrease) in Cash and Cash Equivalents	<u>\$ 4,035,279.62</u>	<u>\$ 2,576,212.45</u>

See accompanying Notes to the Financial Statements

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Statement of Cash Flows
 For the Fiscal Year Ended August 31, 2009

	2009	2008 as restated
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ (53,363,046.17)	\$ (54,918,389.17)
Amortization and Depreciation	10,014,071.45	9,939,710.39
Bad Debt Expense	251,695.44	317,074.39
Operating Income and Cash Flow Categories		
Changes in Current Assets and Liabilities		
(Increase) Decrease in Legislative Appropriations	(2,847,029.53)	2,192,580.82
(Increase) Decrease in Receivables	932,190.41	(79,491.01)
(Increase) Decrease in Inventories	11,396.02	(46,149.24)
(Increase) Decrease in Loans to Students	560,317.01	117,255.43
(Increase) Decrease in Prepaid Expenses	(3,158,113.78)	(1,199,949.62)
(Increase) Decrease in Due from Other Agencies	(95,033.97)	(1,353,410.16)
Increase (Decrease) in Payables	2,823,489.31	(27,767.05)
Increase (Decrease) in Due to Other Agencies	389,762.40	75,472.87
Increase (Decrease) in Deferred Income	2,748,394.86	3,629,392.96
Increase (Decrease) in Compensated Absences	81,637.08	73,666.05
Increase (Decrease) in Current Portion of Bonds Payable	2,310,900.31	1,158,350.02
Increase (Decrease) in Assets Held for Others	3,316,670.90	453,768.76
Changes in Non-Current Assets and Liabilities		
Increase (Decrease) in Compensated Absences	173,816.34	192,525.40
Increase (Decrease) in Deposits Payable	-	321,855.62
(Increase) Decrease in Student Receivables	(228,760.62)	(637,576.68)
(Increase) Decrease in Loans to Students	(186,043.47)	(809,576.09)
Cash Reported in Other Categories		
Increase (Decrease) in Legislative Appropriations	2,847,029.53	(2,192,580.82)
Increase (Decrease) of Gifts Receivable	6,450.00	(196,450.00)
(Increase) Decrease in Current Portion of Bonds Payable	(2,310,900.31)	(1,158,350.02)
Net Cash Provided (Used) by Operating Activities	<u>\$ (35,721,106.79)</u>	<u>\$ (44,148,037.15)</u>
Cash and Cash Equivalents, August 31, 2008	\$ 70,215,478.61	\$ 67,639,266.16
Increase (Decrease) in Cash and Cash Equivalents	<u>4,035,279.62</u>	<u>2,576,212.45</u>
Cash and Cash Equivalents, August 31, 2009	<u>\$ 74,250,758.23</u>	<u>\$ 70,215,478.61</u>
Displayed as:		
Cash on Hand	\$ 930,083.00	\$ 871,812.74
Cash in Bank	41,402,633.45	4,233,332.56
Cash in Transit/Reimb. Due from Treasury	715,418.80	99,271.31
Cash in State Treasury	1,016,028.34	481,282.27
Cash Equivalents	397,074.02	54,445,434.09
Cash in Bank, Restricted	15,911,377.01	6,986,059.24
Cash Equivalents, Restricted	13,878,143.61	2,807,476.80
Non-Current Cash Equivalents, Restricted	-	290,809.60
	<u>\$ 74,250,758.23</u>	<u>\$ 70,215,478.61</u>

See accompanying Notes to the Financial Statements

NOTE 1: Summary of Significant Accounting Policies

Entity

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

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

The University has six related entities. The University has determined no related entity is a reportable component unit of Stephen F. Austin State University. These related entities are listed in Note 19.

Blended Component Units

No component unit has been identified which should be reported as a blended unit.

Discretely Presented Component Units

No component unit has been identified which should be discretely presented.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* and Statement No. 35, *Basic Financial Statements— and Management's Discussion and Analysis— for Public Colleges and Universities*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in these Statements. 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.

Fund Structure

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

Proprietary Fund Type

Enterprise 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.

Fiduciary Fund Types

Fiduciary Funds account for assets held by the University in a trustee capacity or as an agent for individuals, private organizations, and/or other governments.

Agency Funds

Agency Funds are used to account for assets the University 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. These funds are recognized on the Statement of Net Assets in Restricted Cash and Funds Held for Others.

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.

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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 result from providing services or producing and delivering goods in connection with the Proprietary Funds principal ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets, and other expenses.

Budget and Budgetary Accounting

The State of Texas budget is prepared biennially and represents appropriations authorized by the Legislature and approved by the Governor through the General Appropriations Act. Additionally, the University prepares an annual budget which represents anticipated sources of revenue and authorized uses. This budget is approved by the Board of Regents. Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

Assets, Liabilities, and 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. The cost of these items is expensed when the items are sold or consumed.

Deferred Charges

Deferred charges include prepaid expenses attributable to a subsequent fiscal year, including scholarships attributed to the 2009 fall semester.

Capital Assets

Equipment with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year is capitalized. Buildings, infrastructure, facilities and other assets are capitalized when they meet thresholds set by the State. These assets are capitalized at cost or, if not purchased, at appraised fair value on the date of acquisition. Depreciation is reported on all "exhaustible" assets. "Inexhaustible" assets such as works of art and historical treasures are not depreciated. Assets are depreciated over the estimated useful life of the asset using the straight-line method of depreciation.

Current Receivables

Current receivables are specified in the Statement of Net Assets. They include amounts that are reasonably expected to be received in fiscal year 2009.

Non-current Receivables

Non-current receivables are those receivables that are not expected to be collected within one year. Included in this category are student accounts receivables and loan receivables that are not expected to be received during fiscal year 2009.

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.

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 becomes "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 non-current in the Statement of Net Assets. These obligations are normally paid from the same funding source from which the employee's salary or wage compensation was paid.

Capital Lease Obligations

Capital Lease Obligations represent the liability for future lease payments under capital lease contracts contingent upon the continued appropriation funding by the Legislature. Liabilities are reported separately in the Statement of Net Assets as either current, for the amounts due within one year, or non-current, for the amounts due thereafter.

Bonds Payable - Revenue Bonds

The principal of revenue bonds is reported separately in the Statement of Net Assets as either current, for the amounts due within one year, or non-current, for the amounts due thereafter. Bonds payable are recorded at par. Interest expense is reported on the accrual basis.

Bonds Payable - Tuition Revenue Bonds

The principal of tuition revenue bonds is reported separately in the Statement of Net Assets as either current, for the amounts due within one year, or non-current, for the amounts due thereafter. Bonds payable are recorded at par. Interest expense is reported on the accrual basis.

Bonds Payable - General Obligation Bonds

The principal of general obligation bonds is reported separately in the Statement of Net Assets as either current, for the amounts due within one year, or non-current, for the amounts due thereafter. Bonds payable are recorded at par. Interest expense is reported on the accrual basis.

NET ASSETS

The difference between fund assets and liabilities is "Net Assets" on the proprietary fund statements.

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

INTERFUND ACTIVITIES AND BALANCES

The University has the following types of transactions among state appropriated funds and other state agencies:

- Transfers: Legally required transfers that are reported when incurred as "Transfers In" by the recipient fund or state agency and as "Transfers Out" by the disbursing fund or state agency.

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- 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."
- 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 activities and balances are presented in Note 12.

NOTE 2: Capital Assets

A summary of changes in Capital Assets for the year ended August 31, 2009, is presented below:

BUSINESS-TYPE ACTIVITIES	Balance 09/01/08	Restatements	Reclassifications Completed CIP	Additions	Deletions	Balance 08/31/09
Non-Depreciable Assets						
Land and Land Improvements	\$ 6,928,322.11	\$ -	\$ -	\$ 155,000.00	\$ -	\$ 7,083,322.11
Construction in Progress	11,415,080.37	-	(3,411,344.00)	29,329,342.54	-	37,333,078.91
Other Assets	650,144.27	-	-	47,275.00	-	697,419.27
Total Non-Depreciable Assets	18,993,546.75	-	(3,411,344.00)	29,531,617.54	-	45,113,820.29
Depreciable Assets						
Buildings and Bldg Improvements	283,414,626.65	(789,606.35)	3,411,344.00	2,760,992.05	-	283,797,356.34
Infrastructure	10,183,040.07	-	-	-	-	10,183,040.07
Facilities & Other Improvements	6,393,859.30	-	-	192,185.00	-	6,586,044.30
Furniture and Equipment	18,567,887.95	(6,171.06)	-	1,936,080.54	(803,047.78)	19,694,749.66
Vehicle, Boats & Aircraft	4,330,492.63	-	-	592,760.42	(241,681.24)	4,681,571.81
Other Assets	15,220,787.14	-	-	305,209.11	(81,074.99)	15,444,921.26
Total Depreciable Assets at Historical Costs	338,110,693.74	(795,777.41)	3,411,344.00	5,787,227.12	(1,125,804.01)	345,387,683.44
Less Accumulated Depreciation for:						
Buildings and Improvements	(142,589,339.97)	750,126.05	-	(7,338,333.17)	-	(149,177,547.09)
Infrastructure	(4,635,297.38)	-	-	(569,813.52)	-	(5,205,110.90)
Facilities & Other Improvements	(3,612,359.40)	-	-	(208,602.63)	-	(3,820,962.03)
Furniture and Equipment	(13,769,787.70)	3,158.78	-	(1,287,782.15)	795,017.55	(14,259,393.52)
Vehicles, Boats & Aircraft	(3,406,301.20)	-	-	(291,329.14)	239,706.78	(3,457,923.56)
Other Capital Assets	(12,899,981.00)	-	-	(318,210.84)	40,703.15	(13,177,488.69)
Total Accumulated Depreciation	(180,913,066.65)	753,284.83	-	(10,014,071.45)	1,075,427.48	(189,098,425.79)
Depreciable Assets, Net	157,197,627.09	(42,492.58)	3,411,344.00	(4,226,844.33)	(50,376.53)	156,289,257.65
Business-Type Activities Capital Assets, Net	\$ 176,191,173.84	\$(42,492.58)	\$ -	\$ 25,304,773.21	\$ (50,376.53)	\$ 201,403,077.94

