



**TEXAS STATE TECHNICAL COLLEGE**

**ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDING AUGUST 31, 2009**

**Texas State Technical College  
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**ANNUAL  
FINANCIAL REPORT**

**TEXAS STATE TECHNICAL COLLEGE**

**TSTC SYSTEM OPERATIONS  
TSTC HARLINGEN  
TSTC MARSHALL  
TSTC WACO  
TSTC WEST TEXAS**

**FISCAL YEAR ENDED AUGUST 31, 2009**



3801 Campus Dr. | Waco, TX 76705  
[www.tstc.edu](http://www.tstc.edu)

Office of the Chancellor  
254.867.4891  
Fax: 254.867.3960  
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November 20, 2009

The Honorable Rick Perry  
Governor of Texas

The Honorable Susan Combs  
Texas Comptroller

Mr. John O'Brien  
Director, Legislative Budget Board

Mr. John Keel, CPA  
State Auditor

Lady and Gentlemen:

We are pleased to submit the Annual Financial Report of Texas State Technical College for the year ended August 31, 2009, in compliance with TEXAS GOV'T CODE ANN §2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (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 Albert Srubar at 254-867-3956. Susan Vonder Hoya may be contacted at 254-867-3961 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

A handwritten signature in black ink that reads "Bill Segura". The signature is written in a cursive, flowing style.

Bill Segura  
Chancellor



## TEXAS STATE TECHNICAL COLLEGE

**ORGANIZATIONAL DATA**  
**For the Fiscal Year Ended August 31, 2009**

## Board of Regents

Officers

James V. (J.V.) Martin	Sweetwater, Texas	Chairman of the Board
Rolf R. Haberecht	Dallas, Texas	Vice Chairman
Barbara Rusling	China Spring, Texas	Executive Committee
Joe M. Gurecky	Rosenberg, Texas	Executive Committee

Members

Term Expires  
August 31,

James V. (J.V.) Martin	Sweetwater, Texas	2009
Barbara Rusling	China Spring, Texas	2009
Nora Castañeda	Harlingen, Texas	2009
Joe M. Gurecky	Rosenberg, Texas	2011
Rolf R. Haberecht	Dallas, Texas	2011
Joe K. Hearne	Dallas, Texas	2011
Michael F. Northcutt	Longview, Texas	2013
Gene Seaman	Corpus Christi, Texas	2013
Ellis M. Skinner, II	Dallas, Texas	2013

## Key Officers

Bill Segura	Chancellor
J. Gary Hendricks	Vice Chancellor for Financial and Administrative Services
Albert Srubar	Comptroller
Elton E. Stuckly, Jr.	President, Texas State Technical College Waco
Cesar Maldonado	President, Texas State Technical College Harlingen
Mike Reeser	President, Texas State Technical College West Texas
Randy Wooten	President, Texas State Technical College Marshall



UNAUDITED

TEXAS STATE TECHNICAL COLLEGE  
(Agency 719)  
Statement of Net Assets  
August 31, 2009

	TOTAL
ASSETS	
Current Assets:	
Cash and Cash Equivalents	
Cash on Hand	\$ 46,137.00
Cash in Bank	6,004,840.67
Reimbursements Due from State Treasury	
Cash in State Treasury	8,420,353.53
Cash Equivalents	
Short-term Investments	9,957,777.21
Restricted	
Cash and Cash Equivalents	
Cash on Hand	105.00
Cash in Bank	4,323,461.38
Cash Equivalents	
Short-term Investments	3,574,737.84
Balance in State Appropriations	10,158,401.21
Notes Receivable, Net	
Accounts Receivable, Net	5,292,066.87
Federal Receivables	10,281,483.08
Other Intergovernmental Receivables	
Accrued Interest Receivable	22,769.55
Other Receivables	
Due from Other Funds/ Colleges	
Due From Other Agencies-State	581,272.15
Due From Other Agencies-Federal	1,339,875.00
Consumable Inventories	793,803.67
Merchandise Inventories	2,102,463.87
Loans and Contracts	
Other Current Assets	
Total Current Assets	<u>62,899,548.03</u>
Non-Current Assets:	
Restricted	
Cash in Bank	68,522.35
Short-term Investments	509,883.38
Investments	
Loans, Contracts and Other	
Accrued Interest Receivable	558.96
Other Non-Current Assets	
Capital Assets, Non-Depreciable	
Land and Land Improvements	4,602,450.95
Other Capital Assets	9,500.00
Construction in Progress	1,757,251.87
Capital Assets, Depreciable	
Buildings and Building Improvements	126,233,148.64
Less Accumulated Depreciation	(70,995,674.24)
Infrastructure	8,730,795.00
Less Accumulated Depreciation	(4,720,318.43)
Facilities and Other Improvements	4,232,034.03
Less Accumulated Depreciation	(3,112,818.09)
Furniture and Equipment	30,504,701.60
Less Accumulated Depreciation	(20,889,142.68)



