

STEPHEN F. AUSTIN STATE UNIVERSITY



Unaudited Financial Report For the Year Ended August 31, 2013

BAKER PATTILLO, PRESIDENT
DANNY GALLANT, VICE PRESIDENT FOR FINANCE AND ADMINISTRATION

NACOGDOCHES, TEXAS

STEPHEN F. AUSTIN STATE UNIVERSITY

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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, 2013

Honorable Rick Perry, Governor
Honorable Susan Combs, Texas Comptroller of Public Accounts
Ursula Parks, Director, Legislative Budget Board
John Keel, CPA, State Auditor

Dear Ladies and Gentlemen:

We are pleased to submit the annual financial report of Stephen F. Austin State University for the year ended August 31, 2013, in compliance with Texas Government Code Annotated, Section 2101.011 and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

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*, 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* (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 Ms. Dora Fuselier at (936) 468-2112. Ms. Letitia Hamilton may be contacted at (936) 468-2250 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

Baker Pattillo
President



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November 20, 2013

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, 2013.

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.

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, 2013**

Board of Regents

Officers

Steve D. McCarty, Chairman
Scott H. Coleman, Vice Chairman
Brigettee C. Henderson, Secretary

Members

Name	Town	Term Expires
Scott H. Coleman	Houston, Texas	January 31, 2015
Steve D. McCarty	Alto, Texas	January 31, 2015
Constance M. Ware	Marshall, Texas	January 31, 2015
Brigettee C. Henderson	Lufkin, Texas	January 31, 2017
Kenton E. Schaefer	Brownsville, Texas	January 31, 2017
Ralph C. Todd	Carthage, Texas	January 31, 2017
David R. Alders	Nacogdoches, Texas	January 31, 2019
Barry E. Nelson	Dallas, Texas	January 31, 2019
John R. Garrett	Tyler, Texas	January 31, 2019
Matthew L. Logan (student)	Mansfield, Texas	May 31, 2014

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, 2013

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 (State). The University was founded in 1923 and is named for the "Father of Texas," Stephen Fuller Austin. It is located in Nacogdoches in the Piney Woods area of East Texas. The main campus includes more than 400 acres, including part of the original homestead of Thomas J. Rusk, early Texas patriot and United States Senator. In fall 2012, the University enrolled nearly 13,000 students in 34 academic units and 6 colleges. Bachelors, masters, and doctoral level degrees are offered by the University.

The University is accredited by the Southern Association of Colleges and Schools Commission on Colleges. 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

The objective of the Management's Discussion and Analysis is to help readers of the Financial Statements of Stephen F. Austin State University better understand the financial position and operating activities for the fiscal year ended August 31, 2013, with selected comparative information for the year ended August 31, 2012. This discussion should be read in conjunction with the Transmittal Letter, Financial Statements and Notes to the Financial Statements. Management has prepared the Financial Statements and Notes to the Financial Statements along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with the university administration.

Three primary statements are presented: Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; 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 2012 fall semester of 12,999 was the highest in the University's history.
- The Board of Regents approved the construction of the Ina Brundrett Conservation Education Building that will develop and present environmental education programs to schoolchildren and visitors from throughout East Texas. It is anticipated that the project will be funded entirely through private donations totaling approximately \$1 million.
- The University's net position increased by \$2.2 million for the fiscal period ended August 31, 2013. Overall, the primary factors in this growth were due to stable enrollment, cost containment and an increase in designated tuition rates.
- The University spent over \$1 million on residence hall renovations.

CONDENSED FINANCIAL INFORMATION AND FINANCIAL HIGHLIGHTS

Statement of Net Position

The Statement of Net Position provides 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 position are indicators of the improvement or decline of the financial health of the University. The Statement of Net Position presents the assets, liabilities, deferred outflow and inflow of resources, and net position of the University at a specific point in time, in this case August 31, 2013. Net position represents the residual interest in the University's assets after liabilities are deducted.

"Net Position" displays three major categories: Invested in Capital Assets, Net of Related Debt; Restricted Net Position; and Unrestricted Net Position. The Invested in Capital Assets, Net of Related Debt category identifies the equity in property, plant, and equipment owned by the University. Restricted Net Position is either expendable or non-expendable. Expendable restricted net position may be expended only for the purposes designated by the external donor or provider of the assets. Non-expendable net position is comprised entirely of funds held as permanent endowments. Unrestricted Net Position is available for any lawful purpose of the University. Although Unrestricted Net Position 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 Position are unspent Higher Education Funds (HEF) appropriations, which have restrictions imposed by the State. Assets and liabilities are generally measured using current values, except capital assets, which are stated at historical cost less an allowance for depreciation.

A summarized comparison of the University's Statement of Net Position at August 31, 2013, and 2012 follows:

Statement of Net Position

	August 31, 2013	August 31, 2012 As Restated
Assets		
Current Assets	\$ 154,187,643.86	\$ 133,607,393.64
Noncurrent Assets		
Other Noncurrent Assets	33,822,881.41	49,832,153.30
Capital Assets, Net of Depreciation	222,145,053.33	234,904,814.82
Total Assets	410,155,578.60	418,344,361.76
Liabilities		
Current Liabilities	110,280,696.35	108,811,334.55
Noncurrent Liabilities	163,111,702.84	174,956,361.19
Total Liabilities	273,392,399.19	283,767,695.74
Net Position		
Invested in Capital Assets, Net of Related Debt	52,306,842.44	54,154,929.36
Restricted Net Position		
Expendable	17,392,957.25	17,018,328.90
Non-expendable	7,035,923.52	6,965,104.29
Unrestricted Net Position	60,027,456.20	56,438,303.47
Total Net Position	\$ 136,763,179.41	\$ 134,576,666.02

In fiscal year 2013, total assets of the University decreased approximately \$8.2 million from the previous fiscal year. Capital assets, net of depreciation, decreased approximately \$12 million. Capital expenditures of \$4.5 million offset by depreciation and amortization expenditures of \$16.3 million accounted for this change. Overall, cash and investments increased \$12 million from 2012.

Receivables recognized in current assets decreased approximately \$8.5 million due to the reduction of Federal Direct Loan receivable of \$11.8 million from 2012 to \$2.8 million in 2013. The total receivables balance includes \$2.9 million related to payments due the University for costs associated with the Columbia Regional Geospatial Service Center. The University has not received reimbursements for expenditures related to this federally funded earmark since 2010.

Total liabilities decreased by approximately \$10.3 million as a result of the University meeting current obligations of long-term debt associated with capital leases, notes and loans and bonds payable.

Unrestricted Net Position increased by \$3.5 million primarily due to savings from various budget initiatives including the comprehensive energy management program and an increase in designated tuition.

Statement of Revenues, Expenses, and Changes in Net Position

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

Operating revenues are receipts for providing goods and services to the various constituencies of the University. Operating expenses include salaries, wages, goods and services needed 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 appropriations, Pell grants, and other federal revenues.

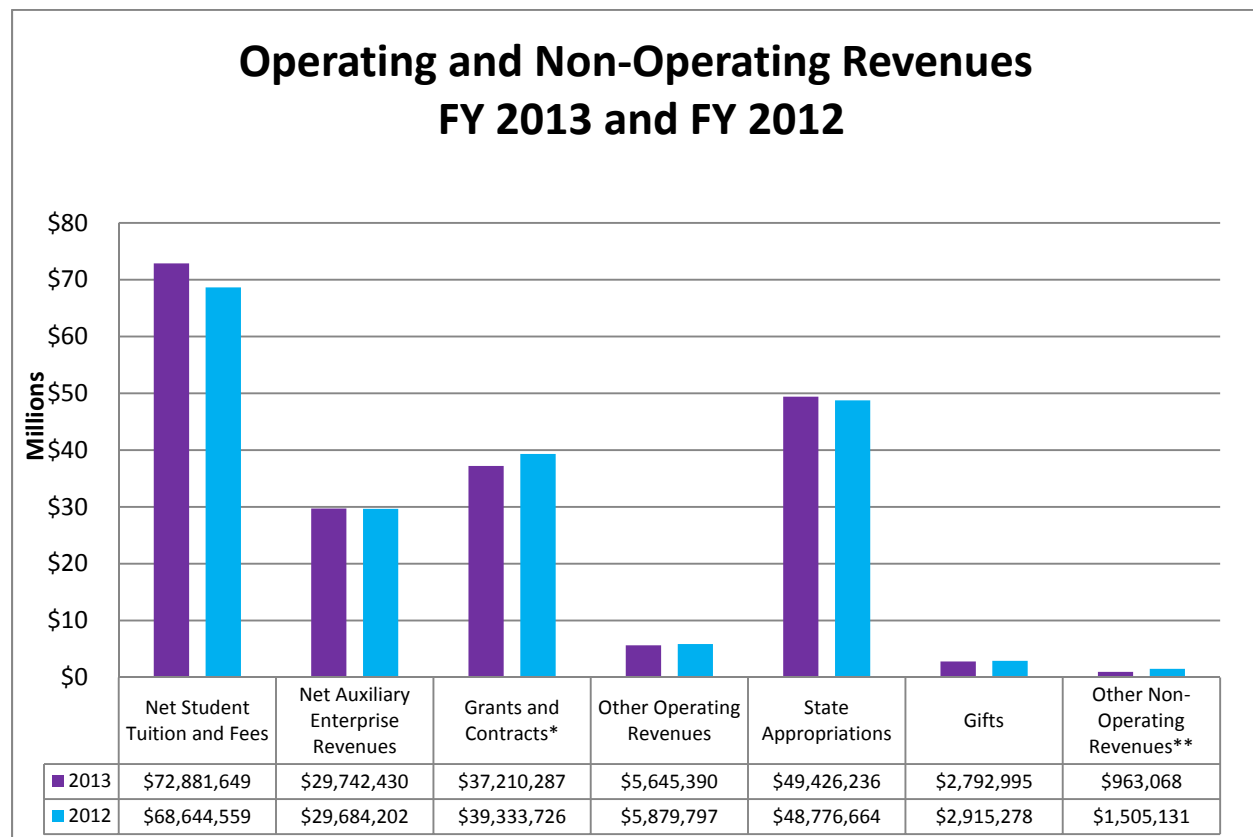
A summarized comparison of the University's Statement of Revenues, Expenses, and Changes in Net Position for the years ended August 31, 2013, and 2012 follows:

Statement of Revenues, Expenses, and Changes in Net Position

	2013	2012 As Restated
Operating Revenues:		
Net Student Tuition and Fees	\$ 72,881,648.92	\$ 68,644,559.02
Net Auxiliary Enterprise Revenues	29,742,430.02	29,684,202.03
Grants and Contracts	16,353,339.30	17,132,999.96
Other Operating Revenues	5,645,389.57	5,879,796.83
Total Operating Revenues	124,622,807.81	121,341,557.84
Total Operating Expenses	196,799,367.18	195,816,149.68
Operating Income (Loss)	(72,176,559.37)	(74,474,591.84)
Non-Operating Revenues (Expenses):		
Legislative Revenue (State)	37,843,134.00	37,797,001.00
Additional Appropriations	11,583,102.48	10,979,663.29
Federal Revenues - Non-Operating	20,856,948.00	22,200,726.00
Gifts	2,792,994.63	2,915,277.55
Net Investment Income (Loss)	1,669,328.23	1,083,054.15
Net Increase in Fair Value of Investments	(656,822.76)	588,653.08
Interest Expenses and Fiscal Charges	(7,201,824.85)	(7,448,097.23)

Net Other Non-Operating Revenues (Expenses)	(49,437.00)	(166,576.52)
Total Non-Operating Revenues (Expenses)	66,837,422.73	67,949,701.32
Income (Loss) Before Other Revenues, Expenses, Gains or Losses	(5,339,136.64)	(6,524,890.52)
Other Revenues, Expenses, Gains (Losses) and Transfers	7,525,650.03	7,475,054.06
Change in Net Position	2,186,513.39	950,163.54
Net Position, Beginning of Year	134,576,666.02	133,645,332.79
Restatements	0.00	(18,830.31)
Restated Net Position, Beginning of Year	134,576,666.02	133,626,502.48
Net Position, End of Year	\$ 136,763,179.41	\$ 134,576,666.02

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



* *Grants and Contracts includes both Operating and Non-Operating Grants and Contracts.*

***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 2013 highlights presented in the Statement of Revenues, Expenses, and Changes in Net Position are as follows:

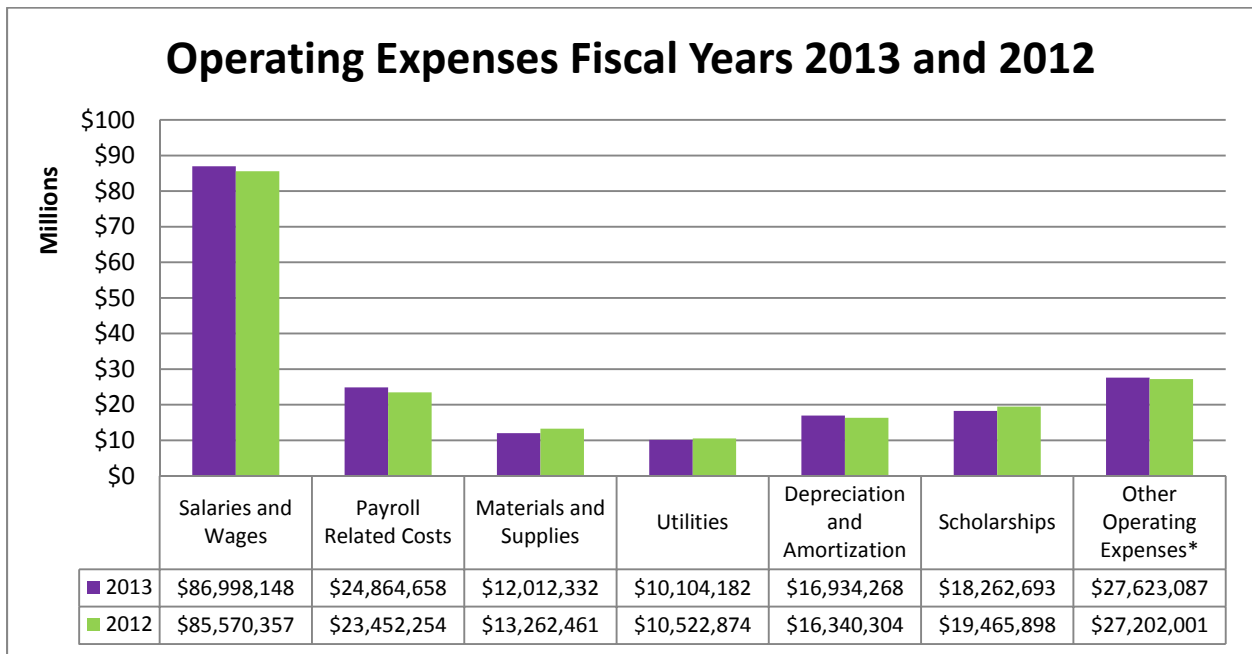
- In April, 2012 the Board of Regents approved an increase in designated tuition rates. Gross tuition increased by \$5.9 million, which was connected to both a slight increase in enrollment and higher tuition rates. The University uses a formula provided by the National Association of College and University Business Officers (NACUBO) to calculate tuition discounts, which takes into account student charges, payments both to and from students, loan proceeds, contractual payments made on a student's behalf, and scholarships.
- Gross auxiliary enterprise revenues – pledged remained relatively unchanged. Although the Board of Regents approved an increase in room and board rates of 2.5 and 2.0 percent respectively for the 2013 fiscal period, there was a decrease in occupancy of 4 percent.
- Exemptions mandated by the State continued to increase largely due to the Hazelwood Legacy program.