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

As of August 31, 2009, the carrying amount of deposits was \$81,548,229.16 as presented below:

Business-Type Activities

CASH IN BANK – CARRYING VALUE	\$81,548,229.16
Less: Certificates of Deposit included in carrying value and reported as non-current investments	24,234,218.70
Less: Uninvested Securities Lending Cash Collateral included in carrying value and reported as Securities Lending Collateral	0.00
Less: Securities Lending CD Collateral included in carrying value and reported as Securities Lending Collateral	0.00
Cash in Bank per AFR	\$57,314,010.46
Proprietary Funds Current Assets Cash in Bank	\$41,402,633.45
Proprietary Funds Current Assets Restricted Cash in Bank	15,911,377.01
Proprietary Funds Non-Current Restricted Cash in Bank	0.00
Cash in Bank per AFR	\$57,314,010.46

These amounts consist of all cash in local banks. These amounts are included on the Statement of Net Assets as part of the "Cash and Cash Equivalents" accounts, except for the certificates of deposit which are included in non-current investments.

As of August 31, 2009, the total bank balance was as follows:

Business-Type Activities	\$83,596,120.01	Fiduciary Funds	\$0.00
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Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the University will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Stephen F. Austin State University Board Policy C-41, *Investments*, states that all deposits shall be secured by a pledge or collateral with a market value equal to no less than 100% of the deposits less any amount insured by the FDIC or FSLIC and pursuant to Article 2529d, the Public Funds Collateral Act. Evidence of the pledged collateral associated with bank demand accounts shall be maintained by the University Controller.

Amounts insured by the FDIC were \$2,364,322.33. There were no violations of legal provisions during the fiscal year. The bank balances at August 31, 2009 that are exposed to custodial credit risks are as follows:

Uninsured and uncollateralized	Uninsured and collateralized with securities held by the pledging financial institution	Uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the University's name
\$0.00	\$81,231,797.68	\$0.00

Investments

The fair value of the University's investments as of August 31, 2009 is presented below:

Business-Type Activities	Fair Value
U.S. Government	
U.S. Treasury Securities	\$2,641,091.90
U.S. Government Agency Obligations (Ginnie Mae, Fannie Mae, Freddie Mac)	5,640,479.40
Corporate Obligations	1,991,170.07
Equity	3,448,616.46
International Obligations (Government and Corporate)	399,703.31
International Equity	895,592.68
Fixed Income Money Market and Bond Mutual Fund	26,408,047.77
Other Commingled Funds (Texpool)	397,074.02
Alternative Investments	1,250,472.42
Total	\$43,072,248.03

Displayed on Statement of Net Assets as:	
Current Assets:	
Cash Equivalents	\$397,074.02
Short-Term Investments: Certificates of Deposit	16,015,892.05
Restricted Cash Equivalents	13,878,143.61
Restricted Short-Term Investments	2,390,945.35
Non-Current Assets:	
Restricted:	
Investments: Endowments	8,711,490.27
Unrestricted:	
Investments: Quasi-Endowments	4,445,521.28
Investments: Operating	21,467,400.15
Subtotal	67,306,466.73
Less: Certificates of Deposit	24,234,218.70
Total	\$43,072,248.03

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Stephen F. Austin State University Board Policy C-41, *Investments*, limits investments in the following: bankers acceptances must be rated not less than A-1 or P-1 or equivalent by at least one nationally recognized credit rating agency; commercial paper must be rated not less than A-1 or P-1 or equivalent by at least two nationally recognized credit rating agencies or one nationally recognized credit rating agency and fully secured by an irrevocable letter of credit issued by a bank.

As of August 31, 2009, the Standard & Poor's credit quality ratings of the University's investments by type of securities with credit risk exposure was as follows:

Investment Type	AAA	AA	A	NR
U.S. Government Agency Obligations (Excludes obligations explicitly guaranteed by the U.S. Government)	\$5,640,479.40	\$0.00	\$0.00	\$0.00
U.S. Government Agency Obligations (Texas Treasury Safekeeping Trust Co)	0.00	0.00	0.00	0.00
Corporate Obligations	917,709.48	413,956.52	659,504.07	0.00
Corporate Asset and Mortgage Backed Securities	0.00	0.00	0.00	0.00
International Obligations	87,548.10	312,155.21	0.00	0.00
Repurchase Agreements	0.00	0.00	0.00	0.00
Alternative Investments	0.00	0.00	0.00	1,250,472.42
	AAAf	AAf	Unrated	
Fixed Income Money Market and Bond Mutual Fund	\$0.00	\$0.00	\$26,408,047.77	
	A-1	A-2	A-3	
Commercial Paper	\$0.00	\$0.00	\$0.00	

Concentration of credit risk is the risk of loss attributable to the magnitude of investment in a single issuer. As of August 31, 2009, the University's concentration of credit risk is immaterial to any single issuer.

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, 2009, the University was not participating in reverse repurchase agreements.

Securities Lending

In securities lending transactions, governmental entities transfer their securities to broker-dealers and other entities for collateral-which may be cash, securities or letters of credit- and simultaneously agree to return the collateral for the same securities in the future. The University did not participate in securities lending transactions during fiscal year 2009.

Derivative Investing

Derivatives are generally defined as contracts whose value depends on, or derives from, the value of an underlying asset, reference rate or index. Derivative securities cover a broad range of financial instruments including forward contracts, futures, options, interest rate swaps and collateralized mortgage obligations. The University did not participate in derivative investing transactions during fiscal year 2009.

NOTE 4: Short-Term Debt

The University had no short-term debt as of August 31, 2009.

NOTE 5: Summary of Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended August 31, 2009, the following changes occurred in liabilities:

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Business-Type Activities	Balance 09/01/08	Additions	Reductions	Balance 08/31/09	Amounts Due Within One Year	Amounts Due Thereafter
Revenue Bonds Payable	\$100,575,000.00	\$0.00	\$4,000,000.00	\$96,575,000.00	\$4,165,000.00	\$92,410,000.00
Tuition Revenue Bonds Payable	32,660,000.00	23,603,444.32	3,190,000.00	53,073,444.32	2,365,000.00	50,708,444.32
General Obligation Bonds	0.00	10,200,000.00	0.00	10,200,000.00	870,000.00	9,330,000.00
Capital Lease Obligations	45,973.62	12,635.00	19,803.23	38,805.39	16,289.03	22,516.36
Employees' Compensable Leave	3,194,883.16	578,562.16	323,108.74	3,450,336.58	479,200.51	2,971,136.07
Total Business-Type Activities	\$136,475,856.78	\$34,394,641.48	\$7,532,911.97	\$163,337,586.29	\$7,895,489.54	\$155,442,096.75

Claims and Judgments

The University had no unpaid settlements or judgments as of August 31, 2009.

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 in the Statement of Net Assets. No liability is recorded for sick pay benefits.

NOTE 6: Bonds

Bonds Payable

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

General information related to bonds payable is summarized below:

Board of Regents of 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:
 - Pledged Student Tuition
 - Other Pledged Revenues
- Changes in Debt: Principal paid during fiscal year \$280,000; Outstanding at year end \$3,685,000.

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Board of Regents of 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
- Changes in Debt: Principal paid during fiscal year \$1,000,000; Outstanding at year end \$1,000,000.

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

- To provide funds for construction of a facility to replace the Birdwell Building, construction of a new Telecommunications and Networking building, renovations to Power Plant, and renovations to existing structures at the University.
- Issued 7-9-02.
- \$14,070,000; All authorized bonds have been issued.
- Source of revenue for debt service:
 - Pledged Student Tuition
 - Other Pledged Revenues
- Changes in Debt: Principal paid during fiscal year \$575,000; Outstanding at year end \$10,515,000.

Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System 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:
 - Pledged Student Tuition
 - Other Pledged Revenues
- Changes in Debt: Principal paid during fiscal year \$180,000; Outstanding at year end \$375,000.

Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds - Series 2004

- To provide funds for renovation and expansion, and equipment for, the Student Center.
- Issued 2-18-04.
- \$26,030,000; All authorized bonds have been issued.
- Source of revenue for debt service:
 - Pledged Student Tuition
 - Pledged Student Center Fees
 - Other Pledged Revenues
- Changes in Debt: Principal paid during fiscal year \$990,000; Outstanding at year end \$22,205,000.

Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds - Series 2004(A)

- To provide funds to construct a 400-space parking garage adjacent to the Student Center.
- Issued 8-17-04.
- \$5,460,000; All authorized bonds have been issued.
- Source of revenue for debt service:
 - Pledged Student Tuition
 - Pledged Student Center Fees
 - Other Pledged Revenues
- Changes in Debt: Principal paid during fiscal year \$205,000; Outstanding at year end \$4,690,000.

Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds - Series 2005

- To provide funds to construct a new student residence hall and associated parking garage; and to pay the costs related to the issuance of the Bonds.

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- Issued 6-23-05.
- \$17,215,000; All authorized bonds have been issued.
- Source of revenue for debt service: Pledged Revenues consisting of Unrestricted Current Funds Revenues excluding: remissions, governmental appropriations and gifts, grants and contracts within the Educational and General Fund Group; Higher Education Funds; and student service fees and private gifts in the Auxiliary Fund Group.
- Changes in Debt: Principal paid during fiscal year \$630,000; Outstanding at year end \$15,390,000.

Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds - Series 2005(A)

- To provide funds to construct a new student residence hall and associated parking garage; to construct a new student recreational center and to pay the costs related to the issuance of the Bonds.
- Issued 11-02-05.
- \$55,365,000; All authorized bonds have been issued.
- Source of revenue for debt service: Pledged Recreational Sports Fee
- Other Pledged Revenues consisting of Unrestricted Current Funds Revenues excluding: remissions, governmental appropriations and gifts, grants and contracts within the Educational and General Fund Group; Higher Education Funds; and student service fees and private gifts in the Auxiliary Fund Group.
- Changes in Debt: Principal paid during fiscal year \$995,000; Outstanding at year end \$52,915,000.

Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds – Series 2008

- To provide funds to construct a new early childhood research center which will provide an Early Childhood laboratory for the College of Education and a charter school campus.
- Issued 03-04-08.
- \$20,175,000; All authorized bonds have been issued.
- Source of revenue for debt service: Pledged revenues consisting of Unrestricted Current Fund Revenues excluding: remissions, governmental appropriations and gifts, grants and contracts within the Educational and General Fund Group; Higher Education Funds; and student service fees and private gifts in the Auxiliary Fund Group.
- Changes in Debt: Principal paid during fiscal year \$620,000; Outstanding at year end \$16,985,000.

State of Texas Constitutional Appropriation Bonds Stephen F. Austin State University – Series 2008

- To provide a portion of the funds to complete construction and equipment the Early Childhood Research Center and pay certain costs related to the issuance of the Bonds.
- Issued 12-18-08.
- \$10,200,000; All authorized bonds have been issued.
- Source of revenue for debt service: Pledged revenues consisting of Higher Education Funds.
- Changes in Debt: Issued during fiscal year \$10,200,000; Principal paid during fiscal year \$0; Outstanding at year end \$10,200,000.

Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds – Series 2009

- To provide funds to construct a new nursing facility expansion and provide campus wide deferred maintenance to multiple buildings.
- Issued 02-04-09.
- \$22,994,575; All authorized bonds have been issued.
- Source of revenue for debt service: Pledged revenues consisting of Unrestricted Current Fund Revenues excluding: remissions, governmental appropriations and gifts, grants and contracts within the Educational and General Fund Group; Higher Education Funds; and student service fees and private gifts in the Auxiliary Fund Group.
- Changes in Debt: Issued during fiscal year \$23,597,628.10; Interest Accreted \$5,816.22; Principal paid during fiscal year \$1,715,000; Outstanding at year end \$21,888,444.32.
- Revenue Financing System Bonds issued include a Serial Bond of \$1,715,000, a Capital Appreciation Bond (CAB) of \$209,575, and Current Interest Serial Bonds of \$21,040,000. The CAB matures October 15, 2010 at \$830,000. CAB bond proceeds include \$603,053.10 of bond premium in addition to the par value

of \$209,575 for a total issue price of \$812,628.10. The CAB Bonds have interest accretion of \$17,371.90, of which \$11,555.68 has not been accreted as of August 31, 2009.

Advance Refunding Bonds

No bonds were advance refunded during the year.

NOTE 7: Capital Leases

The University has entered into long-term leases for financing the purchase of certain capital 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, 2009:

Assets Under Capital Leases	Business-Type Activities
Furniture and Equipment	\$893,776.74
Less: Accumulated Depreciation	826,879.02
Vehicles	375,000.00
Less: Accumulated Depreciation	231,250.00
Total	\$210,647.72

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	Total
2010	\$16,289.03	\$1,965.33	\$18,254.36
2011	12,946.54	1,095.84	14,042.38
2012	4,274.18	479.74	4,753.92
2013	4,554.76	206.51	4,761.27
2014	740.88	8.59	749.47
2015-2019	0.00	0.00	0.00
Total Minimum Lease Payments	\$38,805.39	\$3,756.01	\$42,561.40
Less: Amount Representing Interest at Various Rates			3,756.01
Present Value of Net Minimum Lease Payments			\$38,805.39

NOTE 8: Operating Lease Obligations

Included in the expenditures reported in the financial statements are the following amounts of rent paid or due under operating leases:

Fund Type	Amount
Enterprise Fund	\$363,310.28

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	
2010	\$343,596.29
2011	244,255.72
2012	163,407.07

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2013	81,536.18
2014	34,119.05
2015-2019	0.00

NOTE 9: Retirement Plans

The State of Texas has joint contributory retirement plans for all of its benefits-eligible 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 6.4% and 6.4 %, respectively, of annual compensation. TRS 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 TRS' annual financial report.

The State has also established an optional retirement program (ORP) for institutions of higher education for certain administrative personnel and faculty. Participation in the optional retirement program is in lieu of participation in TRS, and the selection to participate in ORP must be made in the first 90 days of eligibility. The optional retirement program allows participants to select from a variety of companies for the purchase of annuity contracts or to invest in mutual funds. The contributory percentages on salaries for participants entering the program prior to September 1, 1995 are 8.5% and 6.65% by the State and each participant, respectively. The State's contribution is comprised of 6.4% from the ORP appropriation and 2.10% from other funding sources. The 6.4% contribution is mandatory with the other 2.10% being at the discretion of the Board. The Board has approved the additional contributions for these employees. The contributory percentages on salaries for participants entering the program after August 31, 1995, are 6.4% and 6.65% by the State and each participant, respectively. Since these are individual annuity contracts or mutual fund investments, the University has no additional or unfunded liability for this program.

GASB 27, paragraph 27(d) requires that university system offices and independent universities that administer the ORP must disclose the amounts contributed by members and by the employer for that plan. The amount contributed by the University employees for the 2009 fiscal year was \$2,006,468.00 and the amount contributed by the University was \$2,240,786.52.

NOTE 10: 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 Employees Retirement System of Texas. The assets of these plans do not belong to the university or the state and thus do not have a liability related to this plan.

NOTE 11: Postemployment Health Care and Life Insurance Benefits - (Not Applicable)

NOTE 12: Interfund Activity and Transactions

As explained in Note 1 on Interfund Activities and Balances, there are numerous transactions between funds and agencies. 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

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Notes to the Financial Statements
August 31, 2009

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, 2009, follows:

	Due From Other Agencies	Due To Other Agencies	Source
ENTERPRISE FUND (05)			
Appd Fund 5015, D23 Fund 5015			
Agency 601, D23 Fund 5015	\$4,468.10		State Pass Through
ENTERPRISE FUND (05)			
Appd Fund 9999, D23 Fund 7999			
Agency 781, D23 Fund 0001		\$101,064.46	State Pass Through
Agency 781, D23 Fund 0824		46,712.27	State Pass Through
Agency 781, D23 Fund 0001		16,235.46	Federal Pass Through
Agency 754, D23 Fund 7999		3,018.22	Federal Pass Through
Agency 724, D23 Fund 7999		108,218.10	Federal Pass Through
Agency 701, D23 Fund 0193		189,986.76	State Pass Through
Agency 771, D23 Fund 0148	82,516.29		Federal Pass Through
Agency 401, D23 Fund 0449	1,085,666.64		Federal Pass Through
Agency 405, D23 Fund 0092	4,429.52		Federal Pass Through
Agency 530, D23 Fund 0001	31,311.33		Federal Pass Through
Agency 580, D23 Fund 4831	23,449.78		State Pass Through
Agency 580, D23 Fund 0001	14,967.85		State Pass Through
Agency 701, D23 Fund 0148	74,879.77		State Pass Through
Agency 802, D23 Fund 0095	10,625.10		State Pass Through
Agency 802, D23 Fund 5043	68,448.09		State Pass Through
Agency 802, D23 Fund 0921	31,301.98		State Pass Through
Agency 802, D23 Fund 0920	3,527.90		State Pass Through
Agency 802, D23 Fund 0931	32,872.73		Federal Pass Through
Agency 802, D23 Fund 0951	49,660.25		Federal Pass Through
Agency 907, D23 Fund 0515	2,530.60		State Pass Through
Total Due From/To Other Agencies	\$1,520,655.93	\$465,235.27	

	Transfer In	Transfer out	Purpose (Disclosure Required)
ENTERPRISE FUND (05)			
Agency 781, D23 Fund 0001		\$1,832.00	Doctoral Set-Aside
Total Transfers for Fund 0261		1,832.00	
ENTERPRISE FUND (05)			
Appd Fund 5103, D23 Fund 5103			
Agency 781, D23 Fund 5103		827,011.50	Texas B-On-Time
Total Transfers for Fund 5103		827,011.50	
Total Transfers		\$828,843.50	

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

NOTE 13: Continuance Subject to Review - (Not Applicable)

NOTE 14: Adjustments to Fund Balance/Net Assets

In 2009, the University replaced various components of certain depreciable assets, including building, furniture and equipment and library books. These adjustments are reported in Note 2. These replacements resulted in an adjustment to Net Assets, Invested in Capital Assets, Net of Related Debt totaling \$42,492.58. This restatement

is in accordance with guidelines established by the State Property Accounting Division of the Comptroller of Public Accounts for the replacement of integral parts of buildings and equipment.

NOTE 15: Contingent Liabilities

As of August 31, 2009, there were no lawsuits pending; however, some miscellaneous claims involving the University were pending. While the ultimate liability with respect to pending 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 16: Subsequent Events

In July, 2009 the Board of Regents authorized the administration to seek project approval from the Texas Higher Education Coordinating Board (THECB) to issue revenue financing bonds for the construction of a new freshman residence hall and parking garage at a cost not to exceed \$35,000,000. On August 20, 2009 the THECB granted approval for a parking garage at a cost of \$11,105,000 to be funded from auxiliary enterprise revenues. Then, on August 21, 2009 the THECB granted approval for a freshman residence hall at a cost of \$22,730,000 to be funded as well from auxiliary enterprise revenues. The administration is currently seeking approval from the Texas Public Finance Authority and Bond Review Board for bond issuance for the financing of this entire project.