UNAUDITED

TEXAS STATE TECHNICAL COLLEGE  
(Agency 719)  
Statement of Net Assets  
August 31, 2009

	TOTAL
Vehicles, Boats, and Aircraft	8,266,200.19
Less Accumulated Depreciation	(5,608,842.00)
Other Capital Assets	1,983,132.00
Less Accumulated Depreciation	(1,297,384.97)
Other Non-Current Assets	
Total Non-Current Assets	80,273,998.56
TOTAL ASSETS	\$ 143,173,546.59
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 4,010,733.48
Payroll Payables	5,995,650.85
Federal Payables	360,113.36
Other Intergovernmental Payables	
Due to Other Funds/Colleges	
Due to Other Agencies	107,648.57
Deferred Revenue	14,799,821.77
Employees' Compensable Leave-Current Portion	570,255.44
Notes, Loans and Leases Payable-Current Portion	421,709.68
Deposits Payable	553,605.19
Revenue Bonds Payable-Current Portion	681,428.57
General Obligation Bonds Payable-Current Portion	1,505,000.00
Accrued Interest Payable-Bonds	77,197.45
Funds Held for Others	1,409,793.71
Other Current Liabilities	7,231.60
Total Current Liabilities	30,500,189.67
Non-Current Liabilities:	
Employees' Compensable Leave	5,225,023.00
Assets Held for Others	
Notes, Loans and Leases Payable	4,028,094.69
Deposits Payable	
Claims and Judgements (Accrued Arbitrage Payable)	335,286.36
Revenue Bonds Payable	10,907,142.86
General Obligation Bonds Payable	8,490,000.00
Other Non-Current Liabilities	
Total Non-Current Liabilities	28,985,546.91
TOTAL LIABILITIES	\$ 59,485,736.58
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	56,501,658.07
Restricted for:	
Other	643,350.82
Nonexpendable	
True and Other Endowments, and Annuities	578,964.69
Expendable	
Capital Projects	557,918.51
Debt Service	14,173.27
Funds Functioning as Endowment-Restricted	
Other Expendable	
Unrestricted	25,391,744.65
TOTAL NET ASSETS	83,687,810.01
TOTAL LIABILITIES AND NET ASSETS	\$ 143,173,546.59



## UNAUDITED

## TEXAS STATE TECHNICAL COLLEGE

(Agency 719)