Gross Student Revenues, Exemptions, Discounts and Allowances			
	2013	2012	Net Change
Tuition and Fees - Pledged	\$92,876,869.09	\$87,270,382.96	\$5,606,486.13
Tuition and Fees - Non-Pledged	4,019,787.80	3,746,882.38	272,905.42
Exemptions	(4,683,404.58)	(3,341,310.32)	(1,342,094.26)
Tuition Discounts	(18,995,437.84)	(18,423,274.23)	(572,163.61)
Allowances for Doubtful Accounts	(336,165.55)	(608,121.77)	271,956.22
Net Student Tuition and Fees	<u>\$72,881,648.92</u>	<u>\$68,644,559.02</u>	<u>\$4,237,089.90</u>
Auxiliary Enterprises - Pledged	\$37,556,376.48	\$37,657,107.00	\$(100,730.52)
Discounts	(9,123,204.01)	(9,004,789.22)	(118,414.79)
Allowances for Doubtful Accounts	(352,654.83)	(642,343.75)	289,688.92
Auxiliary Enterprises - Non-Pledged	1,661,912.38	1,674,228.00	(12,315.62)
Net Auxiliary Enterprise Revenues	<u>\$29,742,430.02</u>	<u>\$29,684,202.03</u>	<u>\$58,227.99</u>

The following data summarizes the operating expenses in the natural classification expense categories for the fiscal years ended August 31, 2013, and 2012:

	2013	2012
Cost of Goods Sold	\$ 8,544,135.85	\$ 8,496,255.55
Salaries and Wages	86,998,147.55	85,570,357.18
Payroll Related Costs	24,864,657.61	23,452,253.88
Professional Fees and Services	2,345,770.03	2,991,987.00
Travel	2,525,173.22	2,401,547.81
Materials and Supplies	12,012,331.96	13,262,460.98
Communication and Utilities	10,104,181.95	10,522,873.94
Repairs and Maintenance	5,490,106.10	5,458,902.90
Rentals and Leases	1,797,314.00	1,737,543.19
Printing and Reproduction	536,754.36	561,080.71
Federal Pass-Through Expenditure	0.00	17,983.55
Federal Pass-Through Expenditure to Non-State Entities	918,322.75	560,449.30
State Pass-Through Expenditure	125,359.74	45,412.54
Amortization	663,099.68	618,865.29
Depreciation	16,271,168.55	15,721,439.19
Bad Debt Expense	275,816.28	354,349.43
Scholarships	18,262,693.17	19,465,898.38
Other Operating Expenses	5,064,334.38	4,576,488.86
	<u>\$ 196,799,367.18</u>	<u>\$ 195,816,149.68</u>

Following is a graphic presentation of the major operating expense categories for the fiscal years ended August 31, 2013, and 2012:



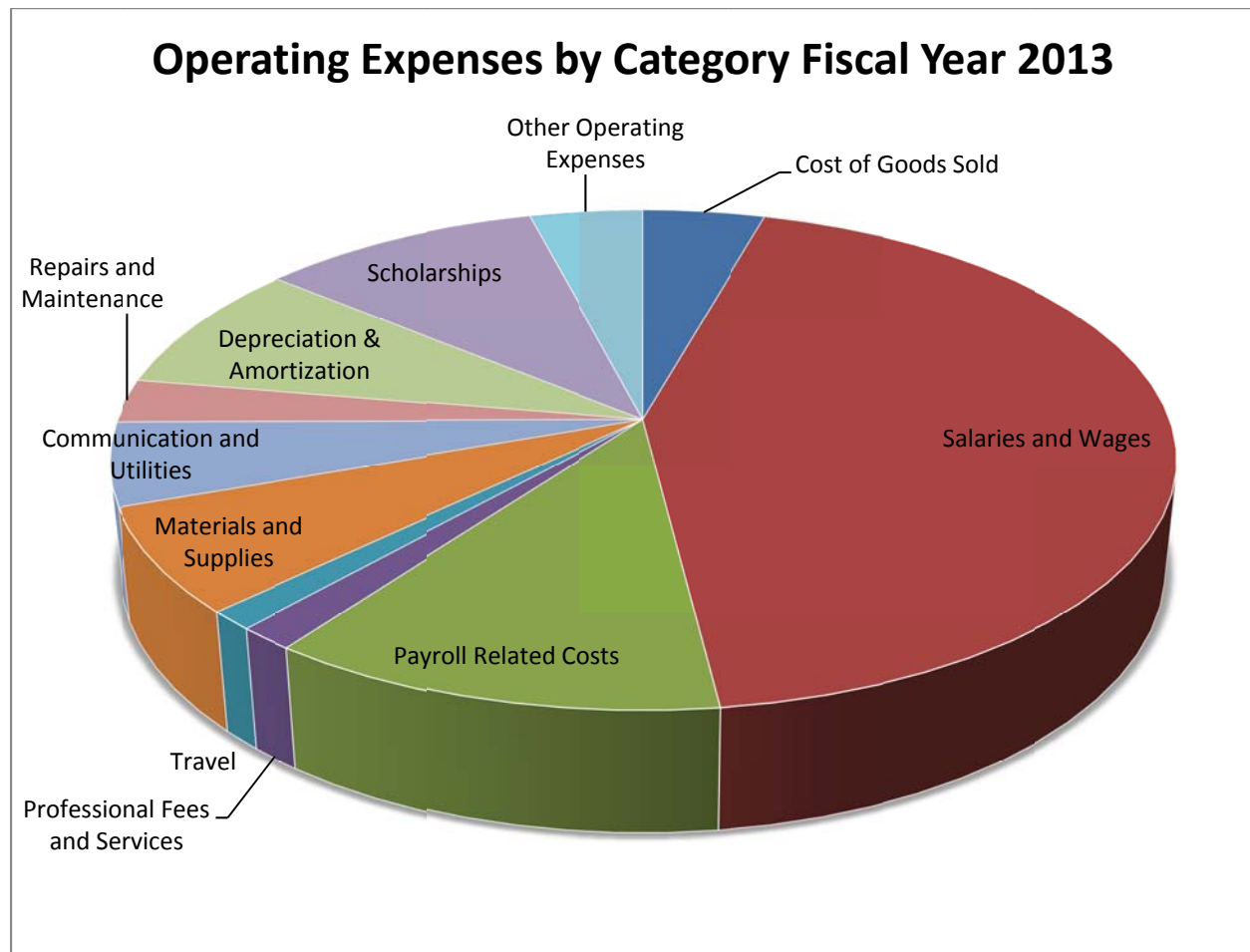
*Other Operating Expenses includes Cost of Goods Sold, Professional Fees and Services, Travel, Repairs and Maintenance, Rentals and Leases, Printing and Reproduction, Federal and State Pass-Through Expenses, Bad Debt Expense, and Other Operating Expenses.

Reported net scholarships decreased by \$1.2 million. However, the gross amount of scholarships actually awarded to students decreased \$.5 million. A portion of scholarships have been reclassified as either tuition discounts or auxiliary discounts using the NACUBO discount formula. The discount calculation takes into account all aid to the student (see chart).

Gross Scholarships and Related Discounts Applied to Revenues			
	2013	2012	Net Change
Student Loans (includes Perkins, Direct Loans, PLUS loans distributed to student accounts)	\$ 87,045,207.86	\$ 88,611,272.16	\$ (1,566,064.30)
Gross Scholarships	46,381,335.02	46,893,961.83	(512,626.81)
Scholarships- Reclassified to Tuition Discounts	(18,995,437.84)	(18,423,274.23)	(572,163.61)
Scholarships- Reclassified to Auxiliary Enterprises	(9,123,204.01)	(9,004,789.22)	(118,414.79)
Scholarships (as reported)	\$ 18,262,693.17	\$ 19,465,898.38	\$ (1,203,205.21)

Some of the fiscal year 2013 significant changes from the prior year for operating expenses are:

- Salaries, wages and payroll related costs increased by approximately \$2.8 million. This increase is attributed to a three percent merit pool approved by the Board of Regents in July, 2012 for the 2013 fiscal year. As indicated in the chart below, salaries, wages and payroll related costs account for more than half of the University's operating budget.
- Materials and supplies decreased by \$1.25 million. This is primarily due to the timing of purchases made by the University central store that provides consumable supplies to departments. Another cause of the decrease was the purchases made in 2012 to upgrade the laboratory equipment in the science labs.



Statement of Cash Flows

The purpose of a statement of cash flows is to provide relevant information about a university's cash receipts and payments during the fiscal year. The statement of cash flows, when used with related disclosures and information in the other financial statements, provides relevant information about a university, such as:

- Its ability to generate future net cash flows.
- Its ability to meet obligations when due.
- Its needs for external financing.
- The reason for differences between operating income and associated cash receipts and payments.
- The effects on the university's financial position of its cash and its noncash investing, capital and financing transactions.

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 – cash flows from operating activities result from providing services and producing and delivering goods. They include all other transactions not defined as noncapital financing, capital and related financing or investing activities.
2. Cash Flows from Non-Capital Financing Activities – cash flows from noncapital financing activities include borrowing money and repaying the principal and interest on amounts borrowed for purposes other than to acquire, construct or improve capital assets.
3. Cash Flows from Capital and Related Financing Activities – cash flows from capital and related financing activities include acquiring and disposing of capital assets, borrowing money to acquire, construct or improve capital assets and repaying the principal and interest amounts.
4. Cash Flows from Investing Activities – cash flows from investing activities include making and collecting loans (except program loans) and the acquisition and disposition of debt or equity instruments.

A statement of cash flows reports net cash provided or used in each of the four categories of classifying cash transactions. It also reports the net effect of these flows on cash and cash equivalents during the fiscal year in a manner that reconciles beginning and ending cash and cash equivalents for the year.

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 Position. When transactions are part cash and part non-cash, only the cash portion is reported within the statement of cash flows. Non-cash items include information about investing, capital and financing activities that affect assets and liabilities but do not result in cash receipts or cash payments in the fiscal period. The non-cash portion is reported in the non-cash transaction section supplemental to the statement of cash flows.

A summarized comparison of the Statement of Cash Flows at August 31, 2013, and 2012 follows:

Statement of Cash Flows

	2013	2012 As Restated
Net Cash Provided (Used) by:		
Operating Activities	\$ (43,630,553.98)	\$ (59,060,601.96)
Non-Capital Financing Activities	69,138,506.56	75,534,029.83
Capital and Related Financing Activities	(14,446,125.62)	(18,514,792.61)
Investing Activities	17,028,074.12	(4,343,739.10)
Increase (Decrease) in Cash and Cash Equivalents	28,089,901.08	(6,385,103.84)
Cash and Cash Equivalents, Beginning of Year	61,178,488.84	67,563,592.68
Cash and Cash Equivalents, End of Year	\$ 89,268,389.92	\$ 61,178,488.84

Net cash provided (used) by operating activities should be viewed together with net cash provided (used) by non-capital financing activities because state appropriations are significant sources of recurring revenue in support of operating expenses, but under GASB Statement No. 35 they must be classified as non-capital financing activities instead of operating activities. Additionally, Pell grants revenue is classified as a non-operating activity since this is considered a non-exchange activity.

Cash provided for or used by operating activities increased \$15.4 million. This increase is predominately the result of the \$9 million collection of governmental receivables from the student Direct Loan program. This decrease in receivables was due to a timing issue on the University's drawdowns. Proceeds from tuition and fees increased \$3.2 million largely due from designated tuition increases.

Cash flows from non-capital financing activities in fiscal year 2013 decreased nine percent, or \$6.3 million, from the prior year. A decrease in Pell grant funds of \$1.3 million accounted for part of this decline. The State requires agencies and universities to report the total appropriation authority given for that fiscal year as revenue. These agencies must then report their remaining unspent legislative appropriation authority balance at fiscal year-end as an asset. For the University this asset value of \$4.9 million decreased cash flows from legislative appropriations compared to 2012.

Net cash used for capital and related financing activities decreased by \$4 million. This variance was due to the decrease in the proceeds of debt of \$3.1 million and a decrease of capital expenditures of \$7.4 million. As bond-funded projects are completed, both the proceeds from debt and the related capital expenditures decrease from year to year.

The change in net cash provided for investing activities increased approximately \$21.3 million. This increase reflects an increase in the proceeds from operating investments of \$22 million.

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 \$4.4 million in fiscal year 2013, \$11.8 million in fiscal year 2012, \$34.7 million in fiscal year 2011, and \$31.5 million in fiscal year 2010.

As part of the University's capital plan for 2013, the renovations of the Baker Pattillo Student Center Twilight ballroom, Human Sciences building exterior, and the Cole Recital Hall were completed along with the installation of baseball field lighting, football field artificial turf, chilled water line, and electrical system upgrades. The construction of the Ina Brundrett Conservation Education Building began during the fiscal year and remained in progress at year-end.

For the 2013-14, the Board of Regents adopted a capital plan of approximately \$5 million. Projects include renovation of the School of Music practice rooms, repairs to the forestry building and coliseum exteriors, upgrade of the Human Sciences facilities, various upgrades to sprinkler and fire alarm systems and upgrades to the power plants.

ECONOMIC OUTLOOK

Management is not aware of any facts, decisions, or conditions that would have a material effect on the financial position or results of operations during the fiscal year 2014.

Enrollment for fall 2013 decreased slightly by 1.7 percent after graduating the largest class in school history in May 2013. The fall term saw a drop in freshman enrollment of five percent, which was foreseeable due to the increased admission standards enacted in the fall of 2012. However, the 2013 fall term also saw an increase of 3.8 percent of graduate enrollment over the fall of 2012.

In April 2013, the Board of Regents approved refunding the 2002 and 2004 bond issues and defeasing the 2004A outstanding bond issue. The bond sale occurred in September 2013.

Legislation passed during 2013 enables the University, previously subject to the Public Funds Investment Act, to consolidate its public funds with other institutions, investing under the prudent person standard. Based on this new legislation, which was effective September 1, 2013, the University has contracted with Texas A&M University to manage its unrestricted investments.

In fiscal year 2013, the 83rd Legislature of Texas met and approved an increase in State funding for the University of \$1.3 million per year for 2014-15 over the last biennium.