At its May, 2009 board meeting, the Board of Regents selected Siemens Corporation to conduct an energy audit and present an energy performance contract proposal to the university. Authority was given to the administration, after the plan is finalized, to obtain third party review of the Siemens energy audit and seek approval from the Texas Higher Education Coordinating Board for the energy performance contract at a cost not to exceed \$20,000,000. The State Energy Conservation Office (SECO) currently finances energy performance contracts up to \$10,000,000 at an interest rate of three percent. In addition, federal stimulus funds have been earmarked for SECO distribution and the university plans to apply for this funding source. At the October 2009 meeting, the Board of Regents approved the project scope at a cost not to exceed \$18,000,000 depending on the funding.

NOTE 17: 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). SORM assesses the University an amount for the insurance coverage in accordance with 28 T.A.C. 251.507. An Interagency Contract in the amount of \$186,365.38 was executed on behalf of the University for Worker's Compensation Insurance during the year ended August 31, 2009. A mid-year assessment adjustment in the amount of \$52,676.70 for 2009 was paid in May 2009 and recorded as an increase in current year expenditures.

Provision for Health and Other Medical Benefits: Employees of the University are eligible for health insurance and optional coverage(s) if they are employed at least 50 percent time. The coverage is provided through the State, under the Texas Employees Group Benefits Program (GBP), which is administered by Blue Cross Blue Shield of Texas. Eligible employees may select health, dental, life, accidental death and dismemberment, dependent life, and long and short-term disability coverage. All risks associated with these benefits are passed to the GBP. The costs of health insurance coverage are jointly paid by the State and the University as follows: 100% for full-time employees and 50% for their dependents; 50% for part-time employees and 25% for their dependents. Employees hired on or after September 1, 2003 have a 90-day waiting period to participate in health insurance coverage. Contributions made by the State on behalf of the University for health and other medical benefits were \$5,508,131.00 for the year ended August 31, 2009.

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. In fiscal year 2009, there were no damage claims.

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 \$25,000 per injured person, up to a total of \$50,000 for everyone injured in an accident (bodily injury) and \$25,000 for property damage. However, the University has chosen to carry liability insurance on its licensed vehicles in the amount of \$250,000/\$500,000/\$100,000. The University also carries physical damage for vehicles six years and newer. One vehicle, a 56-passenger bus, carries a \$1,000,000 limit per contractual requirements. The annual premium was \$67,734.50 with a deductible paid of \$34,965.36.

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 18: Management Discussion and Analysis

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NOTE 19: The Financial Reporting Entity and Joint Ventures

The University is an agency of the State of Texas. The ten members of its Board of Regents are appointed by the Governor, and include one non-voting student Regent. The University has no component units or joint ventures.

Six entities exist to benefit the University: Stephen F. Austin State University Foundation, Inc.; SFA Real Estate Foundation, Inc.; Stephen F. Austin State University Alumni Association, Inc.; Stephen F. Austin State University Alumni Foundation, Inc.; Stephen F. Austin State University Tip-In Club; and, Stephen F. Austin State University Quarterjack Club. 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 Statement 14, *The Financial Reporting Entity*, and GASB Statement 39, *Determining Whether Certain Organizations Are Component Units*. 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. The University's Vice President for Development serves as the Executive Director of the Foundation and the University's President may serve as an ex officio, non-voting member of the Foundation's Board of Trustees. The University provides personnel, office space, equipment and supplies as necessary for the Foundation to carry out its responsibilities and activities.

The SFA Real Estate Foundation, Inc. is a non-profit organization with the sole purpose of supporting the mission of the University. It receives, holds, manages, and controls real property gifts or acquisitions which benefit the University. The University's Vice President for Development serves as the Executive Director of the Foundation and the University's President may serve as an ex officio, non-voting member of the Foundation's Board of Trustees. The University furnishes 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 University's Executive Director for Alumni Affairs serves as the Executive Director of the Alumni Association. The Alumni Association compensates the University for a portion of their employee support costs. The University provides 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 within the Alumni Association.

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Notes to the Financial Statements

August 31, 2009

Therefore, the University provides the same office space, utilities, staff assistance and custodial services for the Alumni Foundation as it does for the Alumni Association.

The Stephen F. Austin Tip-In Club is a non-profit organization which exists with the sole purpose of supporting the Lumberjack Basketball program. It solicits donations, manages and holds gifts for the sole benefit of the intercollegiate men's basketball program. The University's Athletic Director serves as an ex officio, non-voting member of the Club's Board of Directors and reviews and approves activity to ensure compliance with National Collegiate Athletic Association's (NCAA) requirements.

The Stephen F. Austin Quarterjack Club is a non-profit organization which exists with the sole purpose of supporting the Lumberjack Football program. This organization has been dormant for several years. The University's Athletic Director serves as an ex officio, non-voting member of the Club's Board of Directors and reviews and approves activity to ensure compliance with National Collegiate Athletic Association's (NCAA) requirements.

NOTE 20: Stewardship, Compliance, and Accountability

The University administration is unaware of any non-compliance items.

NOTE 21: Tobacco Settlement - (Not Applicable)

NOTE 22: Donor-Restricted Endowments - Revised

Donor-Restricted Endowment	Amounts of Net Appreciation	Reported in Net Assets
True Endowments	\$(831,563.65)	Funds Held as Permanent Endowments, Expendable
Term Endowments	(2,020.57)	Funds Held as Permanent Endowments, Expendable
Total	\$(833,584.22)	

The University spending policy provides for a target distribution rate of between 4 and 5 percent. The policy states that if returns permit, an amount equal to the rate of inflation will be added back to each endowment balance. Additionally if there are any returns beyond the inflation rate, then this amount will be added to a contingency reserve that may be distributed during years of poor investment performance. In 2009, 4 percent of the weighted average market value of the endowment pooled investments was either distributed to spending accounts or used to offset investment losses in the individual endowment accounts. No amounts were added to the contingency reserve account.

NOTE 23: Special or Extraordinary Items - (Not Applicable)

NOTE 24: Disaggregation of Receivable and Payable Balances

Accounts Receivables

The components of Current Accounts Receivables, as reported in the Statement of Net Assets, are as follows:

Accounts Receivables Category	Current Amount
-------------------------------	----------------

Accounts Receivables Category	Current Amount
3 rd Party Contracts on Student Receivables	\$1,884,868.79
Private Grants and Contracts Receivables	372,878.96
Miscellaneous Receivables	411,528.05
Total	\$2,669,275.80

There are no significant receivable balances that the University does not expect to collect within the next fiscal year.

Accounts Payables

The components of Current Accounts Payables, as reported in the Statement of Net Assets, are as follows:

Accounts Payables Category	Current Amount
Payables on Construction Activity	\$264,416.35
Utility Payables	2,114,763.25
Bookstore Payables	617,089.72
Procurement Card Payables	486,741.05
Miscellaneous	1,639,104.57
Total	\$5,122,114.94

NOTE 25: Termination Benefits – (Not Applicable)

NOTE 26: Segment Information - (Not Applicable)

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STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Schedule 1-A-Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2009

Federal Grantor/ Pass-Through Grantor Program Title	CFDA Number	Pass-Through From		
		Agy/ Univ. #	Agencies Or Univ Amount	Non-State Entities Amount
U.S. Department of Agriculture				
Direct Programs:				
Forestry Research	10.028		\$ 0.00	\$ 0.00
Forestry Research	10.652			
Total U. S. Department of Agriculture			<u>0.00</u>	<u>0.00</u>
U.S. Department of Defense				
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113			
Total U.S. Department of Defense			<u>0.00</u>	<u>0.00</u>
U.S. Department of the Interior				
National Historic Landmark	15.912			37,860.44
Direct Programs:				
Rivers, Trails and Conservation Assistance	15.921			
Rivers, Trails and Conservation Assistance	15.921			
Pass-Through To:				
Texas State University - San Marcos				
Total U.S. Department of the Interior			<u>0.00</u>	<u>37,860.44</u>
Office of Personnel Management				
Intergovernmental Personnel Act (IPA) Mobility Program	27.011			
Total Office of Personnel Management			<u>0.00</u>	<u>0.00</u>
National Foundation on the Arts and the Humanities				
Conservation Project Support	45.303			
National Leadership Grants	45.312			
Total National Foundation on the Arts and the Humanities			<u>0.00</u>	<u>0.00</u>
National Science Foundation				
Education and Human Resources	47.076			
Total National Science Foundation			<u>0.00</u>	<u>0.00</u>
U.S. Department of Energy				
Renewable Energy Research and Development	81.087			15,907.17
Pass-Through From:				
State Energy Program	81.041			
Pass-Through From:				
Comptroller-State Energy Conservation Office		907	2,707.79	
Total U.S. Department of Energy			<u>2,707.79</u>	<u>15,907.17</u>
U.S. Department of Education				
Tech-Prep Education	84.243			3,970.25
Direct Programs:				
Undergraduation International Studies and Foreign Language Programs	84.016			
Leveraging Educational Assistance Partnership	84.089			
Rehabilitation Long-Term Training	84.129			
Special Education--Personnel Preparation to Improve Services and Results for Children with Disabilities	84.325			
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334			
Transition Teaching	84.350			
School Leadership	84.363			