## Statement of Revenues, Expenses, and Changes in Net Assets

For The Fiscal Year Ended August 31, 2009

	<u>TOTAL</u>
OPERATING REVENUES:	
Sales of Goods and Services:	
Student Tuition and Fees	\$ 29,660,849.94
Discounts and Allowances	(14,903,634.42)
Auxiliary Enterprises	13,643,962.07
Discounts and Allowances	(4,385,005.70)
Net Sales and Services of Educational Activities	4,018,492.50
Interest and Investment Income from Operating Activities	203,200.51
Federal Sponsored Programs	4,813,970.20
Federal Sponsored Programs Pass-Through from Other State Agencies	4,676,852.63
State Sponsored Programs	
State Sponsored Programs Pass-Through from Other State Agencies	5,559,333.59
Other Grants and Contracts	1,639,942.88
Other Operating Revenues	1,780.82
Total Operating Revenues	<u>44,929,745.02</u>
OPERATING EXPENSES:	
Instruction	57,137,511.89
Research	330,846.85
Public Service	6,858.96
Hospitals and Clinics	
Academic Support	12,004,727.65
Student Services	12,246,153.79
Institutional Support	16,673,189.77
Operations and Maintenance of Plant	14,229,090.08
Scholarships and Fellowships	5,889,793.47
Auxiliary Enterprises	17,589,018.19
Depreciation and Amortization	6,212,643.52
Total Operating Expenses	<u>142,319,834.17</u>
Operating Income (Loss)	<u>(97,390,089.15)</u>
NONOPERATING REVENUES (EXPENSES):	
State Appropriations	78,781,965.17
Gifts	92,151.30
Investment Income	501,763.94
Federal Sponsored Programs	21,960,618.10
Federal Sponsored Programs Pass-Through from Other State Agencies	402,355.37
Disposal of Plant Facilities	(181,466.44)
Settlement of Claims	(628,669.71)
Interest Expense and Fiscal Charges	(1,234,167.77)
Gain/(Loss) on Sale of Capital Assets	
Other Nonoperating Revenues	2,477,173.79
Other Nonoperating (Expenses)	(10,177,359.41)
Net Nonoperating Revenues (Expenses)	<u>91,994,364.34</u>
Income (Loss) Before Other Revenues, Expenses, Gains/(Losses), and Transfers	<u>(5,395,724.81)</u>



UNAUDITED

TEXAS STATE TECHNICAL COLLEGE

(Agency 719)

Statement of Revenues, Expenses, and Changes in Net Assets

For The Fiscal Year Ended August 31, 2009

	<u>TOTAL</u>
OTHER REVENUES, EXPENSES, GAINS (LOSSES) AND TRANSFERS:	
Capital Contributions	4,392,396.48
Capital Appropriations (HEAF)	5,775,000.00
Gifts and Sponsored Programs for Capital Acquisitions	2,414,961.85
Increase Net Assets - Interagency Transfers Capital Assets	
Decrease Net Assets - Interagency Transfers Capital Assets	
Transfers from/(to) Other State Agencies	710,843.43
Legislative Transfers	
Legislative Appropriations Lapsed	(1,063.00)
Net Other Revenues, Expenses, Gains/(Losses) and Transfers	<u>13,292,138.76</u>
CHANGE IN NET ASSETS	<u>7,896,413.95</u>
Net Assets - September 1, 2008	75,936,469.60
Restatements	(145,073.54)
Net Assets - September 1, 2008 - As Restated	<u>75,791,396.06</u>
NET ASSETS - August 31, 2009	\$ <u><u>83,687,810.01</u></u>



UNAUDITED

TEXAS STATE TECHNICAL COLLEGE  
(Agency 719)  
Matrix of Operating Expenses  
Reported by Function  
For the Fiscal year Ended August 31, 2009