SIGNIFICANT EVENTS

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

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STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Statement of Net Position
For the Fiscal Year Ended August 31, 2013

	<u>2013</u>	<u>2012</u> <u>Restated</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents:		
Cash on Hand	\$ 137,817.37	\$ 159,676.40
Cash in Bank	61,122,772.14	46,318,847.62
Cash in Transit/Reimburse from Treasury	1,160,615.37	523,826.81
Cash in State Treasury	2,342,946.93	1,365,832.90
Cash Equivalents	1,184,157.14	0.00
Short Term Investments	19,756,074.39	20,142,762.12
Restricted:		
Cash and Cash Equivalents		
Cash in Bank	22,647,904.98	12,810,305.11
Cash Equivalents	672,175.99	0.00
Short Term Investments:		
Endowment	182,829.45	0.00
Legislative Appropriations	4,993,934.78	2,216,431.50
Receivables:		
Intergovernmental Receivables:		
Federal	3,665,086.60	12,422,142.25
Other Intergovernmental	69,198.61	200,423.56
Interest and Dividends	157,828.64	145,884.17
Student Receivable	6,896,855.69	7,540,380.28
Accounts Receivable	2,844,442.21	2,168,509.45
Due From Other Agencies:		
Federal	3,222,417.27	3,546,790.61
State	152,748.66	163,853.20
Consumable Inventories	500,404.59	664,958.82
Prepaid Items	20,168,157.09	20,896,770.37
Student Loans Receivables	2,309,275.96	2,319,998.47
Total Current Assets	<u>154,187,643.86</u>	<u>133,607,393.64</u>

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Statement of Net Position
For the Fiscal Year Ended August 31, 2013

	<u>2013</u>	<u>2012</u> <u>Restated</u>
Noncurrent Assets		
Restricted:		
Investments		
Endowments	10,211,126.49	10,071,151.36
Student Loans Receivables	6,631,493.26	6,363,176.11
Allowance for Doubtful Accounts	(1,773,351.79)	(1,497,535.51)
Unrestricted:		
Investments:		
Operating	13,193,314.15	28,465,861.15
Quasi-Endowments	4,210,368.65	4,901,299.19
Student Accounts Receivables	8,740,233.19	8,229,683.16
Allowance for Doubtful Accounts	(7,390,302.54)	(6,701,482.16)
Capital Assets, Non-depreciable:		
Land and Land Improvements	7,571,261.54	7,551,432.05
Construction in Progress	490,003.82	244,040.52
Other Capital Assets	697,419.27	697,419.27
Capital Assets, Depreciable:		
Buildings and Building Improvements	361,389,837.27	360,494,860.36
Less Accumulated Depreciation	(188,297,109.99)	(176,689,598.49)
Infrastructure	12,169,407.80	11,506,504.57
Less Accumulated Depreciation	(7,773,003.77)	(7,084,009.91)
Facilities and Other Improvements	33,794,878.41	33,141,312.02
Less Accumulated Depreciation	(8,307,240.35)	(6,450,155.49)
Furniture and Equipment	19,260,476.97	19,205,010.32
Less Accumulated Depreciation	(13,277,485.50)	(12,649,352.11)
Vehicles, Boats, and Aircraft	5,369,427.26	4,877,619.27
Less Accumulated Depreciation	(3,997,613.81)	(3,898,296.65)
Other Capital Assets	15,758,564.81	15,857,605.95
Less Accumulated Depreciation	(14,074,296.24)	(13,934,125.99)
Intangible Assets	6,498,207.89	6,503,245.09
Less Accumulated Depreciation	(5,127,682.05)	(4,468,695.96)
Total Noncurrent Assets	<u>255,967,934.74</u>	<u>284,736,968.12</u>
Total Assets	<u>410,155,578.60</u>	<u>418,344,361.76</u>

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Statement of Net Position
For the Fiscal Year Ended August 31, 2013

	<u>2013</u>	<u>2012</u> <u>Restated</u>
LIABILITIES		
Current Liabilities:		
Payables:		
Accounts Payable	3,263,190.50	3,198,236.01
Payroll Payable	6,833,699.34	6,246,555.70
Deposits	3,045,405.56	2,610,282.62
Benefits Payable	2,086,599.07	1,788,863.38
Interfund Payable	1,506,436.00	1,496,005.30 *
Due to Other Agencies	1,510,393.55	1,291,849.00
Unearned Revenues:		
Tuition and Fees	43,880,646.46	42,747,490.70
Sales and Services	18,850,328.13	19,078,313.69
Grants and Contracts	480,096.93	644,094.18
Employees' Compensable Leave	434,362.21	427,056.61
Capital Lease Obligations	83,587.60	83,512.94
Notes and Loans Payable	806,986.39	781,540.22 *
Revenue Bonds Payable	6,045,000.00	5,815,000.00
Tuition Revenue Bonds Payable	2,745,000.00	2,670,000.00
General Obligation Bonds Payable	995,000.00	960,000.00
Accrued Bond Interest Payable	2,577,510.01	2,708,947.52
Funds Held for Others	15,136,454.60	15,244,277.44
Payable From Restricted Assets	0.00	1,019,309.24
Total Current Liabilities	<u>110,280,696.35</u>	<u>108,811,334.55</u>
Noncurrent Liabilities:		
Interfund Payable	9,902,927.51	11,194,671.19 *
Capital Lease Obligations	102,799.38	169,607.23
Employees' Compensable Leave	3,545,975.95	3,440,096.38
Notes and Loans Payable	0.00	806,986.39 *
Revenue Bonds Payable	104,335,000.00	110,380,000.00
Tuition Revenue Bonds Payable	39,680,000.00	42,425,000.00
General Obligation Bonds Payable	5,545,000.00	6,540,000.00
Total Noncurrent Liabilities	<u>163,111,702.84</u>	<u>174,956,361.19</u>
Total Liabilities	<u>273,392,399.19</u>	<u>283,767,695.74</u>
NET POSITION		
Invested in Capital Assets, Net of Related Debt	52,306,842.44	54,154,929.36
Restricted for:		
Capital Projects	0.00	102,271.09
Endowment Funds		
Nonexpendable	7,035,923.52	6,965,104.29
Expendable	3,283,848.38	2,780,007.29
Other	14,109,108.87	14,136,050.52
Unrestricted	60,027,456.20	56,438,303.47
Total Net Position	<u>\$ 136,763,179.41</u>	<u>\$ 134,576,666.02</u>

*Notes and Loan Payable, in both current and noncurrent liabilities, included amounts due to the State Energy Conservation Office (SECO). These amounts have been restated to Interfund Payables in fiscal year 2012.

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STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended August 31, 2013

	<u>2013</u>	<u>2012</u> <u>Restated</u>
Operating Revenues:		
Sales of Goods and Services		
Tuition & Fees - Pledged	\$ 92,876,869.09	\$ 87,270,382.96
Tuition & Fees - Non-Pledged	4,019,787.80	3,746,882.38
Discounts and Allowances	(24,015,007.97)	(22,372,706.32)
Auxiliary Enterprise - Pledged	37,556,376.48	37,657,107.00
Auxiliary Enterprise - Non-Pledged	1,661,912.38	1,674,228.00
Discounts and Allowances	(9,475,858.84)	(9,647,132.97)
Other Sales of Goods and Svcs - Pledged	4,643,438.55	4,720,708.35
Other Sales of Goods and Svcs - Non-Pledged	975,800.57	1,138,967.78
Federal Revenue	4,874,347.69	4,905,792.84
Federal Pass-Through Rev from Non-State Entities	241,274.85	147,136.55
Federal Pass-Through Revenue	1,361,193.90	1,790,496.19
State Pass-Through Revenue	8,935,120.44	9,231,391.07
Local Contracts and Grants	530,419.52	669,382.76
Other Contracts and Grants	410,982.90	388,800.55
Other Operating Revenues - Pledged	26,150.45	20,120.70
Total Operating Revenues	<u>124,622,807.81</u>	<u>121,341,557.84</u>
Operating Expenses:		
Cost of Goods Sold	8,544,135.85	8,496,255.55
Salaries and Wages	86,998,147.55	85,570,357.18
Payroll Related Costs	24,864,657.61	23,452,253.88
Professional Fees and Services	2,345,770.03	2,991,987.00
Travel	2,525,173.22	2,401,547.81
Materials and Supplies	12,012,331.96	13,262,460.98
Communication and Utilities	10,104,181.95	10,522,873.94
Repairs and Maintenance	5,490,106.10	5,458,902.90
Rentals and Leases	1,797,314.00	1,737,543.19
Printing and Reproduction	536,754.36	561,080.71
Federal Pass-Through Expenditure	0.00	17,983.55
Federal Pass-Through Expenditure to Non-State Entities	918,322.75	560,449.30
State Pass-Through Expenditure	125,359.74	45,412.54
Amortization	663,099.68	618,865.29
Depreciation	16,271,168.55	15,721,439.19
Bad Debt Expense	275,816.28	354,349.43
Interest Expense	401.03	363.75
Scholarships	18,262,693.17	19,465,898.38
Claims and Judgments	941.54	0.00
Other Operating Expenses	5,062,991.81	4,576,125.11
Total Operating Expenses	<u>196,799,367.18</u>	<u>195,816,149.68</u>
Operating Income (Loss)	<u>(72,176,559.37)</u>	<u>(74,474,591.84)</u>

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended August 31, 2013

	<u>2013</u>	<u>2012</u> <u>Restated</u>
Non-Operating Revenues (Expenses):		
Legislative Revenue	37,843,134.00	37,797,001.00 *
Additional Appropriations	11,583,102.48	10,979,663.29 *
Federal Revenue	20,856,948.00	22,200,726.00
Gifts - Nonpledged	2,792,994.63	2,905,360.90
Gifts - Pledged	0.00	9,916.65
Other Rental Income	83,992.01	117,072.66
Investment Income - Pledged	699,485.50	854,126.18
Investment Income - Non-Pledged	910,013.78	172,227.13
Net Increase (Decrease) Fair Value - Pledged	(684,199.52)	113,742.06
Net Increase (Decrease) Fair Value - Nonpledged	27,376.76	475,603.29
Investing Activities Expenses	(79,993.75)	(103,106.61)
Income on Loans Receivable	137,000.96	150,476.78
Interest Income on Capital Investments-Pledged	2,821.74	9,330.67
Net Increase (Decrease) Fair Value-Capital Investments-Pledged	0.00	(692.27)
Interest Expenses and Fiscal Charges	(7,201,824.85)	(7,448,097.23)
Gain (Loss) on Sale of Capital Assets	(208,288.65)	(378,656.54)
Settlement of Claims	1,377.85	959.58
Other Non-Operating Revenues (Expenses)	73,481.79	94,047.78
Total Non-Operating Revenues (Expenses)	<u>66,837,422.73</u>	<u>67,949,701.32</u>
Income (Loss) Before Other Revenues, Expenses, Gains/Losses and Transfers	<u>(5,339,136.64)</u>	<u>(6,524,890.52)</u>
Other Revenues, Expenses, Gains/Losses and Transfers		
Capital Contributions	331,767.77	87,702.27
Capital Appropriations (Higher Education Fund)	8,425,937.00	8,425,937.00
Additions to Permanent and Term Endowments	70,819.23	97,453.90
Transfers Out	(1,302,873.97)	(1,136,039.11)
Total Other Revenue, Expenses, Gain/Losses and Transfers	<u>7,525,650.03</u>	<u>7,475,054.06</u>
Change in Net Position	<u>2,186,513.39</u>	<u>950,163.54</u>
Net Position, Beginning of Year	134,576,666.02	133,645,332.79
Restatements	0.00	(18,830.31)
Net Position, Beginning of Year, as Restated	<u>134,576,666.02</u>	<u>133,626,502.48</u>
Net Position, August 31, 2013	<u>\$ 136,763,179.41</u>	<u>\$ 134,576,666.02</u>

* Restated to reclassify Research Development Funds from Additional Appropriations to Legislative Revenue

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Matrix of Operating Expenses by Function
 For the Fiscal Year Ended August 31, 2013

UNAUDITED

<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	\$ 4,498.31		51,628.36	116,069.33	54,255.33	(229.30)
Salaries and Wages	44,510,731.39	2,349,500.29	1,249,429.26	7,148,309.84	9,415,123.92	8,832,624.66
Payroll Related Costs	10,335,543.90	462,792.45	230,676.74	1,650,436.13	2,268,667.82	5,386,952.64
Professional Fees and Services	246,765.87	267,331.96	235,361.99	802,940.16	86,284.99	223,589.08
Travel	415,711.08	151,603.40	66,155.38	505,327.61	1,097,936.96	257,682.36
Materials and Supplies	2,827,540.41	497,396.09	420,570.68	1,202,083.47	2,116,818.67	1,113,890.47
Communication and Utilities	335,965.37	16,377.27	7,167.58	1,287,530.45	223,647.96	55,556.63
Repairs and Maintenance	440,309.69	20,628.16	8,892.95	237,385.85	523,615.62	1,309,668.27
Rentals and Leases	355,072.61	29,933.08	139,099.16	73,279.25	808,637.80	76,468.38
Printing and Reproduction	151,843.15	30,142.32	93,401.71	84,784.17	356,583.62	(332,350.46)
Federal Pass-Through Expenditures		13,855.15	904,467.60			
State Pass-Through Expenditures		99,998.98	25,360.76			
Depreciation and Amortization						
Bad Debt Expense					275,816.28	
Interest Expense	0.28		20.90			345.57
Scholarships						
Claims and Judgments						941.54
Other Operating Expenses	412,458.29	68,961.67	95,837.01	342,881.93	1,884,504.48	1,212,324.85
Total Operating Expenses	\$ 60,036,440.35	\$ 4,008,520.82	\$ 3,528,070.08	\$ 13,451,028.19	\$ 19,111,893.45	\$ 18,137,464.69

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Matrix of Operating Expenses by Function
 For the Fiscal Year Ended August 31, 2013

UNAUDITED

Operating Expenses	Operation and Maintenance of Plant	Scholarships and Fellowships	Auxiliary Enterprises	Depreciation and Amortization	Total Expenses
Cost of Goods Sold			8,317,913.82		\$ 8,544,135.85
Salaries and Wages	4,625,382.48		8,867,045.71		86,998,147.55
Payroll Related Costs	1,468,230.25		3,061,357.68		24,864,657.61
Professional Fees and Services	242,793.05		240,702.93		2,345,770.03
Travel	(281,351.91)		312,108.34		2,525,173.22
Materials and Supplies	1,575,078.25		2,258,953.92		12,012,331.96
Communication and Utilities	3,758,459.03		4,419,477.66		10,104,181.95
Repairs and Maintenance	1,502,387.96		1,447,217.60		5,490,106.10
Rentals and Leases	15,794.18		299,029.54		1,797,314.00
Printing and Reproduction	2,205.69		150,144.16		536,754.36
Federal Pass-Through Expenditure					918,322.75
State Pass-Through Expenditures					125,359.74
Depreciation and Amortization				16,934,268.23	16,934,268.23
Bad Debt Expense					275,816.28
Interest Expense	29.88		4.40		401.03
Scholarships		18,262,693.17			18,262,693.17
Claims and Judgments					941.54
Other Operating Expenses	784,296.85		261,726.73		5,062,991.81
Total Operating Expenses	\$ 13,693,305.71	\$ 18,262,693.17	\$ 29,635,682.49	\$ 16,934,268.23	\$ 196,799,367.18