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Direct Program Amount	Total PT From & Direct Program	Pass-Through To		Expenditures Amount	Total PT To & Expenditures
		Agy #/ Univ. #	State Agy. Or Univ. Amount		
\$ 14,150.00	\$ 14,150.00		\$ 0.00	\$ 0.00	\$ 14,150.00
30,428.66	30,428.66			30,428.66	30,428.66
<u>44,578.66</u>	<u>44,578.66</u>		<u>0.00</u>	<u>44,578.66</u>	<u>44,578.66</u>
215,167.00	215,167.00			215,167.00	215,167.00
<u>215,167.00</u>	<u>215,167.00</u>		<u>0.00</u>	<u>215,167.00</u>	<u>215,167.00</u>
	37,860.44			37,860.44	37,860.44
33,884.34	33,884.34			33,884.34	33,884.34
3,018.22	3,018.22				3,018.22
		754	3,018.22		
<u>38,902.56</u>	<u>74,763.00</u>		<u>3,018.22</u>	<u>71,744.78</u>	<u>74,763.00</u>
88,089.77	88,089.77			88,089.77	88,089.77
<u>88,089.77</u>	<u>88,089.77</u>		<u>0.00</u>	<u>88,089.77</u>	<u>88,089.77</u>
1,860.00	1,860.00			1,860.00	1,860.00
18,435.05	18,435.05			18,435.05	18,435.05
<u>20,295.05</u>	<u>20,295.05</u>		<u>0.00</u>	<u>20,295.05</u>	<u>20,295.05</u>
113,620.61	113,620.61			113,620.61	113,620.61
<u>113,620.61</u>	<u>113,620.61</u>		<u>0.00</u>	<u>113,620.61</u>	<u>113,620.61</u>
	15,907.17			15,907.17	15,907.17
	2,707.79			2,707.79	2,707.79
<u>0.00</u>	<u>18,614.96</u>		<u>0.00</u>	<u>18,614.96</u>	<u>18,614.96</u>
	3,970.25			3,970.25	3,970.25
29,999.32	29,999.32			29,999.32	29,999.32
33,614.00	33,614.00			33,614.00	33,614.00
263,093.27	263,093.27			263,093.27	263,093.27
239,072.02	239,072.02			239,072.02	239,072.02
1,158,719.73	1,158,719.73			1,158,719.73	1,158,719.73
738,872.72	738,872.72			738,872.72	738,872.72
41,696.59	41,696.59			41,696.59	41,696.59

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STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Schedule 1-A-Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2009

Federal Grantor/ Pass-Through Grantor Program Title	CFDA Number	Pass-Through From		
		Agy/ Univ. #	Agencies Or Univ. Amount	Non-State Entities Amount
Pass-Through From: Vocational Education--Basic Grants to States	84.048			
Pass-Through From: Texas Education Agency		701	123,241.23	
Charter Schools	84.282			
Pass-Through From: Texas Education Agency		701	176,744.82	
Improving Teacher Quality State Grants	84.367			
Pass-Through From: Texas Higher Education Coordinating Board		781	79,913.65	
Total U.S. Department of Education			<u>379,899.70</u>	<u>3,970.25</u>
U.S. Department of Health and Human Services				
Direct Programs:				
Rural Health Care Services Outreach and Rural Health Network Development Program	93.912			
Pass-Through From: Model State-Supported Area Health Education Centers	93.107			
Pass-Through From: University of Texas Medical Branch Galveston		723	74,852.91	
Foster Care--Title IV-E	93.658			
Pass-Through From: Department of Family and Protective Services		530	153,092.01	
Geriatric Education Centers	93.969			
Pass-Through From: University of Texas Medical Branch at Galveston		723	4,523.99	
Total U.S. Department of Health & Human Services			<u>232,468.91</u>	<u>0.00</u>
Corporation for National and Community Service				
Americorps	94.006			
Pass-Through From: University of Texas Medical Branch at Galveston		723	18,358.96	
Total Corporation for National and Community Service			<u>18,358.96</u>	<u>0.00</u>
RESEARCH & DEVELOPMENT CLUSTER				
U.S. Department of Agriculture				
Direct Programs:				
Agricultural Research--Basic and Applied Research	10.001			
Grants for Agricultural Research, Special Research Grants	10.200			
Foreign Market Development cooperator Program	10.600			
Forestry Research	10.652			
Plant Materials for Conservation	10.905			
Total U. S. Department of Agriculture			<u>0.00</u>	<u>0.00</u>
U.S. Department of Defense				
Aquatic Plant Control	12.100			
Military Medical Research and Development	12.420			
Pass-Through From: National Guard Military Operations and Maintenance (O&M) Projects	12.401			
Pass-Through From: Adjutant General's Department		401	1,245,384.25	

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Direct Program Amount	Total PT From & Direct Program	Pass-Through To		Expenditures Amount	Total PT To & Expenditures
		Agy #/ Univ. #	State Agy. Or Univ. Amount		
	123,241.23			123,241.23	123,241.23
	176,744.82			176,744.82	176,744.82
	79,913.65			79,913.65	79,913.65
<u>2,505,067.65</u>	<u>2,888,937.60</u>		<u>0.00</u>	<u>2,888,937.60</u>	<u>2,888,937.60</u>
151,215.76	151,215.76			151,215.76	151,215.76
	74,852.91			74,852.91	74,852.91
	153,092.01			153,092.01	153,092.01
	4,523.99			4,523.99	4,523.99
<u>151,215.76</u>	<u>383,684.67</u>		<u>0.00</u>	<u>383,684.67</u>	<u>383,684.67</u>
	18,358.96			18,358.96	18,358.96
<u>0.00</u>	<u>18,358.96</u>		<u>0.00</u>	<u>18,358.96</u>	<u>18,358.96</u>
6,481.90	6,481.90			6,481.90	6,481.90
157,989.31	157,989.31			157,989.31	157,989.31
1,506.39	1,506.39			1,506.39	1,506.39
372,345.75	372,345.75			372,345.75	372,345.75
9,353.50	9,353.50			9,353.50	9,353.50
<u>547,676.85</u>	<u>547,676.85</u>		<u>0.00</u>	<u>547,676.85</u>	<u>547,676.85</u>
43,518.20	43,518.20			43,518.20	43,518.20
147,095.87	147,095.87			147,095.87	147,095.87
	1,245,384.25			1,245,384.25	1,245,384.25

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STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Schedule 1-A-Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2009

Federal Grantor/ Pass-Through Grantor Program Title	CFDA Number	Pass-Through From		
		Agy/ Univ. #	Agencies Or Univ. Amount	Non-State Entities Amount
National Guard Military Operations and Maintenance (O&M) Projects	12.401			
Pass-Through From:				
Adjutant General's Department		401	927,170.03	
Pass Through To:				
University of Texas at El Paso				
National Guard Military Operations and Maintenance (O&M) Projects	12.401			
Pass-Through From:				
Adjutant General's Department		401	96,401.44	
Pass Through To:				
Texas Tech University				
National Guard Military Operations and Maintenance (O&M) Projects	12.401			
Pass-Through From:				
Adjutant General's Department		401	73,046.13	
Pass Through To:				
Texas Tech University				
Total U.S. Department of Defense			<u>2,342,001.85</u>	<u>0.00</u>
U.S. Department of the Interior				
Direct Programs:				
Fish and Wildlife Management Assistance	15.608			
Migratory Bird Joint Ventures	15.637			
Migratory Bird Monitoring, Assessment and Conservation	15.655			
U.S. Geological Survey--Research and Data Collection	15.808			
Pass-Through To:				
University of Texas at Austin				
National Historic Landmark	15.912			
Outdoor Recreation-Acquisition, Development and Planning	15.916			
Rivers, Trails and Conservation Assistance	15.921			
Pass-Through From:				
Wildlife Restoration	15.611			
Pass-Through From:				
Parks and Wildlife Department		802	116,168.01	
State Wildlife Grants	15.634			
Pass-Through From:				
Parks and Wildlife Department		802	151,528.51	
Pass-Through To:				
National Land Remote Sensing Education Outreach and Research	15.815			16,163.82
Pass-Through To:				
University of Texas at Austin				
Total U.S. Department of the Interior			<u>267,696.52</u>	<u>16,163.82</u>
National Aeronautics & Space Administration				
Aerospace Education Services Program	43.001			1,698.08
Direct Programs:				
Aerospace Education Services Program	43.001			
Total National Aeronautics & Space Administration			<u>0.00</u>	<u>1,698.08</u>
National Science Foundation				
Biological Sciences	47.074			
Social, Behavioral, and Economic Sciences	47.075			
Education and Human Resources	47.076			
Total National Science Foundation			<u>0.00</u>	<u>0.00</u>

UNAUDITED

Direct Program Amount	Total PT From & Direct Program	Pass-Through To			Expenditures Amount	Total PT To & Expenditures
		Agy #/ Univ #	State Agy. Or Univ. Amount	Non-State Entities Amount		
	927,170.03					927,170.03
		724	927,170.03			
	96,401.44					96,401.44
		733	96,401.44			
	73,046.13					73,046.13
		734	73,046.13			
<u>190,614.07</u>	<u>2,532,615.92</u>		<u>1,098,817.60</u>	<u>0.00</u>	<u>1,435,998.32</u>	<u>2,532,615.92</u>
233.59	233.59				233.59	233.59
601.77	601.77				601.77	601.77
11,146.91	11,146.91				11,146.91	11,146.91
8,346.47	8,346.47				5,736.23	8,346.47
		721	2,610.24			
107,062.30	107,062.30				107,062.30	107,062.30
1,526.02	1,526.02				1,526.02	1,526.02
36,523.75	36,523.75				36,523.75	36,523.75
	116,168.01				116,168.01	116,168.01
	151,528.51				151,528.51	151,528.51
	16,163.82			15,678.47		15,678.47
		721	485.35			485.35
<u>165,440.81</u>	<u>449,301.15</u>		<u>3,095.59</u>	<u>15,678.47</u>	<u>430,527.09</u>	<u>449,301.15</u>
	1,698.08				1,698.08	1,698.08
3,757.18	3,757.18				3,757.18	3,757.18
<u>3,757.18</u>	<u>5,455.26</u>		<u>0.00</u>	<u>0.00</u>	<u>5,455.26</u>	<u>5,455.26</u>
142.05	142.05				142.05	142.05
15,762.69	15,762.69				15,762.69	15,762.69
91,495.29	91,495.29				91,495.29	91,495.29
<u>107,400.03</u>	<u>107,400.03</u>		<u>0.00</u>	<u>0.00</u>	<u>107,400.03</u>	<u>107,400.03</u>