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services	Institutional Support
Cost of Goods Sold	\$ (2,044.65)	\$ 0.00	\$ 0.00	\$ 226.90	\$ 0.00	\$ 0.00
Salaries and Wages	35,585,789.29	165,330.84	0.00	6,866,460.56	7,110,740.75	10,081,734.26
Payroll Related Costs	11,053,262.46	80,416.77	0.00	2,136,223.63	2,348,158.79	3,228,205.29
Professional Fees and Services	348,651.62	0.00	0.00	378,893.11	25,344.88	125,720.90
Federal Grant Pass-Through Expenses	0.00	0.00	0.00	0.00	0.00	0.00
State Grant Pass-Through Expenses	0.00	0.00	0.00	0.00	0.00	0.00
Travel	405,253.95	2,520.65	518.83	189,504.05	82,404.30	170,409.05
Materials and Supplies	4,913,719.58	6,037.24	4,890.13	1,132,905.72	881,685.51	1,409,400.80
Communications and Utilities	458,563.64	0.00	0.00	357,789.62	42,195.74	315,298.39
Repairs and Maintenance	543,991.73	0.00	0.00	232,900.88	22,079.66	625,966.04
Rentals and Leases	351,938.74	0.00	0.00	211,753.04	81,479.57	143,610.97
Printing and Reproduction	16,857.88	65,048.00	0.00	21,559.74	56,167.80	11,543.87
Depreciation and Amortization	0.00	0.00	0.00	0.00	0.00	0.00
Bad Debt Expense	0.00	0.00	0.00	0.00	0.00	0.00
Interest	2,637.31	0.00	0.00	479.00	220.56	351.15
Scholarships	214,572.44	0.00	0.00	61,979.98	172,119.17	83,255.00
Less Tuition Discounting	0.00	0.00	0.00	0.00	0.00	0.00
Claims and Judgments	0.00	0.00	0.00	0.00	0.00	0.00
Other Operating Expenses	3,244,317.90	11,493.35	1,450.00	414,051.42	1,423,557.06	477,694.05
Capital	1,322,982.83	0.00	0.00	697,794.73	66,269.03	125,353.51
Less Capital Additions	(1,322,982.83)	0.00	0.00	(697,794.73)	(66,269.03)	(125,353.51)
Total Operating Expenses	\$ 57,137,511.89	\$ 330,846.85	\$ 6,858.96	\$ 12,004,727.65	\$ 12,246,153.79	\$ 16,673,189.77



UNAUDITED

TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Matrix of Operating Expenses  
 Reported by Function  
 For the Fiscal year Ended August 31, 2009

Operating Expenses	Operation and Maintenance of Plant	Scholarships and Fellowships	Auxiliary Enterprises	Depreciation and Amortization	Total Expenditures
Cost of Goods Sold	\$ (4,145.20)	\$ 0.00	\$ 3,924,781.73	\$ 0.00	\$ 3,918,818.78
Salaries and Wages	5,248,587.27	0.00	5,107,571.02	0.00	70,166,213.99
Payroll Related Costs	1,896,434.39	0.00	1,401,606.68	0.00	22,144,308.01
Professional Fees and Services	25,175.27	0.00	147,408.54	0.00	1,051,194.32
Federal Grant Pass-Through Expenses	0.00	0.00	0.00	0.00	0.00
State Grant Pass-Through Expenses	0.00	0.00	0.00	0.00	0.00
Travel	12,402.31	0.00	210,587.29	0.00	1,073,600.43
Materials and Supplies	1,036,194.92	2,027.34	2,361,742.43	0.00	11,748,603.67
Communications and Utilities	4,638,457.33	0.00	1,531,463.54	0.00	7,343,768.26
Repairs and Maintenance	413,104.74	0.00	902,369.87	0.00	2,740,412.92
Rentals and Leases	25,529.08	0.00	470,960.11	0.00	1,285,271.51
Printing and Reproduction	532.64	0.00	70,896.86	0.00	242,606.79
Depreciation and Amortization	0.00	0.00	0.00	6,212,643.52	6,212,643.52
Bad Debt Expense	0.00	0.00	0.00	0.00	0.00
Interest	2,236.45	0.00	1,160.46	0.00	7,084.93
Scholarships	0.00	9,276,254.48	(7,250.09)	0.00	9,800,930.98
Less Tuition Discounting	0.00	(3,401,215.95)	0.00	0.00	(3,401,215.95)
Claims and Judgments	0.00	0.00	0.00	0.00	0.00
Other Operating Expenses	934,580.88	12,727.60	1,465,719.75	0.00	7,985,592.01
Capital	561,611.34	0.00	511,036.47	0.00	3,285,047.91
Less Capital Additions	(561,611.34)	0.00	(511,036.47)	0.00	(3,285,047.91)
Total Operating Expenses	\$ 14,229,090.08	\$ 5,889,793.47	\$ 17,589,018.19	\$ 6,212,643.52	\$ 142,319,834.17



## UNAUDITED

TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Statement of Cash Flows  
 For the Fiscal Year Ended August 31, 2009