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2013

	2013	2012 Restated
Cash Flows from Operating Activities		
Proceeds Received from Tuition and Fees	\$ 75,271,722.56	\$ 72,081,810.33
Proceeds Received from Auxiliary Services	29,514,444.46	29,740,076.44
Proceeds Received from Other Sales and Services	5,783,793.35	5,715,865.30
Proceeds from Grants and Contracts	24,587,962.59	14,740,191.54
Proceeds from Other Revenues	26,150.45	20,120.70
Payments to Suppliers for Goods and Services	(49,568,521.62)	(50,243,940.99)
Payments to Employees for Salaries	(86,704,221.78)	(85,360,387.63)
Payments to Employees for Benefits	(24,641,044.05)	(23,707,366.02)
Proceeds (Payments) of Loans Issued to Students and Employees	(257,594.64)	(678,737.74) *
Proceeds (Payments) from Other Activities	(941.54)	-
Payments to Students for Scholarships	(17,641,902.73)	(21,367,870.14)
Payments for Interest Expense	(401.03)	(363.75)
Net Cash Provided (Used) by Operating Activities	<u>(43,630,553.98)</u>	<u>(59,060,601.96)</u>
Cash Flows from Noncapital Financing Activities		
Proceeds from State Appropriations	46,648,733.20	51,514,252.68
Proceeds from Non-Operating Grants and Contracts	20,856,948.00	22,200,726.00
Proceeds from Gifts	2,792,994.63	2,915,277.55
Proceeds from Student Loan Interest	137,000.96	150,476.78 *
Payments of Transfers to Other Agencies	(1,302,873.97)	(1,136,039.11)
Proceeds from Claims and Settlements	1,377.85	959.58
Proceeds (Payments) from Other Revenue (Expense)	73,481.79	94,047.78
Proceeds (Payments) from Endowment Investments	(69,155.90)	(205,671.43)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>69,138,506.56</u>	<u>75,534,029.83</u>
Cash Flows from Capital and Related Financing Activities		
Proceeds from Sale of Capital Assets	55,134.70	3,104.19
Proceeds from Debt Issuance	-	2,451,853.09 *
Proceeds from State Appropriations-Higher Education Funds (HEF)	8,425,937.00	8,425,937.00
Proceeds from Capital Contributions	262,667.77	87,702.27
Proceeds from Other Financing Activities	18,000.00	-
Proceeds from Other Rental Income	83,992.01	117,072.66
Proceeds from Interest on Capital Investments	2,821.74	8,638.40
Payments for Additions to Capital Assets	(4,368,830.09)	(11,829,501.38)
Payments for Interfund Payables	(1,281,312.98)	(83,597.23) *
Payments of Principal on Capital Debt	(10,311,273.41)	(10,029,196.94) *
Payments of Interest on Capital Debt	(7,333,262.36)	(7,666,804.67)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(14,446,125.62)</u>	<u>(18,514,792.61)</u>
Cash Flows from Investing Activities		
Proceeds (Payments) from Investments	16,350,165.27	(5,865,958.13)
Proceeds from Interest Income from Investments	860,738.30	1,522,219.03 *
Proceeds (Payments) from Redemption of Bond Investments	(182,829.45)	-
Net Cash Provided (Used) by Investing Activities	<u>17,028,074.12</u>	<u>(4,343,739.10)</u>
Increase (Decrease) in Cash and Cash Equivalents	<u>\$ 28,089,901.08</u>	<u>\$ (6,385,103.84)</u>
Cash and Cash Equivalents, August 31, 2012	\$ 61,178,488.84	\$ 67,563,592.68
Increase (Decrease) in Cash and Cash Equivalents	<u>28,089,901.08</u>	<u>(6,385,103.84)</u>
Cash and Cash Equivalents, August 31, 2013	<u>\$ 89,268,389.92</u>	<u>\$ 61,178,488.84</u>

See accompanying Notes to the Financial Statements

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2013

	2013	2012
		Restated
Reconciliation of Operating Income (Loss) to		
Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ (72,176,559.37)	\$ (74,474,591.84)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities		
Amortization and Depreciation	16,934,268.23	16,340,304.48
Bad Debt Expense	275,816.28	354,349.43
Operating Income (Loss) and Cash Flow Categories		
Changes in Current Assets and Liabilities		
(Increase) Decrease in Receivables	8,843,927.96	3,003,969.42
(Increase) Decrease in Inventories	164,554.23	(143,810.83)
(Increase) Decrease in Loans to Students	10,722.51	(121,125.53) *
(Increase) Decrease in Prepaid Expenses	728,613.28	(1,010,796.88)
(Increase) Decrease in Due from Other Agencies	335,477.88	(64,844.37)
Increase (Decrease) in Payables	(367,211.11)	(4,406,059.78) *
Increase (Decrease) in Deposits Payable	435,122.94	390,310.40 *
Increase (Decrease) in Due to Other Agencies	218,544.55	129,275.66
Increase (Decrease) in Unearned Revenue	741,172.95	2,765,011.55
Increase (Decrease) in Compensable Leave	7,305.60	14,838.85
Increase (Decrease) in Benefits Payable	297,735.69	(255,112.14) *
Increase (Decrease) in Funds Held for Others	(107,822.84)	(1,281,485.28)
Changes in Non-Current Assets and Liabilities		
Increase (Decrease) in Compensable Leave	105,879.57	190,399.00
(Increase) Decrease in Student Receivables	178,270.35	76,005.09
(Increase) Decrease in Loans to Students	(268,317.15)	(557,612.21)
Cash Reported in Other Categories		
Increase (Decrease) in Investment Activity	11,944.47	(9,626.98)
Total Adjustments	<u>28,546,005.39</u>	<u>15,413,989.88</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (43,630,553.98)</u>	<u>\$ (59,060,601.96)</u>
Displayed as:		
Cash on Hand	\$ 137,817.37	\$ 159,676.40
Cash in Bank	61,122,772.14	46,318,847.62
Cash in Transit/Reimb. Due from Treasury	1,160,615.37	523,826.81
Cash in State Treasury	2,342,946.93	1,365,832.90
Cash Equivalents	1,184,157.14	-
Cash in Bank, Restricted	22,647,904.98	12,810,305.11
Cash Equivalents, Restricted	672,175.99	-
	<u>\$ 89,268,389.92</u>	<u>\$ 61,178,488.84</u>

* Reclassified FY 12 student loan interest paid to non-operating activity. Restated SECO loan payable to interfund payable. Adjusted proceeds from interest income from investments for unrealized gains/losses. Segregated net deposits payable and benefits payable from other payables.

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.

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 GASB 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.

The University follows the “business-type activities” reporting requirement of GASB Statement No. 34 that provides all the financial statements required for enterprise funds.

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.

Fund Structure

Basis of Accounting – Proprietary Fund Accounting

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial positions, and cash flows. The financial statements of the University have been prepared on the accrual basis. Accrual accounting attempts to record a transaction's financial effects in the period in which the transaction occurred, rather than when funds are received or paid. Revenues are recorded when they are earned or when the University has a right to receive the revenues. Expenses are recognized when incurred. The date related cash was received or paid is of no consequence.

Four essential elements of accrual accounting:

- Deferral of expenditures and the subsequent amortization of the deferred costs.
- Deferral of revenues until they are earned.
- Capitalization of certain expenses and the subsequent depreciation of the capitalized costs.
- The accruals of revenues that have been earned and expenses that have been incurred.

Proprietary funds use the flow of economic resources measurement focus, which is similar to the focus used by commercial entities. Proprietary funds focus on whether the enterprise is economically better off as a result of the events and transactions that occurred during the fiscal period reported. Transactions and events that improved an enterprise's financial position are reported as revenues or gains. Transactions and events that diminished the economic position of the enterprise are reported as expenses or losses. Both current and long-term assets and liabilities are presented on the Statement of Net Position.

The Statement of Revenues, Expenses, and Changes in Net Position is segregated into operating and non-operating sections.

Generally, operating activities are those that directly result from the provision of goods and services to

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customers or are directly related to the principal and usual activity of a fund. GASB Statement No. 34 indicates that a consideration for defining a proprietary fund's operating revenues and expenditures is how individual transactions would be classified for purposes of preparing a Statement of Cash Flows according to GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*.

Since certain grants are actually contracts for services, they are classified as operating activities. State appropriations and certain grants, such as the Pell grants, are reported as non-operating activities even though they are directly related to the principal and usual activity of the University. These are considered non-exchange transactions and are therefore considered non-operating revenues.

Budget and Budgetary Accounting

The University prepares an annual budget which represents anticipated sources of revenue and authorized uses. This budget is approved by the University's Board of Regents. Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated. Budget information is not included in the Annual Financial Report.

Assets, Liabilities, and Net Position

Assets

Assets are reported separately as either current or noncurrent in the Statement of Net Position.

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 proprietary 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 using the average cost method. The consumption method of accounting is used to account for inventories and prepaid items. The cost of these items is expensed when the items are sold or consumed.

Prepaid Items

Prepaid items include prepaid expenses attributable to a subsequent fiscal year, including scholarships attributed to the 2013 fall semester. The cost of these items is expensed when the items are used or consumed.

Capital Assets

Assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year are capitalized. These assets are capitalized and reported at cost or, if not purchased, at appraised fair value on the date of acquisition. Donated assets are reported at fair value on the acquisition date. 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.

Other Receivables - Current and Noncurrent

Current receivables are specified in the Statement of Net Position. They include amounts that are reasonably expected to be received in fiscal year 2014. Noncurrent 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 2014. The disaggregation of other receivables as reported in the financial statements is shown in Note 24, "Disaggregation of Receivable and Payable Balances."

Liabilities

Liabilities are reported separately as either current or noncurrent in the Statement of Net Position.

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 – Current and Noncurrent

The disaggregation of other payables as reported in the financial statements is shown in Note 24, “Disaggregation of Receivable and Payable Balances.”

Employees' Compensable Leave

Employees' Compensable Leave 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 noncurrent in the Statement of Net Position. These obligations are normally paid from the same funding source from which the covered 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. Liabilities are reported separately in the Statement of Net Position as either current, for the amounts due within one year, or noncurrent, for the amounts due thereafter.

Bonds Payable - Revenue Bonds

The principal of revenue bonds is reported separately in the Statement of Net Position as either current, for the amounts due within one year, or noncurrent, for the amounts due thereafter. Bonds payable are recorded at par value, net of unamortized premiums, discounts, issuance costs and gains/(losses) on bond refunding activities. 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 Position as either current, for the amounts due within one year, or noncurrent, for the amounts due thereafter. Bonds payable are recorded at par value, net of unamortized premiums, discounts, issuance costs and gains/(losses) on bond refunding activities. 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 Position as either current, for the amounts due within one year, or noncurrent, for the amounts due thereafter. Bonds payable are recorded at par, net of unamortized premiums, discounts, issuance costs and gains/(losses) on bond refunding activities. Interest expense is reported on the accrual basis.

Net Position

The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is “Net Position” on the Statement of Net Position.

Net Position, Invested in Capital Assets, Net of Related Debt

This component of net position is the difference between assets, deferred outflows, deferred inflows and liabilities of proprietary funds that consists of capital assets less:

- Accumulated depreciation
- Accumulated amortization
- Outstanding balances of debt directly attributable to the acquisition, construction, or improvement of those assets
- Deferred outflows and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt.

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The portion of debt or deferred inflows of resources attributable to the unspent amount of related debt proceeds or deferred inflows of resources at the end of the fiscal year is included in the same net position component (restricted or unrestricted) as the unspent amount.

Restricted Net Position

This component of net position is the difference between assets, deferred outflows, deferred inflows and liabilities of proprietary funds that consists of assets with constraints placed on their use by either:

- Externally imposed by creditors, grantors, contributors or laws/regulations of other governments, or
- Imposed by law through enabling legislation or constitutional provisions.

Unrestricted Net Position

This component of net position is the difference between the assets, deferred outflows, deferred inflows and liabilities of proprietary funds not reported as net position, invested in capital assets, net of related debt or restricted net position.

The amortized balance of accretion on capital appreciation bonds is included as part of unrestricted net position unless a sinking fund was established, in which case the balance is reported as part of the restricted net position balance.

Interfund Activities and Transactions

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.
- **Reimbursements** – Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one State agency for another are recorded as expenditures by the reimbursing State agency and as a reduction of expenditures by the reimbursed State agency. Reimbursements are not displayed in the financial statements.
- **Interfund Receivables and Payables** – Interfund receivables and payables are recorded as “Due from Other Agencies” or “Due to Other Agencies” on the Statement of Net Position. Repayments due during the current year are classified as "Current"; repayments due thereafter are classified as "Noncurrent."
- **Interfund Sales and Purchases** – Charges or collections for services rendered by one fund to another that are recorded as revenues of the recipient fund (interfund services provided) and expenditures or expenses of the disbursing fund (interfund services used).

The composition of the University's interfund activities and balances are presented in Note 12.