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Schedule 1-A-Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2009

Federal Grantor/ Pass-Through Grantor Program Title	CFDA Number	Pass-Through From		
		Agy/ Univ. #	Agencies Or Univ. Amount	Non-State Entities Amount
Environmental Protection Agency				
Congressionally Mandated Projects	66.202			
Total Environmental Protection Agency			<u>0.00</u>	<u>0.00</u>
U.S. Department of Energy				
Fossil Energy Research and Development	81.089			
Total U.S. Department of Education			<u>0.00</u>	<u>0.00</u>
U.S. Department of Education				
Fund for the Improvement of Postsecondary Education	84.116			
Pass-Through To:				
Lamar State College-Orange				
Bilingual Education-Professional Development	84.195			
School Leadership	84.363			
Total U.S. Department of Education			<u>0.00</u>	<u>0.00</u>
U.S. Department of Health and Human Services				
Special Projects of National Significance	93.928			42,712.25
Direct Programs:				
Social Services Research and Demonstration	93.647			
Total U.S. Department of Health and Human Services			<u>0.00</u>	<u>42,712.25</u>
CHILD CARE CLUSTER				
U.S. Department of Health and Human Services				
Child Care and Development Block Grant	93.575			22,963.46
Total U.S. Department of Health & Human Services			<u>0.00</u>	<u>23,089.92</u>
CHILD NUTRITION CLUSTER				
U.S. Department of Agriculture				
Pass-Through From:				
School Breakfast Program	10.553			
Pass-Through From:				
Texas Education Agency		701	2,472.00	
National School Lunch Program	10.555			
Pass-Through From:				
Texas Education Agency		701	4,494.00	
Total U.S. Department of Agriculture			<u>6,966.00</u>	<u>0.00</u>
SPECIAL EDUCATION (IDEA) CLUSTER				
U.S. Department of Education				
Pass-Through From:				
Special Education--Grants to States	84.027			
Pass-Through From:				
Texas Education Agency		701	14,410.29	
Special Education--Grants to States	84.027			
Pass-Through From:				
Texas A&M University - Texarkana		764	44,572.54	
Special Education--Grants to States	84.027			
Pass-Through From:				
Texas School for the Blind & Visually Impaired		771	286,778.80	
Total U.S. Department of Education			<u>345,761.63</u>	<u>0.00</u>

UNAUDITED

Direct Program Amount	Total PT From & Direct Program	Pass-Through To			Expenditures Amount	Total PT To & Expenditures
		Agy #/ Univ. #	State Agy Or Univ. Amount	Non-State Entities Amount		
67,129.49	67,129.49				67,129.49	67,129.49
<u>67,129.49</u>	<u>67,129.49</u>		<u>0.00</u>	<u>0.00</u>	<u>67,129.49</u>	<u>67,129.49</u>
7,468.31	7,468.31				7,468.31	7,468.31
<u>7,468.31</u>	<u>7,468.31</u>		<u>0.00</u>	<u>0.00</u>	<u>7,468.31</u>	<u>7,468.31</u>
174,829.46	174,829.46				173,492.93	174,829.46
		787	1,336.53			
313,591.49	313,591.49				313,591.49	313,591.49
26,456.69	26,456.69				26,456.69	26,456.69
<u>514,877.64</u>	<u>514,877.64</u>		<u>1,336.53</u>	<u>0.00</u>	<u>513,541.11</u>	<u>514,877.64</u>
	42,712.25				42,712.25	42,712.25
93,347.43	93,347.43				93,347.43	93,347.43
<u>93,347.43</u>	<u>136,059.68</u>		<u>0.00</u>	<u>0.00</u>	<u>136,059.68</u>	<u>136,059.68</u>
	22,963.46				22,963.46	22,963.46
	126.46				126.46	126.46
<u>0.00</u>	<u>23,089.92</u>		<u>0.00</u>	<u>0.00</u>	<u>23,089.92</u>	<u>23,089.92</u>
	2,472.00				2,472.00	2,472.00
	4,494.00				4,494.00	4,494.00
<u>0.00</u>	<u>6,966.00</u>		<u>0.00</u>	<u>0.00</u>	<u>6,966.00</u>	<u>6,966.00</u>
	14,410.29				14,410.29	14,410.29
	44,572.54				44,572.54	44,572.54
	286,778.80				286,778.80	286,778.80
<u>0.00</u>	<u>345,761.63</u>		<u>0.00</u>	<u>0.00</u>	<u>345,761.63</u>	<u>345,761.63</u>

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Schedule 1-A-Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2009

Federal Grantor/ Pass-Through Grantor Program Title	CFDA Number	Pass-Through From		
		Agy/ Univ. #	Agencies Or Univ. Amount	Non-State Entities Amount
PUBLIC ASSISTANCE CLUSTER				
U.S. Department of Homeland Security				
Pass-Through From:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97 036			
Pass-Through From:				
Texas Department of Public Safety		405	373,151.48	
Total U.S. Department of Agriculture			<u>373,151.48</u>	<u>0.00</u>
STUDENT FINANCIAL ASSISTANCE CLUSTER				
U.S. Department of Education				
Direct Programs:				
Federal Supplemental Educational Opportunity Grants	84.007			
Federal Family Education Loans	84.032			
Federal Work-Study Program	84.033			
ARRA-Federal Work-Study Program	84.033			
Federal Perkins Loan Program--Federal Capital Contributions	84.038			
Federal Pell Grant Program	84.063			
Academic Competitiveness Grants	84.375			
National Science and Mathematics Access to Retain Talent (SMART) Grants	84.376			
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379			
Total U.S. Department of Education			<u>0.00</u>	<u>0.00</u>
Total Expenditures of Federal Awards			<u>\$ 3,969,012.84</u>	<u>\$ 141,401.93</u>

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Direct Program Amount	Total PT From & Direct Program	Pass-Through To		Expenditures Amount	Total PT To & Expenditures
		Agy #/ Univ. #	State Agy. Or Univ. Amount		
	373,151.48			373,151.48	373,151.48
<u>0.00</u>	<u>373,151.48</u>		<u>0.00</u>	<u>0.00</u>	<u>373,151.48</u>
376,385.00	376,385.00			376,385.00	376,385.00
62,735,494.00	62,735,494.00			62,735,494.00	62,735,494.00
504,969.48	504,969.48			504,969.48	504,969.48
71,901.30	71,901.30			71,901.30	71,901.30
535,170.00	535,170.00			535,170.00	535,170.00
13,192,177.38	13,192,177.38			13,192,177.38	13,192,177.38
613,651.30	613,651.30			613,651.30	613,651.30
129,259.00	129,259.00			129,259.00	129,259.00
153,117.00	153,117.00			153,117.00	153,117.00
<u>78,312,124.46</u>	<u>78,312,124.46</u>		<u>0.00</u>	<u>0.00</u>	<u>78,312,124.46</u>
\$ <u>83,184,773.33</u>	\$ <u>87,295,188.10</u>		\$ <u>1,104,067.94</u>	\$ <u>15,678.47</u>	\$ <u>86,175,441.69</u>
					\$ <u>87,295,188.10</u>

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Schedule 1-A-Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2009

Note 1 - Nonmonetary Assistance - N/A

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	\$ 19,914,109.33
Federal Pass-Through Revenue	3,969,012.84
Federal Pass-Through from Non-State Agency	141,401.93
Federal Pass-Through Non-Operating	0.00
Subtotal	<u>24,024,524.10</u>
Reconciling Items:	
Non-monetary:	0.00
New Loans Processed:	
GSL/SLS/PLUS Loans	62,735,494.00
Federal Perkins Loans	535,170.00
Total Pass-Through and Expenditures per Federal Schedule	<u>\$ 87,295,188.10</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 Loans	\$ 535,170.00	\$ 67,127.00	\$ 602,297.00	\$ 5,876,504.50
Department of Education 84.032 GSL/SLS/Plus Loans	62,735,494.00	0.00	62,735,494.00	0.00
Total Department of Education	\$ 63,270,664.00	\$ 67,127.00	\$ 63,337,791.00	\$ 5,876,504.50

Note 4 - Depository Libraries for Government Publications - N/A

Note 5 - Unemployment Insurance - N/A

Note 6 - Rebates from the Special Supplemental Food Program for Women, Infant and Children (WIC) - N/A

Note 7 - Federal Deferred Revenue

Federal Deferred Revenue 9-1-08	\$ 160,807.11
Increase (Decrease)	(97,223.77)
Federal Deferred Revenue 8-31-09	<u>\$ 63,583.34</u>

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UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY

Agency No. 755

Schedule 1-B - Schedule of State Grant Pass-Through From/To State Agencies

For The Fiscal Year Ended August 31, 2009

Pass Through From:

Operating:

Texas Commission on Environmental Quality (Agy #582)		
Deep-Rooted Sedge	\$	7,650.84
Texas Water Development Board (Agy #580)		
Large Woody Debris		21,329.26
Riparian Area Survey		11,902.26
Ang-Neches Insteam		14,967.85
Texas Parks & Wildlife (Agy #802)		
Mammalian Species Yr 2		28,183.98
Eastern Wild Turkeys		10,307.05
Exotic Invasive Plants		58,531.40
Trans E Wild Turkeys		95,948.09
Contaminant Levels		13,548.60
Texas Higher Ed. Coord. Board (Agy #781)		
Travel Award		711.81
MST Academy		99,280.00
At Risk Nursing Students		182,668.95
P16 Enhancement		36,759.65
Deep E TX P16 Council		17,110.85
P16 Special Advisor		4,759.41
Professional Nursing		5,854.00
TEXAS Grant Program		4,049,607.00
HE Performance Incentive Initiative		965,780.00
College Work Study Program		88,981.00
Engineering Scholarships		5,000.00
Texas College Workstudy		76,215.00
5th Year Accounting Scholarships		5,333.00
State Energy Conservation Office (Agy #907)		
Project Learning Tree 2		11,604.07
Texas Commission on the Arts (Agy #813)		
Dance of Asian Americans		800.00
Texas Education Agency (Agy #701)		
Charter School YR 1		838,752.70
Technology Allotment		4,453.00
University of Texas at Dallas (Agy #738)		
TERCEP		35,923.82
UT Southwestern Medical Center (Agy #729)		
Hot Jobs		4,690.08
UTMB (Agy #723)		
AHEC		162,719.12
Clinic Management		24,500.91
		<hr/>
Total Operating Pass-Through From Other Agencies	\$	<u>6,883,873.70</u>

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY

Agency No. 755

Schedule 1-B - Schedule of State Grant Pass-Through From/To State Agencies

For The Fiscal Year Ended August 31, 2009

Pass Through To:

Operating:

University of Texas at El Paso (Agy #724)		
TERCEP	\$	10,356.20
University of North Texas (Agy #752)		
TERCEP		5,000.00
University of Texas at Tyler (Agy #750)		
At Risk Nursing		<u>11,807.68</u>
Total Operating Pass-Through To Other Agencies	\$	<u><u>27,163.88</u></u>

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STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Schedule 2A - Miscellaneous Bond Information
 For the Fiscal Year Ended August 31, 2009

Description of Issue	Bonds Issued to Date	Range of Interest Rates		Scheduled Maturities		First Call Date
				First Year	Last Year	
Business-Type Activities						
Revenue Bonds - Self Supporting						
Rev Fin Sys Bds Ser '00	\$ 7,000,000.00	5.125	5.375	2003	2009	n/a
Rev Fin Sys Bds Ser '02 (A)	1,320,000.00	3.590	3.590	2003	2010	n/a
Rev Fin Sys Bds Ser '04	26,030,000.00	2.000	4.375	2005	2024	10/15/2013
Rev Fin Sys Bds Ser '04 (A)	5,460,000.00	4.000	4.625	2005	2024	10/15/2013
Rev Fin Sys Bds Ser '05	17,215,000.00	4.000	5.250	2006	2025	10/15/2015
Rev Fin Sys Bds Ser '05 (A)	55,365,000.00	3.500	5.000	2006	2025	10/15/2015
	<u>112,390,000.00</u>					
Tuition Revenue Bonds - Self-Supporting						
Rev Fin Sys Bds Ser '98	6,000,000.00	3.650	5.250	1999	2018	10/15/2008
Rev Fin Sys Bds Ser '02	14,070,000.00	4.000	5.000	2002	2021	10/15/2012
Rev Fin Sys Bds Ser '08	20,175,000.00	3.500	5.000	2008	2027	10/15/2017
Rev Fin Sys Bds Ser '09	23,603,444.32	3.750	5.000	2009	2029	10/15/2017
	<u>63,848,444.32</u>					
Total Revenue Bonds	<u>176,238,444.32</u>					
General Obligation Bonds - Not Self-Supporting						
Constitutional Apprn Bds Ser '08	10,200,000.00	4.000	5.000	2009	2018	n/a
Total General Obligation Bonds	<u>10,200,000.00</u>					
Grand Total	<u>\$ 186,438,444.32</u>					

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Schedule 2B-Changes In Bonded Indebtedness
 For the Fiscal Year Ended August 31, 2009

Description of Issue	Bonds Outstanding 9/1/08	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/09
Business-Type Activities					
Revenue Bonds - Self Supporting					
Rev Fin Sys Bds Ser '00	\$ 2,000,000.00	\$ -	\$ 1,000,000.00	\$ -	\$ 1,000,000.00
Rev Fin Sys Bds Ser '02 (A)	555,000.00	-	180,000.00	-	375,000.00
Rev Fin Sys Bds Ser '04	23,195,000.00	-	990,000.00	-	22,205,000.00
Rev Fin Sys Bds Ser '04 (A)	4,895,000.00	-	205,000.00	-	4,690,000.00
Rev Fin Sys Bds Ser '05	16,020,000.00	-	630,000.00	-	15,390,000.00
Rev Fin Sys Bds Ser '05 (A)	53,910,000.00	-	995,000.00	-	52,915,000.00
Tuition Revenue Bonds - Self-Supporting					
Rev Fin Sys Bds Ser '98	3,965,000.00	-	280,000.00	-	3,685,000.00
Rev Fin Sys Bds Ser '02	11,090,000.00	-	575,000.00	-	10,515,000.00
Rev Fin Sys Bds Ser '08	17,605,000.00	-	620,000.00	-	16,985,000.00
Rev Fin Sys Bds Ser '09	-	23,603,444.32	1,715,000.00	-	21,888,444.32
General Obligation Bonds - Not Self-Supporting					
Constitutional Apprn Bds Ser '08	-	10,200,000.00	-	-	10,200,000.00
	<u>\$ 133,235,000.00</u>	<u>\$ 33,803,444.32</u>	<u>\$ 7,190,000.00</u>	<u>\$ -</u>	<u>\$ 159,848,444.32</u>

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Schedule 2B-Changes in Bonded Indebtedness
 For the Fiscal Year Ended August 31, 2009

Description of Issue	Unamortized Discount	Issuance Costs	Gain/(Loss) on Refunding	Net Bonds Outstanding 8/31/09	Amounts Due Within One Year
Business-Type Activities					
Revenue Bonds - Self Supporting					
Rev Fin Sys Bds Ser '00	\$ -	\$ -	\$ -	\$ 1,000,000.00	\$ 1,000,000.00
Rev Fin Sys Bds Ser '02 (A)	-	-	-	375,000.00	185,000.00
Rev Fin Sys Bds Ser '04	-	-	-	22,205,000.00	1,015,000.00
Rev Fin Sys Bds Ser '04 (A)	-	-	-	4,690,000.00	210,000.00
Rev Fin Sys Bds Ser '05	-	-	-	15,390,000.00	655,000.00
Rev Fin Sys Bds Ser '05 (A)	-	-	-	52,915,000.00	1,100,000.00
Tuition Revenue Bonds - Self-Supporting					
Rev Fin Sys Bds Ser '98	-	-	-	3,685,000.00	295,000.00
Rev Fin Sys Bds Ser '02	-	-	-	10,515,000.00	605,000.00
Rev Fin Sys Bds Ser '08	-	-	-	16,985,000.00	645,000.00
Rev Fin Sys Bds Ser '09	-	-	-	21,888,444.32	820,000.00
General Obligation Bonds - Not Self-Supporting					
Constitutional Apprn Bds Ser '08	-	-	-	10,200,000.00	870,000.00
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 159,648,444.32</u>	<u>\$ 7,400,000.00</u>

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Schedule 2C - Debt Service Requirements
 For the Fiscal Year Ended August 31, 2009

Description of Issue	FY	Principal	Interest
Business-Type Activities			
Revenue Bonds - Self Supporting			
Rev Fin Sys Bds Ser '00	2010	\$ 1,000,000.00	\$ 26,875.00
		1,000,000.00	26,875.00
Rev Fin Sys Bds Ser '02 (A)	2010	185,000.00	10,141.75
Rev Fin Sys Bds Ser '02 (A)	2011	190,000.00	3,410.50
		375,000.00	13,552.25
Rev Fin Sys Bds Ser '04	2010	1,015,000.00	878,387.51
Rev Fin Sys Bds Ser '04	2011	1,050,000.00	843,431.26
Rev Fin Sys Bds Ser '04	2012	1,095,000.00	800,531.26
Rev Fin Sys Bds Ser '04	2013	1,140,000.00	755,831.26
Rev Fin Sys Bds Ser '04	2014	1,185,000.00	709,331.26
Rev Fin Sys Bds Ser '04	2015-2019	6,690,000.00	2,780,156.30
Rev Fin Sys Bds Ser '04	2020-2024	8,175,000.00	1,287,243.80
Rev Fin Sys Bds Ser '04	2025	1,855,000.00	40,578.13
		22,205,000.00	8,095,490.78
Rev Fin Sys Bds Ser '04 (A)	2010	210,000.00	194,578.76
Rev Fin Sys Bds Ser '04 (A)	2011	220,000.00	185,978.76
Rev Fin Sys Bds Ser '04 (A)	2012	230,000.00	176,978.76
Rev Fin Sys Bds Ser '04 (A)	2013	240,000.00	167,578.76
Rev Fin Sys Bds Ser '04 (A)	2014	250,000.00	157,778.76
Rev Fin Sys Bds Ser '04 (A)	2015-2019	1,405,000.00	627,130.05
Rev Fin Sys Bds Ser '04 (A)	2020-2024	1,740,000.00	295,187.55
Rev Fin Sys Bds Ser '04 (A)	2025	395,000.00	9,134.38
		4,690,000.00	1,814,345.78
Rev Fin Sys Bds Ser '05	2010	655,000.00	676,568.75
Rev Fin Sys Bds Ser '05	2011	675,000.00	641,656.25
Rev Fin Sys Bds Ser '05	2012	700,000.00	605,562.50
Rev Fin Sys Bds Ser '05	2013	725,000.00	568,156.25
Rev Fin Sys Bds Ser '05	2014	755,000.00	529,306.25
Rev Fin Sys Bds Ser '05	2015-2019	4,230,000.00	2,057,025.00
Rev Fin Sys Bds Ser '05	2020-2024	5,190,000.00	1,089,706.25
Rev Fin Sys Bds Ser '05	2025-2026	2,460,000.00	105,825.00
		15,390,000.00	6,273,806.25
Rev Fin Sys Bds Ser '05 (A)	2010	1,100,000.00	2,421,418.76
Rev Fin Sys Bds Ser '05 (A)	2011	2,195,000.00	2,362,384.38
Rev Fin Sys Bds Ser '05 (A)	2012	2,290,000.00	2,279,662.50
Rev Fin Sys Bds Ser '05 (A)	2013	2,395,000.00	2,188,825.00
Rev Fin Sys Bds Ser '05 (A)	2014	2,510,000.00	2,078,175.00
Rev Fin Sys Bds Ser '05 (A)	2015-2019	14,785,000.00	8,306,000.00
Rev Fin Sys Bds Ser '05 (A)	2020-2024	18,860,000.00	4,244,987.50
Rev Fin Sys Bds Ser '05 (A)	2025-2026	8,780,000.00	399,375.00
		52,915,000.00	24,280,828.14