	<u>TOTAL</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Proceeds Received from Tuition and Fees	\$ 19,606,431.98
Proceeds Received from Customers (Other Sales and Services)	4,027,382.75
Proceeds from Grants and Contracts	13,130,181.25
Proceeds from Auxiliaries	9,727,063.76
Proceeds from Other Revenues	1,780.82
Payments to Suppliers for Goods and Services	(40,047,141.59)
Payments to Employees for Salaries and Wages	(70,896,427.96)
Payments to Employees for Benefits	(21,658,040.13)
Payments for Other Expenses	(6,664,442.57)
Net Cash Provided (Used) by Operating Activities	<u>(92,773,211.69)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Proceeds from State Appropriations	83,513,097.56
Proceeds from Gifts	92,151.30
Proceeds from Grants and Contracts	21,960,618.10
Proceeds from Other Revenues	168,033.13
Payments of Interest	(46,605.45)
Payments for Other Uses	<u>(10,786,671.36)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>94,900,623.28</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from Disposal of Capital Assets	
Proceeds from Grants and Contracts	462,355.37
Proceeds from Capital Grants and Gifts	2,414,961.85
Proceeds from Insurance on Capital Assets	2,249,140.66
Proceeds from Debt Issuance	1,000,000.00
Proceeds from Transfers from Other State Agencies for Debt Retirement	209,529.18
Payments for Additions to Capital Assets	(7,331,493.32)
Payments of Principal on Debt Issuance	(2,636,613.41)
Payments of Interest on Debt Issuance	(1,192,502.79)
Payments of Other Costs of Debt Issuance	(19,757.76)
Payments of Transfers to Other State Agencies for Debt Retirement	<u>(2,080,059.38)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(6,924,439.60)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from Sales of Investments	2,516,211.77
Proceeds from Interest and Investment Income	729,331.16
Payments to Acquire Investments	<u>(3,439,914.19)</u>
Net Cash Provided (Used) by Investing Activities	<u>(194,371.26)</u>



UNAUDITED

TEXAS STATE TECHNICAL COLLEGE  
(Agency 719)  
Statement of Cash Flows  
For the Fiscal Year Ended August 31, 2009

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Increase (Decrease) in Cash and Cash Equivalents	\$ (4,991,399.27)
Cash and Cash Equivalents, September 1, 2008	23,854,819.20
Restatements to Beginning Cash and Cash Equivalents	
Cash and Cash Equivalents, August 31, 2009	\$ <u><u>18,863,419.93</u></u>

RECONCILIATION OF OPERATING INCOME (LOSS) TO  
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Operating Income (Loss)	\$ (97,390,089.15)
-------------------------	--------------------

Adjustments to Reconcile Operating Income  
to Net Cash Provided (Used) by Operating Activities:

Amortization and Depreciation	6,212,643.52
Bad Debt Expense	

Operating Income and Cash Flow Categories

Classification Differences	
Interest and Investment Income from Operating Activities	(203,200.51)

Changes in Assets and Liabilities:

(Increase) Decrease in Receivables	(446,287.30)
(Increase) Decrease in Inventories	(693,415.61)
(Increase) Decrease in Loans and Contracts	
(Increase) Decrease in Due from Other Agencies	(475,605.42)
(Increase) Decrease in Other Assets	
(Increase) Decrease in Prepaid Expenses	
Increase (Decrease) in Payables	(2,346,520.07)
Increase (Decrease) in Deposits Payable	61,098.15
Increase (Decrease) in Due to Other Agencies	107,648.57
Increase (Decrease) in Deferred Income	2,519,667.97
Increase (Decrease) in Funds Held for Others	(264,727.54)
Increase (Decrease) in Compensated Absence Liability	145,801.62
Increase (Decrease) in Other Liabilities	<u>(225.92)</u>

Total Adjustments	<u>4,616,877.46</u>
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Net Cash Provided (Used) by Operating Activities	\$ <u><u>(92,773,211.69)</u></u>
--	----------------------------------

NON CASH TRANSACTIONS

Donations of Capital Assets	\$ 2,859,318.36
Transfers from State Agencies - Capital Lease Purchases	2,581,373.63
Borrowing Under Capital Lease Purchases	290,404.66
Other Additions to Capital Assets	1,533,078.12
Disposal of Plant Facilities	(181,466.44)
Restatement to Beginning Capital Assets Balance	<u>(145,073.54)</u>
Total Non Cash Transactions	\$ <u><u>6,937,634.79</u></u>



**TEXAS STATE TECHNICAL COLLEGE**  
**(Agency 719)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Year Ended August 31, 2009*

<b>Note 1: Summary of Significant Accounting Policies</b>
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**Entity**

Texas State Technical College (TSTC) System is an agency of the State of Texas and its financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' *Reporting Requirements for Annual Financial Reports of State Agencies and Universities*.