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NOTE 2: Capital Assets

A summary of changes in Capital Assets for the year ended August 31, 2013, is presented below:

	Balance		Reclassifications			Balance
	09/01/2012	Adjustments	Completed CIP	Additions	Deletions	08/31/2013
BUSINESS-TYPE ACTIVITIES						
Non-depreciable or Non-amortizable Assets						
Land and Land Improvements	\$7,551,432.05	-	-	\$19,829.49	-	\$7,571,261.54
Infrastructure	-	-	-	-	-	-
Construction in Progress	244,040.52	-	(244,040.52)	490,003.82	-	490,003.82
Other Tangible Capital Assets	697,419.27	-	-	-	-	697,419.27
Total Non-depreciable or Non-amortizable Assets	8,492,891.84	-	(244,040.52)	509,833.31	-	8,758,684.63
Depreciable Assets						
Buildings and Building Improvements	360,494,860.36	-	-	894,976.91	-	361,389,837.27
Infrastructure	11,506,504.57	-	244,040.52	418,862.71	-	12,169,407.80
Facilities and Other Improvements	33,141,312.02	-	-	653,566.39	-	33,794,878.41
Furniture and Equipment	19,205,010.32	-	-	1,074,880.08	(1,019,413.43)	19,260,476.97
Vehicle, Boats and Aircraft	4,877,619.27	-	-	712,138.99	(220,331.00)	5,369,427.26
Other Capital Assets	15,857,605.95	-	-	173,671.70	(272,712.84)	15,758,564.81
Total Depreciable Assets	445,082,912.49	-	244,040.52	3,928,096.78	(1,512,457.27)	447,742,592.52
Less Accumulated Depreciation for:						
Buildings and Building Improvements	(176,689,598.49)	-	-	(11,607,511.50)	-	(188,297,109.99)
Infrastructure	(7,084,009.91)	-	-	(688,993.86)	-	(7,773,003.77)
Facilities and Other Improvements	(6,450,155.49)	-	-	(1,857,084.86)	-	(8,307,240.35)
Furniture and Equipment	(12,649,352.11)	-	-	(1,599,778.87)	971,645.48	(13,277,485.50)
Vehicles, Boats and Aircraft	(3,898,296.65)	-	-	(319,648.16)	220,331.00	(3,997,613.81)
Other Capital Assets	(13,934,125.99)	-	-	(198,151.30)	57,981.05	(14,074,296.24)
Total Accumulated Depreciation	(220,705,538.64)	-	-	(16,271,168.55)	1,249,957.53	(235,726,749.66)
Depreciable Assets, Net	224,377,373.85	-	244,040.52	(12,343,071.77)	(262,499.74)	212,015,842.86
Amortizable Assets - Intangible						
Computer Software	6,503,245.09	-	-	-	(5,037.20)	6,498,207.89
Total Amortizable Assets - Intangible	6,503,245.09	-	-	-	(5,037.20)	6,498,207.89
Less Accumulated Amortization for:						
Computer Software	(4,468,695.96)	-	-	(663,099.68)	4,113.59	(5,127,682.05)
Total Accumulated Amortization	(4,468,695.96)	-	-	(663,099.68)	4,113.59	(5,127,682.05)
Amortizable Assets - Intangible, Net	2,034,549.13	-	-	(663,099.68)	(923.61)	1,370,525.84
Business-Type Activities Capital Assets, Net	\$234,904,814.82	-	-	\$(12,496,338.14)	\$(263,423.35)	\$222,145,053.33

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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, 2013, the carrying amount of deposits was \$103,492,513.75 as presented below:

CASH IN BANK – CARRYING AMOUNT	\$103,492,513.75
Less: Certificates of Deposit included in carrying amount and reported as Cash Equivalents	(19,721,836.63)
Less: Uninvested Securities Lending Cash Collateral included in carrying amount and reported as Securities Lending Collateral	0.00
Less: Securities Lending CD Collateral included in carrying amount and reported as Securities Lending Collateral	0.00
Total Cash in Bank per AFR	\$83,770,677.12

Proprietary Funds Current Assets Cash in Bank	\$61,122,772.14
Proprietary Funds Current Assets Restricted Cash in Bank	22,647,904.98
Proprietary Funds Noncurrent Restricted Cash in Bank	0.00
Cash in Bank per AFR	\$83,770,677.12

These amounts consist of all cash in local banks and a portion of short-term investments. These amounts are included on the Statement of Net Position as part of the "Cash and Cash Equivalents" accounts, except for the certificates of deposit, which are recorded as Investments.

As of August 31, 2013, the total bank balance was as follows:

Business-Type Activities	\$ 104,658,157.64	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 3.21, *Investments*, states that all deposits shall be secured by a pledge of collateral with a market value equal to no less than 100 percent of the deposits plus accrued interest less any amount insured by the FDIC and pursuant to Chapter 2257, the Public Funds Collateral Act.

At August 31, 2013, amounts insured by the FDIC were \$1,677,901.78. Although there were no significant violations of legal provisions during the fiscal year, the University's deposits held through the Merrill Lynch investment program that were under-collateralized increased from \$120,368.00 at September 1, 2012 to \$172,476.00 on May 28, 2013. The bank balances at August 31, 2013 that were exposed to custodial credit risks were as follows:

Fund Type	GAAP Fund	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
05	9999	\$0.00	\$102,980,255.86	\$0.00

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Investments

As of August 31, 2013, the fair value of investments was:

Business-Type Activities	Fair Value
U.S. Government	
U.S. Treasury Securities	\$9,781,838.94
U.S. Government Agency Obligations (GNMA, FNMA, FHLMC)	1,216,231.65
U.S. Government Agency Obligations (Texas Treasury Safekeeping Trust)	0.00
Corporate Obligations	5,355,376.08
Corporate Asset and Mortgage Backed Securities	411,371.18
Equity	4,996,232.47
International Obligations (Government and Corporate)	2,831,386.51
International Equity	1,263,256.46
Fixed Income Money Market and Bond Mutual Fund	2,036,889.78
Municipal and County Bonds	1,228,257.40
Alternative Investments	567,369.16
Total Investments	\$29,688,209.63

Displayed on Statement of Net Position as:	
Current Assets:	
Cash Equivalents	\$1,184,157.14
Short-Term Investments	19,756,074.39
Restricted Cash Equivalents	672,175.99
Restricted Short-Term Investments	182,829.45
Noncurrent Assets:	
Restricted:	
Investments: Endowments	10,211,126.49
Unrestricted:	
Investments: Quasi-Endowments	4,210,368.65
Investments: Operating	13,193,314.15
Subtotal	49,410,046.26
Less: Certificates of Deposit	(19,721,836.63)
Total	\$29,688,209.63

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Stephen F. Austin State University Board Policy 3.21, *Investments*, addresses credit risks by authorizing investments only in certain types of securities.

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As of August 31, 2013, the Standard & Poor's credit quality ratings of the University's investments by type of securities with credit risk exposure were as follows:

Investment Type	AAA	AA	A	NR
U.S. Government Agency Obligations (Excludes obligations explicitly guaranteed by the U.S. Government)	\$1,216,231.65	\$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	472,390.38	4,258,541.85	548,340.60	76,103.25
Corporate Asset and Mortgage Backed Securities	0.00	411,371.18	0.00	0.00
International Obligations	78,176.00	2,425,587.89	327,622.62	0.00
Municipal and County Bonds	0.00	875,324.55	352,932.85	0.00
Alternative Investments	0.00	0.00	0.00	567,369.16
	AAAf	AAf	Unrated	
Fixed Income Money Market and Bond Mutual Fund	\$0.00	\$0.00	\$2,036,889.78	
	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, 2013, 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. As of August 31, 2013, the University was not participating in reverse repurchase agreements.

Securities Lending

In securities lending transactions, the University would transfer its securities to broker-dealers and other entities for collateral – which may be cash or securities – and simultaneously agrees to return the collateral for cash or the same securities in the future. The University invests the cash received as collateral and, if the returns on those investments exceed the “rebate” paid to the borrowers of the securities, the securities lending transactions generate income for the University. The University did not participate in securities lending transactions during fiscal year 2013.

NOTE 4: Short-Term Debt

The University had no short-term debt as of August 31, 2013.

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NOTE 5: Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended August 31, 2013, the following changes occurred in long-term liabilities:

Business-Type Activities	Balance 09/01/12	Additions	Reductions	Balance 08/31/13	Amounts Due Within One Year	Amounts Due Thereafter
Revenue Bonds Payable	\$116,195,000.00	\$0.00	\$5,815,000.00	\$110,380,000.00	\$6,045,000.00	\$104,335,000.00
Tuition Revenue Bonds Payable	45,095,000.00	0.00	2,670,000.00	42,425,000.00	2,745,000.00	39,680,000.00
General Obligation Bonds Payable	7,500,000.00	0.00	960,000.00	6,540,000.00	995,000.00	5,545,000.00
Capital Lease Obligations	253,120.17	18,000.00	84,733.19	186,386.98	83,587.60	102,799.38
Employees' Compensable Leave	3,867,152.99	474,644.39	361,459.22	3,980,338.16	434,362.21	3,545,975.95
Notes & Loans Payable	1,588,526.61	0.00	781,540.22	806,986.39	806,986.39	0.00
Total Business-Type Activities	\$174,498,799.77	\$492,644.39	\$10,672,732.63	\$164,318,711.53	\$11,109,936.20	\$153,208,775.33

Notes and Loans Payable

Notes payable consists of amounts used to finance the conversion of the database to the Oracle Exadata platform. The debt service requirements for notes and loans payable are as follows:

Note and Loan Payments by year

Payment date	Principal	Interest	Total
FY 2014	\$806,986.39	\$26,274.67	\$833,261.06
FY 2015	0.00	0.00	0.00
FY 2016	0.00	0.00	0.00
FY 2017	0.00	0.00	0.00
FY 2018	0.00	0.00	0.00
FY 2019-2022	0.00	0.00	0.00
Total Payments	\$806,986.39	\$26,274.67	\$833,261.06

Claims and Judgments

The University had no unpaid settlements or judgments as of August 31, 2013.

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 at least six months. The University reports both an expense and a liability for the unpaid annual leave in the Statement of Net Position as the benefits accrue. No liability is recorded for sick pay benefits.

NOTE 6: Bonded Indebtedness

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
Schedule 2F – Early Extinguishment and Refunding

General information related to bonds is summarized below:

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.
- \$14,070,000.00; 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 \$695,000.00; Outstanding at year end \$7,915,000.00.

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.
- \$26,030,000.00; 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 \$1,140,000.00; Outstanding at year end \$17,905,000.00.

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.
- \$5,460,000.00; 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 \$240,000.00; Outstanding at year end \$3,790,000.00.

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.
- Issued 6-23-05.
- \$17,215,000.00; 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 \$725,000.00; Outstanding at year end \$12,635,000.00.

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.
- \$55,365,000.00; 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 \$2,395,000.00; Outstanding at year end \$44,935,000.00.

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.
- \$20,175,000.00; 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 \$710,000.00; Outstanding at year end \$14,280,000.00.

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

- To provide a portion of the funds to complete construction and equip the Early Childhood Research Center and pay certain costs related to the issuance of the bonds.
- Issued 12-18-08.
- \$10,200,000.00; All authorized bonds have been issued.
- Source of revenue for debt service: Pledged revenues consisting of Higher Education Funds.
- Changes in Debt: Principal paid during fiscal year \$960,000.00; Outstanding at year end \$6,540,000.00.

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.
- \$23,615,000.00; 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 \$865,000.00; Outstanding at year end \$18,545,000.00.
- Revenue Financing System Bonds issued include a Serial Bond of \$1,715,000.00, a Capital Appreciation Bond (CAB) of \$209,575.00, and Current Interest Serial Bonds of \$21,070,000.00.

Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds - Series 2010

- To provide funds to construct a new freshman residence hall and adjacent parking garage.
- Issued 04-01-10.
- \$35,035,000.00; All authorized bonds have been issued.
- Source of revenue for debt service: Pledged unappropriated fund balances available at the beginning of the year. Pledged revenues consist of Unrestricted Current Fund Revenues excluding: remissions, governmental appropriations and gifts, grants, and contracts within the Educational and General Fund Group; and student service fees and private gifts in the Auxiliary Fund Group.
- Changes in Debt: Principal paid during fiscal year \$1,315,000.00; Outstanding at year end \$31,115,000.00.

Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds - Series 2010A

- To refund outstanding Board of Regents of Stephen F. Austin State University Revenue Financing System, Texas Public Finance Authority Revenue Bonds - Series 1998.
- Issued 04-01-10.
- \$3,415,000.00; All authorized bonds have been issued.
- Source of revenue for debt service: Pledged unappropriated fund balances available at the beginning of the year. Pledged revenues consist of Unrestricted Current Fund Revenues excluding: remissions, governmental appropriations and gifts, grants, and contracts within the Educational and General Fund Group; and student service fees and private gifts in the Auxiliary Fund Group.
- Changes in Debt: Principal paid during fiscal year \$400,000.00; Outstanding at year end \$1,685,000.00.

NOTE 7: Derivative Instruments

The University did not participate in derivative investment activity during fiscal year 2013.

NOTE 8: Leases

Operating Leases

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

<u>Fund Type</u>	<u>Amount</u>
Proprietary Fund	\$304,537.86

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

Future Minimum Operating Lease Payments Year Ending August 31	
2014	\$256,187.18
2015	163,632.83
2016	100,669.92
2017	57,663.50
2018	26,231.44
2019-2022	0.00
Total Future Minimum Lease Rental Payments	\$604,384.87

Capital Leases

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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, are recorded at the present value of the future minimum lease payments at the inception of the lease. Following is a summary of original capitalized costs of all such property under lease as well as the accumulated depreciation as of August 31, 2013:

Assets Under Capital Leases Year Ended Aug. 31, 2013	Business-Type Activities
Furniture and Equipment	\$469,939.44
Less: Accumulated Depreciation	203,904.19
Vehicles	0.00
Less: Accumulated Depreciation	0.00
Total	\$266,035.25

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 Capital Lease Payments Year Ending August 31	Business-Type Activities		
	Principal	Interest	Total
2014	\$83,587.60	\$4,074.47	\$87,662.07
2015	83,388.83	2,719.39	86,108.22
2016	12,486.38	1,415.74	13,902.12
2017	4,012.88	523.12	4,536.00
2018	2,911.29	112.71	3,024.00
2019-2022	0.00	0.00	0.00
Total Future Minimum Lease Payments	\$186,386.98	\$8,845.43	\$195,232.41
Less: Amount Representing Interest at Various Rates			8,845.43
Present Value of Net Minimum Lease Payments			\$186,386.98

NOTE 9: Pension 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 TRS 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 ORP 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 ORP 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 6.0% from the ORP appropriation and 2.5% from other funding sources. The 6.0% contribution is mandatory with the other 2.5% being at the discretion of the University's Board of Regents. 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 6.0% 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 Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, paragraph 27(d) requires universities that administer the ORP to disclose the amounts contributed by members and by the employer for that plan. Following are the ORP contributions made for the 2013 fiscal year:

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	Year Ended Aug. 31, 2013
Member Contributions	\$1,962,512.58
Employer Contributions	\$2,034,172.87
Total	\$3,996,685.45

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., Chapter 609. 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 to the State, and thus they have no liability related to the plans.

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

NOTE 12: Interfund Activity and Transactions

The University experienced routine transfers with other State agencies that 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.