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STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Schedule 2C - Debt Service Requirements
 For the Fiscal Year Ended August 31, 2009

Description of Issue	FY	Principal	Interest
Tuition Revenue Bonds - Self-Supporting			
Rev Fin Sys Bds Ser '98	2010	295,000.00	172,350.00
Rev Fin Sys Bds Ser '98	2011	310,000.00	158,582.50
Rev Fin Sys Bds Ser '98	2012	320,000.00	143,932.50
Rev Fin Sys Bds Ser '98	2013	340,000.00	128,252.50
Rev Fin Sys Bds Ser '98	2014	355,000.00	111,483.75
Rev Fin Sys Bds Ser '98	2015-2019	<u>2,065,000.00</u>	<u>268,187.50</u>
		3,685,000.00	982,788.75
Rev Fin Sys Bds Ser '02	2010	605,000.00	469,418.75
Rev Fin Sys Bds Ser '02	2011	635,000.00	443,068.75
Rev Fin Sys Bds Ser '02	2012	665,000.00	414,612.50
Rev Fin Sys Bds Ser '02	2013	695,000.00	384,012.50
Rev Fin Sys Bds Ser '02	2014	725,000.00	353,150.00
Rev Fin Sys Bds Ser '02	2015-2019	<u>4,170,000.00</u>	<u>1,242,955.00</u>
Rev Fin Sys Bds Ser '02	2020-2022	<u>3,020,000.00</u>	<u>230,050.00</u>
		10,515,000.00	3,537,267.50
Rev Fin Sys Bds Ser '08	2010	645,000.00	690,800.00
Rev Fin Sys Bds Ser '08	2011	665,000.00	664,600.00
Rev Fin Sys Bds Ser '08	2012	685,000.00	637,600.00
Rev Fin Sys Bds Ser '08	2013	710,000.00	609,700.00
Rev Fin Sys Bds Ser '08	2014	730,000.00	580,900.00
Rev Fin Sys Bds Ser '08	2015-2019	<u>4,040,000.00</u>	<u>2,422,837.50</u>
Rev Fin Sys Bds Ser '08	2020-2024	<u>4,840,000.00</u>	<u>1,491,375.00</u>
Rev Fin Sys Bds Ser '08	2025-2028	<u>4,670,000.00</u>	<u>408,637.50</u>
		16,985,000.00	7,506,450.00
Rev Fin Sys Bds Ser '09	2010	820,000.00	781,250.00
Rev Fin Sys Bds Ser '09	2011	830,000.00	768,950.00
Rev Fin Sys Bds Ser '09	2012	840,000.00	759,500.00
Rev Fin Sys Bds Ser '09	2013	865,000.00	740,318.75
Rev Fin Sys Bds Ser '09	2014	885,000.00	719,525.00
Rev Fin Sys Bds Ser '09	2015-2019	<u>4,815,000.00</u>	<u>3,202,125.00</u>
Rev Fin Sys Bds Ser '09	2020-2024	<u>5,725,000.00</u>	<u>2,280,412.50</u>
Rev Fin Sys Bds Ser '09	2025-2029	<u>7,120,000.00</u>	<u>887,218.75</u>
		21,900,000.00	10,139,300.00
Constitutional Apprn Bds Ser '08	2010	870,000.00	440,525.00
Constitutional Apprn Bds Ser '08	2011	900,000.00	405,125.00
Constitutional Apprn Bds Ser '08	2012	930,000.00	368,525.00
Constitutional Apprn Bds Ser '08	2013	960,000.00	325,925.00
Constitutional Apprn Bds Ser '08	2014	995,000.00	277,050.00
Constitutional Apprn Bds Ser '08	2015-2019	<u>5,545,000.00</u>	<u>631,187.50</u>
		10,200,000.00	2,448,337.50
Total Debt Service		\$ <u><u>159,860,000.00</u></u> *	\$ <u><u>65,119,041.95</u></u>

* Balance includes accreted interest of \$11,555.68

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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, 2009

Description of Issue	Application of Funds		Comment
	2009 Principal	2009 Interest	
General Obligation Bonds - Not Self-Supporting			
Constitutional Apprn Bds Series 2008		\$ 148,825.63	\$ 320,547.51 **
Interest capitalized			(320,547.51) ***
Interest expensed			\$ -

** Amounts represent interest expense on accrual basis as reported on the financial statements.

*** Interest capitalized

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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, 2009

Description of Issue	Net Available for Debt Service		Debt Service		Comment
	Total Pledged and Other Sources	Operating Expenses/Expenditures and Capital Outlay	2009 Principal	2009 Interest	
Business-Type Activities					
Revenue Bonds - Self Supporting					
Rev Fin Sys Bds Ser '00	*	\$ -	\$ 1,000,000.00	\$ 80,000.00	\$ 60,312.50 **
Rev Fin Sys Bds Ser '02 (A)	*	-	180,000.00	16,693.50	14,270.25 **
Rev Fin Sys Bds Ser '04	*	-	990,000.00	905,956.26	895,746.88 **
Rev Fin Sys Bds Ser '04 (A)	*	-	205,000.00	202,878.76	199,803.76 **
Rev Fin Sys Bds Ser '05	*	-	630,000.00	710,300.00	697,896.69 **
Rev Fin Sys Bds Ser '05 (A)	*	-	995,000.00	2,458,081.26	2,445,021.88 **
Tuition Revenue Bonds - Self-Supporting					
Rev Fin Sys Bds Ser '98	*	-	280,000.00	185,147.50	180,527.50 **
Rev Fin Sys Bds Ser '02	*	-	575,000.00	493,775.00	485,150.00 **
Rev Fin Sys Bds Ser '08	*	-	620,000.00	716,100.00	706,800.00 ***
Rev Fin Sys Bds Ser '09	*	-	1,715,000.00	172,469.01	464,234.04 ***
			<u>\$ 7,190,000.00</u>	<u>\$ 5,941,401.29</u>	6,149,763.50
		Interest capitalized			(1,171,034.04) ***
		Interest expensed			<u>\$ 4,978,729.46</u>

Note: Expenditures associated with operations which generated the pledged revenues are \$ 71,485,578.11 for fiscal year 2009.

Analysis of Pledged and Other Sources:	Pledged Sources	
	Tuition	\$ 18,719,869.55
	Designated Tuition	34,300,596.30
	Student Center Fees	2,103,668.60
	Lab Fees	327,703.25
	Other Fees	16,636,808.50
	Sales & Services	38,035,671.02
	Investment Income	1,717,992.15
	Gifts	202,104.88
	Other Income	4,460.37
		<u>\$ 112,048,874.62</u>

** Amounts represent interest expense on accrual basis as reported on the financial statements.

*** Amounts represent interest on accrual basis included in capitalized interest.

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STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Schedule 2E - Defeased Bonds Outstanding
 For the Fiscal Year Ended August 31, 2009

<u>Description of Issue</u>	<u>Year Refunded</u>	<u>Par Value Outstanding</u>
Revenue Bonds		
Building Revenue Bonds, Series 1965-B	1991	\$ 840,000.00
Housing System Revenue Bonds, Series 1962-D	1991	672,000.00
Housing System Revenue Bonds, Series 1963-A	1991	229,000.00
Housing System Revenue Bonds, Series 1964	1991	270,000.00
		<u>\$ 2,011,000.00</u>

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STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 2F - Current Year Early Extinguishment and Refunding
For the Fiscal Year Ended August 31, 2009

		<u>For Refunding Only</u>			
<u>Description of Issue</u>	<u>Category</u>	<u>Amount Extinguished or Refunded</u>	<u>Refunding Issue Par Value</u>	<u>Cash Flow Increase (Decrease)</u>	<u>Economic Gain/Loss</u>

Not Applicable

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STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Schedule 3 - Reconciliation of Cash in State Treasury
 August 31, 2009

<u>Cash in State Treasury</u>	<u>Unrestricted</u>	<u>Restricted</u>	Current Year <u>Total</u>
Special Mineral Fund 0241	\$ 0.00	\$ 0.00	\$ 0.00
Local Revenue Fund 0261	<u>1,016,028.34</u>	<u>0.00</u>	<u>1,016,028.34</u>
Total Cash in State Treasury (Stmnt of Net Assets)	\$ <u>1,016,028.34</u>	\$ <u>0.00</u>	\$ <u>1,016,028.34</u>