TSTC System includes four colleges: TSTC Harlingen, TSTC Marshall, TSTC Waco, and TSTC West Texas, which has campuses in Abilene, Breckenridge, Brownwood, and Sweetwater. TSTC is the only state-supported technical college system in Texas. With a statewide role and mission, TSTC is efficiently and effectively helping Texas meet the high-tech challenges of today's global economy, in partnership with business and industry, government agencies, and other educational institutions. TSTC has high graduation rates, exceptional postgraduate success rates, and an outstanding record in graduating individuals from diverse cultural and socioeconomic backgrounds.

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

**Fund Structure**

The accompanying financial statements are presented on the basis of funds, each of which is considered a separate accounting entity. The fund designation for institutions of higher education is Business-Type Activity within the Proprietary Fund Type.

**Proprietary Fund Types****Business-Type Activity**

Business type funds are used for activities that are financed through the charging of fees for goods or services to the ultimate user. Institutions of higher education are required to report their financial activities as business type because the predominance of their funding comes through charges to students, sales of goods and services, and grant revenues.

**Agency Funds**

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

**Component Units**

No component units have been identified that should have been blended into an appropriate fund or discretely presented within this financial report.

**Basis of Accounting**

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

Business type activity funds (proprietary funds), are accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Proprietary funds distinguish operating from non-operating items. Operating revenues and expenses result



**TEXAS STATE TECHNICAL COLLEGE**  
**(Agency 719)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Year Ended August 31, 2009*

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

### **Budget and Budgetary Accounting**

The budget is prepared biennially and represents appropriations authorized by the legislature and approved by the Governor (the General Appropriations Act).

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

### **Assets, Liabilities, and Net Assets**

#### Assets

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##### Cash and Cash Equivalents

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

##### Restricted Assets

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of enterprise fund general obligation and revenue bonds and revenues set aside for statutory or contractual requirements. Assets held in reserve for guaranteed student loan defaults are also included.

##### Inventories

Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued at cost, generally utilizing the last-in, first-out method. The consumption method of accounting is used to account for inventories that appear in the proprietary fund types. The cost of these items is expensed when the items are consumed.

##### Capital Assets

Assets with an initial, individual cost of more than \$5,000.00 and an estimated useful life in excess of one year are capitalized. All capital assets acquired by proprietary funds are reported at cost or estimated historical cost, if actual historical cost is not available. Donated assets are reported at fair value on the acquisition date. Depreciation is reported on all "exhaustible" assets. "Inexhaustible" assets such as works of art and historical treasures are not depreciated. Depreciation is charged to operations over the estimated useful life of each asset, using the straight-line method.

##### Current Receivables - Other

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

#### Liabilities

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##### 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.

##### Current Payables - Other

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

##### Employees' Compensable Leave Balances

Employees' Compensable Leave Balances represent the liability that becomes "due" upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported



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separately as either current or non-current in the statement of net assets. These obligations are normally paid from the same funding source(s) from which each employee's salary or wage compensation was paid.

Capital Lease Obligations

Capital Lease Obligations represent the liability for future lease payments under capital lease contracts contingent upon the appropriation of funding by the Legislature. Liabilities are reported separately as either current or non-current in the statement of net assets.

Bonds Payable

General obligation bonds and revenue bonds are generally accounted for in the proprietary funds. The bonds payable are reported at par less unamortized discount or plus unamortized premium. Interest expense is reported on the accrual basis, with amortization of discount or premium. Payables are reported separately as either current or non-current in the statement of net assets.