Following are individual balances and activity as of August 31, 2013:

	Due From Other Agencies	Due To Other Agencies	Source
ENTERPRISE FUND (05)			
Appd Fund 5015, D23 Fund 5015			
Agency 608, D23 Fund 5015	\$3,066.68		State Pass Through
Appd Fund 5140, D23 Fund 5140			
Agency 608, D23 Fund 5140	447.62		State Pass Through
Appd Fund 9999, D23 Fund 7999			
Agency 724, D23 Fund 7999		\$299,395.13	Federal Pass Through
Agency 733, D23 Fund 7999		415,441.02	Federal Pass Through
Agency 781, D23 Fund 0001		397,487.76	State Pass Through
Agency 781, D23 Fund 0001		876.38	Federal Pass Through
Agency 787, D23 Fund 7999		14,100.00	State Pass Through
Agency 781, D23 Fund 0824		35,145.26	State Pass Through
Agency 734, D23 Fund 7999		347,948.00	Federal Pass Through
Agency 401, D23 Fund 0449	2,948,191.90		Federal Pass Through
Agency 530, D23 Fund 0001	38,557.62		Federal Pass Through
Agency 556, D23 Fund 7999	21,650.28		Federal Pass Through
Agency 580, D23 Fund 4831	4,983.16		State Pass Through
Agency 701, D23 Fund 0148	39,031.47		Federal Pass Through
Agency 701, D23 Fund 0001	40.20		State Pass Through
Agency 723, D23 Fund 7999	9,897.39		Federal Pass Through
Agency 771, D23 Fund 0001	115,117.60		Federal Pass Through
Agency 781, D23 Fund 0001	140,000.00		State Pass Through
Agency 781, D23 Fund 0001	11,466.12		Federal Pass Through
Agency 802, D23 Fund 0920	4,211.00		State Pass Through
Agency 802, D23 Fund 0931	38,504.89		Federal Pass Through
Total Due From/To Other Agencies	\$3,375,165.93	\$1,510,393.55	

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

Current Portion	Interfund Receivable	Interfund Payable	Purpose
Agency 907, D23 Fund 2370		\$ 663,481.00	Interfund Loan
Agency 907, D23 Fund 2370		842,955.00	Interfund Loan
Total Current Interfund Receivable/Payable	\$ 0.00	\$ 1,506,436.00	
Non-Current Portion	Interfund Receivable	Interfund Payable	Purpose
Agency 907, D23 Fund 2370		\$ 4,402,813.80	Interfund Loan
Agency 907, D23 Fund 2370		5,500,113.71	Interfund Loan
Total Non-Current Interfund Receivable/Payable	\$ 0.00	\$ 9,902,927.51	

In 2012, the University completed a comprehensive energy management program that utilized capital from a revolving loan fund from the State Energy Conservation Office (SECO) funded with American Recovery and Reinvestment Act (ARRA) funds and institutional Higher Education Fund (HEF). The total amount borrowed from SECO was \$13,327,627.82, with capitalized interest of \$197,015.33. The remaining balances are reflected in the table above.

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

NOTE 14: Adjustments to Fund Balances and Net Position – Not Applicable

NOTE 15: Contingencies and Commitments

Unpaid Claims and Lawsuits

As of August 31, 2013, certain lawsuits were pending against the University and/or its officers. The lawsuits, which may present contingent liabilities, are displayed below:

Claimant/ Plaintiff	Defendant Name	Type of Litigation	Damages Sought	Probability of Liability	Possible Loss
Christian Cutler	Baker Pattillo, Richard Berry, A.C. Himes, Scott Robinson	Retaliation	Compensatory, Punitive, and Costs	Reasonably Possible*	Unknown

*Reasonably Possible indicates the event is more than remote, but less than likely.

Description of the Case

The plaintiff alleges violation of his rights to free speech and association protected by the First Amendment, made actionable by 42 U.S.C. § 1983.

Federal Assistance

The University receives federal financial assistance for specific purposes that are subject to review or audit by the federal grantor agencies. Entitlement to this assistance is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of assistance for allowable purposes. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based on prior experience, management believes such disallowance, if any, will be immaterial.

Arbitrage

Rebatable arbitrage is defined by Internal Revenue Code, Section 148, as earnings on investments purchased with the gross proceeds of a bond issue in excess of the amount that would have been earned if the investment were invested at a yield equal to the yield on the bond issue. The rebatable arbitrage must be paid to the federal government.

The University monitors its investments to restrict earnings to a yield less than the bond issue and, therefore, limits any arbitrage liability. The University estimates that rebatable arbitrage liability, if any, will be immaterial to its overall financial condition.

NOTE 16: Subsequent Events

On September 11, 2013, the University issued debt for the purpose of refunding the 2002 and the 2004 bond issues. The total debt issued was \$22,255,000.00 with a range of interest rates from 1 to 5 percent. The University used these funds to pay off the 2002 outstanding bonds of \$7,190,000.00 and 2004 outstanding bonds of \$16,720,000.00 on the call date of October 15, 2013. The 2013 bonds will mature beginning in 2022. Additionally, on October 15, 2013, the University called the outstanding 2004A bonds of \$3,540,000.00. This issue was extinguished, with no resulting debt obligations to the University.

NOTE 17: Risk Management

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 \$152,924.53 was executed on behalf of the University for Worker's Compensation Insurance during the year ended August 31, 2013. A mid-year assessment adjustment in the amount of \$49,188.24 for 2013 was paid in May 2013 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% time. The coverage is provided through the State, under the Texas Employees Group Benefits Program (GBP), which was administered by administered by Health Select. 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 \$6,605,095.00 for the year ended August 31, 2013.

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 2013, 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 \$30,000 per injured person, up to a total of \$60,000 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 \$58,344.00 with a deductible paid of \$4,752.56.

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's Discussion and Analysis (MD&A)

See *Management's Discussion and Analysis* at the beginning of this financial report.

NOTE 19: The Financial Reporting Entity

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.

NOTE 20: Stewardship, Compliance and Accountability

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

NOTE 21: (Not Applicable)

NOTE 22: Donor Restricted Endowments

The net appreciation (cumulative and unexpended) on donor-restricted endowments presented below is available for authorization and expenditure by the University. The University's spending policy provides for a target distribution rate of between 4% and 5% annually. If returns permit, an amount equal to the rate of inflation will be added back to each endowment principal balance. Additionally, if there are any returns beyond the inflation rate, then this amount may be added to a contingency reserve for distribution during years of poor investment performance. In 2013, account managers were given the option to replenish principal balances in order to offset prior year losses rather than make distributions, subject to the endowment agreements. Accordingly, 3.15% of total earnings was distributed to spending accounts and 4.26% was added back to the balance of endowment accounts. The total income for True Endowments was \$720,715.44, of which \$306,303.62 was distributed to the spending accounts. The total income for Term Endowments was \$1,368.54 of which \$378.14 was distributed to the spending accounts. In fiscal year 2013, \$88,438.87 was added to the contingency reserve account.

Donor Restricted Endowments	Amounts of Cumulative Net Appreciation *	Reported in Net Position
True Endowments	\$ 3,281,378.25	Restricted for Expendable
Term Endowments	2,470.13	Restricted for Expendable
Total	\$ 3,283,848.38	Restricted for Expendable

*The current year amount of net appreciation was \$502,850.69 for true endowments, and \$990.40 for term endowments.

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

NOTE 24: Disaggregation of Receivable and Payable Balances

Accounts Receivables

The components of Current Accounts Receivable, as reported in the Statement of Net Position, are as follows:

Accounts Receivable Category	Current Amount
3 rd Party Contracts for Student Payments	\$2,001,224.57
Miscellaneous Receivables	843,217.64
Total	\$2,844,442.21

Of these amounts, there are no significant receivable balances that the University does not expect to collect within the next fiscal year.

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Accounts Payables

The components of Current Accounts Payable, as reported in the Statement of Net Position, are as follows:

Accounts Payable Category	Current Amount
Payables on Construction Activity	\$182,027.53
Utility Payables	504,252.51
Procurement Card Payables	474,326.66
Food Service Payable	404,703.63
Miscellaneous	1,697,880.17
Total	\$3,263,190.50

NOTE 25: Termination Benefits – (Not Applicable)

NOTE 26: Segment Information - (Not Applicable)

NOTE 27: Service Concession Arrangements – (Not Applicable)

NOTE 28: Troubled Debt Restructuring – (Not Applicable)

NOTE 29: Deferred Outflows and Deferred Inflows of Resources – (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, 2013

Federal Grantor/ Pass-Through Grantor Program Title	CFDA Number	NSE Name/ Identifying Number	Pass-Through From		Non-State Entities Amount
			Agy/ Univ. #	Agencies Or Univ. Amount	
U.S. Department of Agriculture					
<u>Direct Programs:</u>					
Grants for Agriculture Research, Special Research Grants	10.200			\$ 0.00	\$ 0.00
Forestry Research	10.652				
Urban and Community Forestry Program	10.675				
Totals - U. S. Department of Agriculture				<u>0.00</u>	<u>0.00</u>
U.S. Department of Defense					
Mathematical Sciences Grants Program	12.901	MSRI/ 204331.000			1,999.42
<u>Direct Programs:</u>					
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113				
Totals - U.S. Department of Defense				<u>0.00</u>	<u>1,999.42</u>
U.S. Department of the Interior					
National Historic Landmark	15.912	City of Nacogdoches/ 204091			56,687.00
<u>Direct Programs:</u>					
Fish and Wildlife Management Assistance	15.608				
Migratory Bird Monitoring, Assessment and Conservator	15.655				
National Historic Landmark	15.912				
National Center for Preservation Technology and Training	15.923				
Cooperative Research and Training Programs-Resources of the National Park System	15.945				
Totals - U.S. Department of the Interior				<u>0.00</u>	<u>56,687.00</u>
National Endowment For The Humanities					
21st Century Museum Professionals	45.307				
Totals - National Endowment For The Humanities				<u>0.00</u>	<u>0.00</u>
National Science Foundation					
Mathematical and Physical Sciences	47.049	Mathematical Assoc of America/DMS-0846477			2,957.81
<u>Direct Programs:</u>					
Education and Human Resources	47.076				
Totals - National Science Foundation				<u>0.00</u>	<u>2,957.81</u>
U.S. Department of Education					
Rehabilitation Long-Term Training	84.129				
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334				
Transition to Teaching	84.350				
<u>Pass-Through From:</u>					
Career and Technical Education -- Basic Grants to States	84.048				
<u>Pass-Through From:</u> Texas Education Agency			701	314,004.74	
College Access Challenge Grant Program	84.378				
<u>Pass-Through From:</u> Texas Higher Education Coordinating Board			781	87,228.99	
Totals - U.S. Department of Education				<u>401,233.73</u>	<u>0.00</u>
U.S. Department of Health and Human Services					
Area Health Education Centers Infrastructure Development Awards	93.824	National AHEC Organization/ HSH250200900063C			2,900.00
<u>Pass-Through From:</u>					
Area Health Education Centers Point of Service Maintenance and Enhancement Awards	93.107				
<u>Pass-Through From:</u> University of Texas Medical Branch Galveston			723	93,823.48	

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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	Non-State Entities Amount		
\$ (6.66)	\$ (6.66)		\$ 0.00	\$ 0.00	\$ (6.66)	\$ (6.66)
1,550.30	1,550.30				1,550.30	1,550.30
29,124.11	29,124.11				29,124.11	29,124.11
<u>30,667.75</u>	<u>30,667.75</u>		<u>0.00</u>	<u>0.00</u>	<u>30,667.75</u>	<u>30,667.75</u>
	1,999.42				1,999.42	1,999.42
46,239.86	46,239.86				46,239.86	46,239.86
<u>46,239.86</u>	<u>48,239.28</u>		<u>0.00</u>	<u>0.00</u>	<u>48,239.28</u>	<u>48,239.28</u>
	56,687.00				56,687.00	56,687.00
(276.00)	(276.00)				(276.00)	(276.00)
34,914.01	34,914.01				34,914.01	34,914.01
1,258.78	1,258.78				1,258.78	1,258.78
425.00	425.00				425.00	425.00
38,041.11	38,041.11				38,041.11	38,041.11
<u>74,362.90</u>	<u>131,049.90</u>		<u>0.00</u>	<u>0.00</u>	<u>131,049.90</u>	<u>131,049.90</u>
23,691.94	23,691.94				23,691.94	23,691.94
<u>23,691.94</u>	<u>23,691.94</u>		<u>0.00</u>	<u>0.00</u>	<u>23,691.94</u>	<u>23,691.94</u>
	2,957.81				2,957.81	2,957.81
74,475.12	74,475.12				74,475.12	74,475.12
<u>74,475.12</u>	<u>77,432.93</u>		<u>0.00</u>	<u>0.00</u>	<u>77,432.93</u>	<u>77,432.93</u>
177,409.70	177,409.70				177,409.70	177,409.70
1,300,324.06	1,300,324.06			826,416.40	473,907.66	1,300,324.06
13,267.91	13,267.91				13,267.91	13,267.91
	314,004.74			78,051.20	235,953.54	314,004.74
	87,228.99				87,228.99	87,228.99
<u>1,491,001.67</u>	<u>1,892,235.40</u>		<u>0.00</u>	<u>904,467.60</u>	<u>987,767.80</u>	<u>1,892,235.40</u>
	2,900.00				2,900.00	2,900.00
	93,823.48				93,823.48	93,823.48

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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, 2013

Federal Grantor/ Pass-Through Grantor Program Title	CFDA Number	NSE Name/ Identifying Number	Pass-Through From		Non-State Entities Amount
			Agy/ Univ. #	Agencies Or Univ. Amount	
Foster Care--Title IV-E <i>Pass-Through From:</i> <i>Department of Family and Protective Services</i>	93.658		530	132,842.20	
Geriatric Education Centers <i>Pass-Through From:</i> <i>University of Texas Medial Branch at Galveston</i>	93.969		723	18,895.97	
Totals - U.S. Department of Health & Human Services				<u>245,561.65</u>	<u>2,900.00</u>
Corporation for National and Community Service AmeriCorps	94.006	Service for Peace/ 204121			1,000.00
Totals - Corporation for National and Community Service				<u>0.00</u>	<u>1,000.00</u>
U.S. Department of Homeland Security					
<i>Pass-Through From:</i> Disaster Grants-Public Assistance (Presidentially Declared Disaster) <i>Pass-Through From:</i> <i>Department of Public Safety</i>	97.036		405	(1,184.88)	
Totals - U.S. Department of Homeland Security				<u>(1,184.88)</u>	<u>0.00</u>
RESEARCH & DEVELOPMENT CLUSTER					
U.S. Department of Agriculture					
<u>Direct Programs:</u>					
Grants for Agricultural Research, Special Research Grants	10.200				
Cooperative Forestry Research	10.202				
Higher Education Challenge Grants	10.217				
Forestry Research	10.652				
Plant Materials for Conservation	10.905				
<i>Pass-Through From:</i> Plant and Animal Disease, Pest Control, and Animal Care <i>Pass-Through From:</i> <i>Texas A&M Forest Service</i>	10.025		576	1,900.00	
Totals - U. S. Department of Agriculture				<u>1,900.00</u>	<u>0.00</u>
U.S. Department of the Interior					
National Land Remote Sensing Education Outreach and Research	15.815	America View/ AV08-TX01 202091			20,843.70
		America View/ AV04-TX01 202092			3,414.22
National Heritage Area Federal Financial Assistance	15.939	Cane River National Heritage Area/CA2012-04			11,217.80
<u>Direct Programs:</u>					
Research Grants (Generic)	15.650				
Migratory Bird Monitoring, Assessment and Conservation	15.655				
Rivers, Trails and Conservation Assistance	15.921				
Cooperative Research and Training Programs-Resources of the National Park System	15.945				
<i>Pass-Through From:</i> Wildlife Restoration and Basic Hunter Educator <i>Pass-Through From:</i> <i>Parks and Wildlife Department</i>	15.611		802	117,590.00	
State Wildlife Grants <i>Pass-Through From:</i> <i>Parks and Wildlife Department</i>	15.634		802	(4,181.12)	
Totals - U.S. Department of the Interior				<u>113,408.88</u>	<u>35,475.72</u>
National Science Foundation					
Education and Human Resources	47.076	AIM/ 20295B			6,000.00

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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		
	132,842.20			132,842.20	132,842.20
	18,895.97			18,895.97	18,895.97
<u>0.00</u>	<u>248,461.65</u>	<u>0.00</u>	<u>0.00</u>	<u>248,461.65</u>	<u>248,461.65</u>
	1,000.00			1,000.00	1,000.00
<u>0.00</u>	<u>1,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,000.00</u>	<u>1,000.00</u>
	(1,184.88)			(1,184.88)	(1,184.88)
<u>0.00</u>	<u>(1,184.88)</u>	<u>0.00</u>	<u>0.00</u>	<u>(1,184.88)</u>	<u>(1,184.88)</u>
110,620.61	110,620.61			110,620.61	110,620.61
413,730.85	413,730.85			413,730.85	413,730.85
1,611.31	1,611.31			1,611.31	1,611.31
82,872.48	82,872.48			82,872.48	82,872.48
26,784.02	26,784.02			26,784.02	26,784.02
	1,900.00			1,900.00	1,900.00
<u>635,619.27</u>	<u>637,519.27</u>	<u>0.00</u>	<u>0.00</u>	<u>637,519.27</u>	<u>637,519.27</u>
	20,843.70			20,843.70	20,843.70
	3,414.22			3,414.22	3,414.22
	11,217.80			11,217.80	11,217.80
65,948.24	65,948.24			65,948.24	65,948.24
75,150.47	75,150.47			75,150.47	75,150.47
1,442.37	1,442.37			1,442.37	1,442.37
28,600.18	28,600.18		13,855.15	14,745.03	28,600.18
	117,590.00			117,590.00	117,590.00
	(4,181.12)			(4,181.12)	(4,181.12)
<u>171,141.26</u>	<u>320,025.86</u>	<u>0.00</u>	<u>13,855.15</u>	<u>306,170.71</u>	<u>320,025.86</u>
	6,000.00			6,000.00	6,000.00

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, 2013

Federal Grantor/ Pass-Through Grantor Program Title	CFDA Number	NSE Name/ Identifying Number	Pass-Through From		Non-State Entities Amount
			Agy/ Univ. #	Agencies Or Univ. Amount	
Direct Programs:					
Social, Behavioral, and Economic Sciences	47.075				
Education and Human Resources	47.076				
ARRA-Trans-NSF Recovery Act Research Support	47.082				
Totals - National Science Foundation				<u>0.00</u>	<u>6,000.00</u>
Environmental Protection Agency					
<u>Pass-Through From:</u>					
Nonpoint Source Implementation Grants	66.460				
<u>Pass-Through From:</u> Texas A&M AgriLife Research			556	39,274.02	
Totals - Environmental Protection Agency				<u>39,274.02</u>	<u>0.00</u>
U.S. Department of Education					
<u>Direct Programs:</u>					
English Language Acquisition State Grants	84.365				
Totals - U.S. Department of Education				<u>0.00</u>	<u>0.00</u>
U.S. Department of Health and Human Services					
Occupational Safety and Health Program	93.262	University of Iowa/ 1001103092			9,367.34
		University of Iowa/ 1001002083			(770.95)
Special Projects of National Significance	93.928	Special Health Resources of TX, Inc/ 200801/H97Ha07514-03-00			58,249.69
		Special Health Resources of TX, Inc/ H97HA15147-01-00			67,408.82
Totals - U.S. Department of Health and Human Services				<u>0.00</u>	<u>134,254.90</u>
SPECIAL EDUCATION (IDEA) CLUSTER					
U.S. Department of Education					
<u>Pass-Through From:</u>					
Special Education-Grants to States	84.027				
<u>Pass-Through From:</u> Texas Education Agency			701	49,000.50	
Special Education-Grants to States	84.027				
<u>Pass-Through From:</u> Texas School for the Blind & Visually Impaired			771	512,000.00	
Totals - U.S. Department of Education				<u>561,000.50</u>	<u>0.00</u>
STUDENT FINANCIAL ASSISTANCE CLUSTER					
U.S. Department of Education					
<u>Direct Programs:</u>					
Federal Supplemental Educational Opportunity Grant:	84.007				
Federal Work-Study Program	84.033				
Federal Perkins Loan Program Federal Capital Contributions:	84.038				
Federal Pell Grant Program	84.063				
Federal Direct Student Loans	84.268				
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379				
Totals - U.S. Department of Education				<u>0.00</u>	<u>0.00</u>
Total Expenditures of Federal Awards				<u>\$ 1,361,193.90</u>	<u>\$ 241,274.85</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		
5.42	5.42			5.42	5.42
279,227.07	279,227.07			279,227.07	279,227.07
211,730.84	211,730.84			211,730.84	211,730.84
<u>490,963.33</u>	<u>496,963.33</u>		<u>0.00</u>	<u>496,963.33</u>	<u>496,963.33</u>
	39,274.02			39,274.02	39,274.02
<u>0.00</u>	<u>39,274.02</u>		<u>0.00</u>	<u>39,274.02</u>	<u>39,274.02</u>
417,348.91	417,348.91			417,348.91	417,348.91
<u>417,348.91</u>	<u>417,348.91</u>		<u>0.00</u>	<u>417,348.91</u>	<u>417,348.91</u>
	9,367.34			9,367.34	9,367.34
	(770.95)			(770.95)	(770.95)
	58,249.69			58,249.69	58,249.69
	67,408.82			67,408.82	67,408.82
<u>0.00</u>	<u>134,254.90</u>		<u>0.00</u>	<u>134,254.90</u>	<u>134,254.90</u>
	49,000.50			49,000.50	49,000.50
	512,000.00			512,000.00	512,000.00
<u>0.00</u>	<u>561,000.50</u>		<u>0.00</u>	<u>561,000.50</u>	<u>561,000.50</u>
291,312.00	291,312.00			291,312.00	291,312.00
575,887.68	575,887.68			575,887.68	575,887.68
597,916.00	597,916.00			597,916.00	597,916.00
20,856,948.00	20,856,948.00			20,856,948.00	20,856,948.00
80,619,488.00	80,619,488.00			80,619,488.00	80,619,488.00
551,636.00	551,636.00			551,636.00	551,636.00
<u>103,493,187.68</u>	<u>103,493,187.68</u>		<u>0.00</u>	<u>103,493,187.68</u>	<u>103,493,187.68</u>
\$ <u>106,948,699.69</u>	\$ <u>108,551,168.44</u>	\$ <u>0.00</u>	\$ <u>918,322.75</u>	\$ <u>107,632,845.69</u>	\$ <u>108,551,168.44</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, 2013

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	\$ 4,874,347.69
Federal Pass-Through Revenue	1,361,193.90
Federal Pass-Through from Non-State Agency	241,274.85
Federal Non-Operating	<u>20,856,948.00</u>
Subtotal	<u>27,333,764.44</u>

Reconciling Items:

Non-monetary:	0.00
New Loans Processed:	
GSL/SLS/PLUS Loans	0.00
Federal Direct Student Loans (Direct Loans)	80,619,488.00
Federal Perkins Loans	<u>597,916.00</u>
Total Pass-Through and Expenditures per Federal Schedule	<u><u>\$ 108,551,168.44</u></u>

Note 3 - Student Loans Processed and Administrative Costs Recovered

Federal Grantor/CFDA Number/ Program Name	New Loans Processed	Admin Costs Recovered	Total Loans Processed & Admin Costs Recovered	End Balances of Previous Year's Loans
Department of Education 84.038 Federal Perkins Loans	\$ 597,916.00	\$ -	\$ 597,916.00	\$ 5,242,478.05
Department of Education 84.268 Federal Direct Student Loans (Direct Loans)	80,619,488.00	-	80,619,488.00	-
Total Department of Education	\$ 81,217,404.00	\$ -	\$ 81,217,404.00	\$ 5,242,478.05

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 9-1-12	\$ 238,880.41
Increase (Decrease)	<u>(171,992.34)</u>
Federal Deferred Revenue 8-31-13	<u><u>\$ 66,888.07</u></u>

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY (755)
Schedule 1B
Schedule of State Grant Pass-Throughs From/To State Agencies
For The Fiscal Year Ended August 31, 2013

Pass Through From:	Grant ID	Agency Number	Amount
Fifth Year Accounting Student Scholarship Program	457.0001		18,000.00
Texas State Board of Public Accountancy		457	<u>18,000.00</u>
WSC - Research	580.0019		380.86
Texas Water Development Board		580	<u>380.86</u>
Available School Fund - Per Capita	701.0007		118,476.00
Texas Education Agency		701	<u>118,476.00</u>
Foundation School Program (FSP)-Formula	701.0015		1,523,408.00
Texas Education Agency		701	<u>1,523,408.00</u>
Student Success Initiative	701.0032		402.00
Texas Education Agency		701	<u>402.00</u>
Joint Admission Medical Program (JAMP)	720.0002		31,655.13
UT-System		720	<u>31,655.13</u>
Nursing & Allied Health	781.0006		94,223.41
Texas Higher Ed. Coord. Board		781	<u>94,223.41</u>
TEXAS Grant Program	781.0008		5,771,667.00
Texas Higher Ed. Coord. Board		781	<u>5,771,667.00</u>
Professional Nursing Shortage Reduction Program	781.0013		87,626.09
Texas Higher Ed. Coord. Board		781	<u>87,626.09</u>
College Work Study Program	781.0023		69,005.00
Texas Higher Ed. Coord. Board		781	<u>69,005.00</u>
College Readiness Initiative	781.0026		393,123.41
Texas Higher Ed. Coord. Board		781	<u>393,123.41</u>
Top 10% Scholarships	781.0028		826,000.00
Texas Higher Ed. Coord. Board		781	<u>826,000.00</u>
Nacogdoches Naturally CO-OP	802.0035		1,153.54
Texas Parks & Wildlife Department		802	<u>1,153.54</u>
Total Operating Pass-Through From Other Agencies			<u><u>\$ 8,935,120.44</u></u>

Pass Through To	Grant ID	Agency Number	Amount
SETX P-16 Advisors	755.0003		25,360.76
Lamar State College - Orange		787	<u>25,360.76</u>
Design and Pilot of Framework and Tools for CCRS/Texas Education Preparation Demonstration Sites	755.0004		99,998.98
Texas State University - San Marcos		754	<u>99,998.98</u>
Total Pass-Through to Other Agencies			<u><u>\$ 125,359.74</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, 2013

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 '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
Rev Fin Sys Bds Ser '10	35,035,000.00	2.000	5.000	2010	2029	10/15/2020
	<u>139,105,000.00</u>					
Tuition Revenue Bonds - Self-Supporting						
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	23,615,000.00	3.750	5.000	2009	2029	10/15/2017
Rev Fin Sys Bds Ser '10 (A)	3,415,000.00	2.000	3.000	2010	2016	n/a
	<u>61,275,000.00</u>					
Total Revenue Bonds	<u>200,380,000.00</u>					
General Obligation Bonds - Not Self-Supporting						
Constitutional Apprn Bds Ser '08	<u>10,200,000.00</u>	4.000	5.000	2009	2018	n/a
Total General Obligation Bonds	<u>10,200,000.00</u>					
Grand Total	<u>\$ 210,580,000.00</u>					

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 2B-Changes in Bonded Indebtedness
For the Fiscal Year Ended August 31, 2013

Description of Issue	Bonds Outstanding 9/1/12	Bonds Issued	Bonds Matured or Retired
Business-Type Activities			
Revenue Bonds - Self Supporting			
Rev Fin Sys Bds Ser '04	\$ 19,045,000.00	\$ -	\$ 1,140,000.00
Rev Fin Sys Bds Ser '04 (A)	4,030,000.00	-	240,000.00
Rev Fin Sys Bds Ser '05	13,360,000.00	-	725,000.00
Rev Fin Sys Bds Ser '05 (A)	47,330,000.00	-	2,395,000.00
Rev Fin Sys Bds Ser '10	32,430,000.00	-	1,315,000.00
	<u>116,195,000.00</u>	<u>-</u>	<u>5,815,000.00</u>
Tuition Revenue Bonds - Self-Supporting			
Rev Fin Sys Bds Ser '02	8,610,000.00	-	695,000.00
Rev Fin Sys Bds Ser '08	14,990,000.00	-	710,000.00
Rev Fin Sys Bds Ser '09	19,410,000.00	-	865,000.00
Rev Fin Sys Bds Ser '10 (A)	2,085,000.00	-	400,000.00
	<u>45,095,000.00</u>	<u>-</u>	<u>2,670,000.00</u>
Total Revenue Bonds	<u>161,290,000.00</u>	<u>-</u>	<u>8,485,000.00</u>
General Obligation Bonds - Not Self-Supporting			
Constitutional Apprn Bds Ser '08	7,500,000.00	-	960,000.00
	<u>\$ 168,790,000.00</u>	<u>\$ -</u>	<u>\$ 9,445,000.00</u>

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 2B-Changes in Bonded Indebtedness
For the Fiscal Year Ended August 31, 2013

Description of Issue	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/13
Business-Type Activities		
Revenue Bonds - Self Supporting		
Rev Fin Sys Bds Ser '04	\$ -	\$ 17,905,000.00
Rev Fin Sys Bds Ser '04 (A)	-	3,790,000.00
Rev Fin Sys Bds Ser '05	-	12,635,000.00
Rev Fin Sys Bds Ser '05 (A)	-	44,935,000.00
Rev Fin Sys Bds Ser '10	-	31,115,000.00
	<u>-</u>	<u>110,380,000.00</u>
Tuition Revenue Bonds - Self-Supporting		
Rev Fin Sys Bds Ser '02	-	7,915,000.00
Rev Fin Sys Bds Ser '08	-	14,280,000.00
Rev Fin Sys Bds Ser '09	-	18,545,000.00
Rev Fin Sys Bds Ser '10 (A)	-	1,685,000.00
	<u>-</u>	<u>42,425,000.00</u>
Total Revenue Bonds	<u>-</u>	<u>152,805,000.00</u>
General Obligation Bonds - Not Self-Supporting		
Constitutional Apprn Bds Ser '08	-	6,540,000.00
	<u>\$ -</u>	<u>\$ 159,345,000.00</u>

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 2B-Changes in Bonded Indebtedness
For the Fiscal Year Ended August 31, 2013