**Net Assets**

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

Invested in Capital Assets, Net of Related Debt

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

Restricted Net Assets

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

Unrestricted Net Assets

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

**Interfund Activities and Balances**

The agency has the following types of transactions among funds:

- (1) Transfers: Legally required transfers that are reported when incurred as 'Transfers In' by the recipient fund and as 'Transfers Out' by the disbursing fund.
- (2) Reimbursements: Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one fund for another are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund. Reimbursements are not displayed in the financial statements.
- (3) Interfund receivables and payables: Interfund loans are reported as interfund receivables and payables. If repayment is due during the current year or soon thereafter, the balance is classified as "Current". Balances for repayment due in two (or more) years are classified as "Non-Current".
- (4) Interfund Sales and Purchases: Charges or collections for services rendered by one fund to another that are recorded as revenues of the recipient fund and expenditures or expenses of the disbursing fund. The composition of Texas State Technical College'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, 2009 is presented below:

	PRIMARY GOVERNMENT							Balance 8/31/09
	Balance 9/1/08	Adjustments	Reclassifications			Additions	Deletions	
			Completed CIP	Inc-Int'agy Trans	Dec-Int'agy Trans			
BUSINESS-TYPE ACTIVITIES								
Non-Depreciable Assets								
Land and Land Improvements	4,142,842.45					459,608.50		4,602,450.95
Construction in Progress	4,263,034.19	(54,733.26)	(6,965,103.51)			4,514,054.45		1,757,251.87
Other Assets	9,500.00							9,500.00
Total Non-Depreciable Assets	8,415,376.64	(54,733.26)	(6,965,103.51)	0.00	0.00	4,973,662.95	0.00	6,369,202.82
Depreciable Assets								
Buildings and Building Improvements	119,256,891.68	(92,530.64)	5,042,250.94			2,034,509.66	(7,973.00)	126,233,148.64
Infrastructure	4,753,532.00		1,790,763.00			2,186,500.00		8,730,795.00
Facilities & Other Improvements	4,075,035.15		132,089.57			24,909.31		4,232,034.03
Furniture and Equipment	27,824,028.94			9,150.00		3,790,765.83	(1,119,243.17)	30,504,701.60
Vehicle, Boats & Aircraft	7,246,191.78					1,499,949.83	(479,941.42)	8,266,200.19
Other Assets	2,405,157.47					85,370.51	(507,395.98)	1,983,132.00
Total Depreciable Assets at Historical Costs	165,560,837.02	(92,530.64)	6,965,103.51	9,150.00	0.00	9,622,005.14	(2,114,553.57)	179,950,011.46
Less Accumulated Depreciation for:								
Buildings and Improvements	(67,772,304.58)					(3,224,411.14)	1,041.48	(70,995,674.24)
Infrastructure	(4,566,032.00)					(154,286.43)		(4,720,318.43)
Facilities & Other Improvements	(3,058,672.54)					(54,145.55)		(3,112,818.09)
Furniture and Equipment	(19,753,556.42)			(9,150.00)		(2,192,297.66)	1,065,861.40	(20,889,142.68)
Vehicle, Boats & Aircraft	(5,512,072.21)	2,190.36				(562,527.82)	463,567.67	(5,608,842.00)
Other Capital Assets	(1,675,026.63)					(24,974.92)	402,616.58	(1,297,384.97)
Total Accumulated Depreciation	(102,337,664.38)	2,190.36	0.00	(9,150.00)	0.00	(6,212,643.52)	1,933,087.13	(106,624,180.41)
Depreciable Assets, Net	63,223,172.64	(90,340.28)	6,965,103.51	0.00	0.00	3,409,361.62	(181,466.44)	73,325,831.05
Business-Type Activities Capital Assets, Net	71,638,549.28	(145,073.54)	0.00	0.00	0.00	8,383,024.57	(181,466.44)	79,695,033.87
		(A)					(A)	

(A) A total of (\$84,552.10) of adjustments pertaining to deletion of library books during FY 2009 has been reported in the "Deletions" column above. This differs from the "Capital Assets Note 2" generated by the State Property Accounting (SPA) where these deletions are reported in the "Adjustments" column. Also, \$2,190.36 shows up in the adjustments column pertaining to property number 5000065276 depreciation adjustment.