Description of Issue	Unamortized Premium	Unamortized Discount	Gain/(Loss) on Refunding
Business-Type Activities			
Revenue Bonds - Self Supporting			
Rev Fin Sys Bds Ser '04	\$ -	\$ -	\$ -
Rev Fin Sys Bds Ser '04 (A)	-	-	-
Rev Fin Sys Bds Ser '05	-	-	-
Rev Fin Sys Bds Ser '05 (A)	-	-	-
Rev Fin Sys Bds Ser '10	-	-	-
	-	-	-
Tuition Revenue Bonds - Self-Supporting			
Rev Fin Sys Bds Ser '02	-	-	-
Rev Fin Sys Bds Ser '08	-	-	-
Rev Fin Sys Bds Ser '09	-	-	-
Rev Fin Sys Bds Ser '10 (A)	-	-	-
	-	-	-
Total Revenue Bonds			
	-	-	-
General Obligation Bonds - Not Self-Supporting			
Constitutional Apprn Bds Ser '08	-	-	-
	\$ -	\$ -	\$ -

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STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 2B-Changes in Bonded Indebtedness
For the Fiscal Year Ended August 31, 2013

Description of Issue	Net Bonds Outstanding 8/31/13	Amounts Due Within One Year
Business-Type Activities		
Revenue Bonds - Self Supporting		
Rev Fin Sys Bds Ser '04	\$ 17,905,000.00	\$ 1,185,000.00
Rev Fin Sys Bds Ser '04 (A)	3,790,000.00	250,000.00
Rev Fin Sys Bds Ser '05	12,635,000.00	755,000.00
Rev Fin Sys Bds Ser '05 (A)	44,935,000.00	2,510,000.00
Rev Fin Sys Bds Ser '10	31,115,000.00	1,345,000.00
	<u>110,380,000.00</u>	<u>6,045,000.00</u>
Tuition Revenue Bonds - Self-Supporting		
Rev Fin Sys Bds Ser '02	7,915,000.00	725,000.00
Rev Fin Sys Bds Ser '08	14,280,000.00	730,000.00
Rev Fin Sys Bds Ser '09	18,545,000.00	885,000.00
Rev Fin Sys Bds Ser '10 (A)	1,685,000.00	405,000.00
	<u>42,425,000.00</u>	<u>2,745,000.00</u>
Total Revenue Bonds	<u>152,805,000.00</u>	<u>8,790,000.00</u>
General Obligation Bonds - Not Self-Supporting		
Constitutional Apprn Bds Ser '08	6,540,000.00	995,000.00
	<u>\$ 159,345,000.00</u>	<u>\$ 9,785,000.00</u>

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 2C - Debt Service Requirements
For the Fiscal Year Ended August 31, 2013

Description of Issue	FY	Principal	Interest	Total
Business-Type Activities				
Revenue Bonds - Self Supporting				
Rev Fin Sys Bds Ser '04	2014	\$ 1,185,000.00	\$ 709,331.26	\$ 1,894,331.26
Rev Fin Sys Bds Ser '04	2015	1,235,000.00	660,931.26	1,895,931.26
Rev Fin Sys Bds Ser '04	2016	1,285,000.00	610,531.26	1,895,531.26
Rev Fin Sys Bds Ser '04	2017	1,335,000.00	558,131.26	1,893,131.26
Rev Fin Sys Bds Ser '04	2018	1,390,000.00	503,631.26	1,893,631.26
Rev Fin Sys Bds Ser '04	2019-2023	7,845,000.00	1,615,300.05	9,460,300.05
Rev Fin Sys Bds Ser '04	2024-2025	3,630,000.00	159,453.14	3,789,453.14
		17,905,000.00	4,817,309.49	22,722,309.49
Rev Fin Sys Bds Ser '04 (A)	2014	250,000.00	157,778.76	407,778.76
Rev Fin Sys Bds Ser '04 (A)	2015	260,000.00	147,578.76	407,578.76
Rev Fin Sys Bds Ser '04 (A)	2016	270,000.00	136,978.76	406,978.76
Rev Fin Sys Bds Ser '04 (A)	2017	280,000.00	125,978.76	405,978.76
Rev Fin Sys Bds Ser '04 (A)	2018	290,000.00	114,433.76	404,433.76
Rev Fin Sys Bds Ser '04 (A)	2019-2023	1,665,000.00	370,291.30	2,035,291.30
Rev Fin Sys Bds Ser '04 (A)	2024-2025	775,000.00	36,190.64	811,190.64
		3,790,000.00	1,089,230.74	4,879,230.74
Rev Fin Sys Bds Ser '05	2014	755,000.00	529,306.25	1,284,306.25
Rev Fin Sys Bds Ser '05	2015	785,000.00	488,881.25	1,273,881.25
Rev Fin Sys Bds Ser '05	2016	815,000.00	446,881.25	1,261,881.25
Rev Fin Sys Bds Ser '05	2017	845,000.00	408,587.50	1,253,587.50
Rev Fin Sys Bds Ser '05	2018	875,000.00	374,187.50	1,249,187.50
Rev Fin Sys Bds Ser '05	2019-2023	4,960,000.00	1,299,418.75	6,259,418.75
Rev Fin Sys Bds Ser '05	2024-2026	3,600,000.00	234,600.00	3,834,600.00
		12,635,000.00	3,781,862.50	16,416,862.50
Rev Fin Sys Bds Ser '05 (A)	2014	2,510,000.00	2,078,175.00	4,588,175.00
Rev Fin Sys Bds Ser '05 (A)	2015	2,655,000.00	1,949,050.00	4,604,050.00
Rev Fin Sys Bds Ser '05 (A)	2016	2,800,000.00	1,812,675.00	4,612,675.00
Rev Fin Sys Bds Ser '05 (A)	2017	2,950,000.00	1,668,925.00	4,618,925.00
Rev Fin Sys Bds Ser '05 (A)	2018	3,110,000.00	1,517,425.00	4,627,425.00
Rev Fin Sys Bds Ser '05 (A)	2019-2023	18,010,000.00	5,115,112.50	23,125,112.50
Rev Fin Sys Bds Ser '05 (A)	2024-2026	12,900,000.00	887,175.00	13,787,175.00
		44,935,000.00	15,028,537.50	59,963,537.50
Rev Fin Sys Bds Ser '10	2014	1,345,000.00	1,235,387.50	2,580,387.50
Rev Fin Sys Bds Ser '10	2015	1,380,000.00	1,204,687.50	2,584,687.50
Rev Fin Sys Bds Ser '10	2016	1,415,000.00	1,166,212.50	2,581,212.50
Rev Fin Sys Bds Ser '10	2017	1,455,000.00	1,123,162.50	2,578,162.50
Rev Fin Sys Bds Ser '10	2018	1,505,000.00	1,075,000.00	2,580,000.00
Rev Fin Sys Bds Ser '10	2019-2023	8,440,000.00	4,465,493.75	12,905,493.75
Rev Fin Sys Bds Ser '10	2024-2028	10,635,000.00	2,274,250.00	12,909,250.00
Rev Fin Sys Bds Ser '10	2029-2030	4,940,000.00	218,531.26	5,158,531.26
		31,115,000.00	12,762,725.01	43,877,725.01
Total Revenue Bonds - Self Supporting		110,380,000.00	37,479,665.24	147,859,665.24

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 2C - Debt Service Requirements
For the Fiscal Year Ended August 31, 2013

Description of Issue	FY	Principal	Interest	Total
Tuition Revenue Bonds - Self-Supporting				
Rev Fin Sys Bds Ser '02	2014	725,000.00	353,150.00	1,078,150.00
Rev Fin Sys Bds Ser '02	2015	760,000.00	321,585.00	1,081,585.00
Rev Fin Sys Bds Ser '02	2016	795,000.00	287,556.25	1,082,556.25
Rev Fin Sys Bds Ser '02	2017	830,000.00	251,192.50	1,081,192.50
Rev Fin Sys Bds Ser '02	2018	870,000.00	212,290.00	1,082,290.00
Rev Fin Sys Bds Ser '02	2019-2022	<u>3,935,000.00</u>	<u>400,381.25</u>	<u>4,335,381.25</u>
		7,915,000.00	1,826,155.00	9,741,155.00
Rev Fin Sys Bds Ser '08	2014	730,000.00	580,900.00	1,310,900.00
Rev Fin Sys Bds Ser '08	2015	755,000.00	553,087.50	1,308,087.50
Rev Fin Sys Bds Ser '08	2016	780,000.00	524,275.00	1,304,275.00
Rev Fin Sys Bds Ser '08	2017	805,000.00	488,550.00	1,293,550.00
Rev Fin Sys Bds Ser '08	2018	835,000.00	447,550.00	1,282,550.00
Rev Fin Sys Bds Ser '08	2019-2023	<u>4,660,000.00</u>	<u>1,681,375.00</u>	<u>6,341,375.00</u>
Rev Fin Sys Bds Ser '08	2024-2028	<u>5,715,000.00</u>	<u>628,012.50</u>	<u>6,343,012.50</u>
		14,280,000.00	4,903,750.00	19,183,750.00
Rev Fin Sys Bds Ser '09	2014	885,000.00	719,525.00	1,604,525.00
Rev Fin Sys Bds Ser '09	2015	905,000.00	696,018.75	1,601,018.75
Rev Fin Sys Bds Ser '09	2016	935,000.00	670,718.75	1,605,718.75
Rev Fin Sys Bds Ser '09	2017	960,000.00	643,462.50	1,603,462.50
Rev Fin Sys Bds Ser '09	2018	990,000.00	612,975.00	1,602,975.00
Rev Fin Sys Bds Ser '09	2019-2023	<u>5,510,000.00</u>	<u>2,497,550.00</u>	<u>8,007,550.00</u>
Rev Fin Sys Bds Ser '09	2024-2028	<u>6,800,000.00</u>	<u>1,210,031.25</u>	<u>8,010,031.25</u>
Rev Fin Sys Bds Ser '09	2029	<u>1,560,000.00</u>	<u>39,000.00</u>	<u>1,599,000.00</u>
		18,545,000.00	7,089,281.25	25,634,281.25
Rev Fin Sys Bds Ser '10 (A)	2014	405,000.00	38,225.00	443,225.00
Rev Fin Sys Bds Ser '10 (A)	2015	420,000.00	28,925.00	448,925.00
Rev Fin Sys Bds Ser '10 (A)	2016	425,000.00	18,362.50	443,362.50
Rev Fin Sys Bds Ser '10 (A)	2017	<u>435,000.00</u>	<u>6,525.00</u>	<u>441,525.00</u>
		1,685,000.00	92,037.50	1,777,037.50
Total Tuition Revenue Bonds - Self-Supporting		<u>42,425,000.00</u>	<u>13,911,223.75</u>	<u>56,336,223.75</u>
Total Revenue Bonds		<u>152,805,000.00</u>	<u>51,390,888.99</u>	<u>204,195,888.99</u>
General Obligation Bonds				
Constitutional Apprn Bds Ser '08	2014	995,000.00	277,050.00	1,272,050.00
Constitutional Apprn Bds Ser '08	2015	1,030,000.00	226,425.00	1,256,425.00
Constitutional Apprn Bds Ser '08	2016	1,065,000.00	174,050.00	1,239,050.00
Constitutional Apprn Bds Ser '08	2017	1,105,000.00	125,325.00	1,230,325.00
Constitutional Apprn Bds Ser '08	2018	1,150,000.00	78,500.00	1,228,500.00
Constitutional Apprn Bds Ser '08	2019	<u>1,195,000.00</u>	<u>26,887.50</u>	<u>1,221,887.50</u>
Total General Obligation Bonds		<u>6,540,000.00</u>	<u>908,237.50</u>	<u>7,448,237.50</u>
Total Debt Service		<u>\$ 159,345,000.00</u>	<u>\$ 52,299,126.49</u>	<u>\$ 211,644,126.49</u>

UNAUDITED

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, 2013

Description of Issue	Application of Funds		Accrual Basis	
	2013 Principal	2013 Interest	Int Exp	Int cap
General Obligation Bonds - Not Self-Supporting Constitutional Apprn Bds Series 2008	<u>\$ 960,000.00</u>	<u>\$ 325,925.00</u>	<u>\$ 307,925.00</u>	<u>\$ -</u>

UNAUDITED

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, 2013

Description of Issue	Net Available for Debt Service		Debt Service		Accrual Basis
	Total Pledged and Other Sources	Operating Expenses/Expenditures and Capital Outlay	2013 Principal	2013 Interest	Interest Expense
Business-Type Activities					
Revenue Bonds - Self Supporting					
Rev Fin Sys Bds Ser '04	*	-	\$ 1,140,000.00	\$ 755,831.26	\$ 738,731.26
Rev Fin Sys Bds Ser '04 (A)	*	-	240,000.00	167,578.76	163,978.76
Rev Fin Sys Bds Ser '05	*	-	725,000.00	568,156.25	553,882.81
Rev Fin Sys Bds Ser '05 (A)	*	-	2,395,000.00	2,188,825.00	2,152,900.00
Rev Fin Sys Bds Ser '10	*	-	1,315,000.00	1,261,987.50	1,252,125.00
Tuition Revenue Bonds - Self-Supporting					
Rev Fin Sys Bds Ser '02	*	-	695,000.00	384,012.50	372,284.37
Rev Fin Sys Bds Ser '08	*	-	710,000.00	609,700.00	599,050.00
Rev Fin Sys Bds Ser '09	*	-	865,000.00	740,318.75	733,020.31
Rev Fin Sys Bds Ser '10 (A)	*	-	400,000.00	46,275.00	43,275.00
			<u>\$ 8,485,000.00</u>	<u>\$ 6,722,685.02</u>	<u>\$ 6,609,247.51</u>

Note: Expenditures associated with operations which generated the pledged revenues are \$ 80,972,400.79 for fiscal year 2013.

Analysis of Pledged and Other Sources:	Pledged Sources	
	Tuition and Fees	\$ 92,876,869.09
	Sales and Services	37,556,376.48
	Other Sources	<u>69,155.44</u>
	Total Revenues	130,502,401.01
	Pledged Auxiliary	
	Unappropriated Balance	<u>10,546,367.83</u>
	Total Pledged Revenues	<u>\$ 141,048,768.84</u>

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 2E - Defeased Bonds Outstanding
For the Fiscal Year Ended August 31, 2013

<u>Description of Issue</u>	<u>Year Refunded</u>	<u>Par Value Outstanding</u>
Revenue Bonds		
Building Revenue Bonds, Series 1965-B	1991	\$ 445,000.00
Housing System Revenue Bonds, Series 1963-A	1991	14,000.00
Housing System Revenue Bonds, Series 1964	1991	105,000.00
		<u>\$ 564,000.00</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, 2013

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

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STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 3 - Reconciliation of Cash in State Treasury
August 31, 2013

Cash in State Treasury	<u>Unrestricted</u>	<u>Restricted</u>	<u>Current Year Total</u>
Special Mineral Fund 0241	\$ 0.00	\$ 0.00	\$ 0.00
Local Revenue Fund 0261	<u>2,342,946.93</u>	<u>0.00</u>	<u>2,342,946.93</u>
 Total Cash in State Treasury (Strmt of Net Position)	 <u>\$ 2,342,946.93</u>	 <u>\$ 0.00</u>	 <u>\$ 2,342,946.93</u>