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**Note 3: Deposits, Investments, & Repurchase Agreements**

Texas State Technical College is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act (Tex. Gov't Code Ann. Sec 2256.001) and the Endowment Fund, the Uniform Management of Institutional Funds Act following the "prudent person rule". Such investments include (1) obligations of the United States or its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than A by a national investment rating firm, (4) certificates of deposits, and (5) other instruments and obligations authorized by statute. There were no significant violations of legal provisions during the period.

**Deposits of Cash in Bank**

As of August 31, 2009, the carrying amount of deposits was \$18,903,573.86 as presented below.

<b>Business-Type Activities</b>	
CASH IN BANK – CARRYING AMOUNT	18,903,573.86
Less: Certificates of Deposit included in carrying value and reported as Current Short-term Investments	7,833,803.41
Less: Certificates of Deposit included in carrying value and reported as Current Restricted Short-term Investments	163,062.67
Less: Certificates of Deposit included in carrying value and reported as Non-Current Restricted Short-term Investments	509,883.38
Cash in Bank per AFR	10,396,824.40
Proprietary Funds Current Assets Cash in Bank	6,004,840.67
Proprietary Funds Current Assets Restricted Cash in Bank	4,323,461.38
Proprietary Funds Non-Current Assets Restricted Cash in Bank	68,522.35
Cash in Bank per AFR	10,396,824.40

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 Assets as part of the "Cash and Cash Equivalents" and "Short-term Investments" accounts.

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

<b>Business-Type Activities</b>	20,766,676.42
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**Investments**

As of August 31, 2009, the fair value of investments is as presented below.

<b>Business-Type Activities</b>	<b>Fair Value</b>
U.S. Government	
U. S. Treasury Securities	
U. S. Treasury Strips	
U. S. Treasury TIPS	
U.S. Government Agency Obligations (Ginnie Mae, Fannie Mae, Freddie Mac, Sallie Mae, etc)	
U.S. Government Agency Obligations (Texas Treasury Safekeeping Trust Co)	
Corporate Obligations	
Corporate Asset and Mortgage Backed Securities	
Equity	
International Obligations (Govt. and Corp)	
International Equity	
Repurchase Agreement	
Repurchase Agreement (Texas Treasury Safekeeping Trust Co)	
Fixed Income Money Market and Bond Mutual Fund	
Other Commingled Funds	
International Other Commingled Funds	
Other Commingled Funds (TexPool)	5,535,648.97
Commercial Paper	
Securities Lending Collateral Investment Pool	
Real Estate	
Alternative Investments	
Misc. (Political subdivision, bankers' acceptance, negotiable CD)	
Total Investments	5,535,648.97
<b>Reconciliation of Investments per Exhibits – Business – Type Activities</b>	
Proprietary Funds Current Assets Restricted Short-term Investments	5,535,648.97
Add: Certificates of Deposit disclosed as deposits but reported as Current Short-term Investments	7,833,803.41
Add: Certificates of Deposit disclosed as deposits but reported as Current Restricted Short-term Investments	163,062.67
Add: Certificates of Deposit disclosed as deposits but reported as Non-Current Restricted Short-term Investments	509,883.38
Investments per Exhibits	14,042,398.43

**Note 4: Short Term Debt**

Texas State Technical College does not have any short term debt.



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<b>Note 5: Long Term Liabilities</b>
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**Changes in Long-Term Liabilities**

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

Business Type Activities	Balance 09-01-08	Additions	Reductions	Balance 08-31-09	Amounts Due Within One Year	Amounts Due Thereafter
General Obligation Bonds Payable	11,440,000.00	0.00	1,445,000.00	9,995,000.00	1,505,000.00	8,490,000.00
Revenue Bonds Payable	11,245,000.00	1,000,000.00	656,428.57	11,588,571.43	681,428.57	10,907,142.86
Capital Lease Obligations	4,694,584.55	285,249.30	530,029.48	4,449,804.37	421,709.68	4,028,094.69
Compensable Leave	5,649,476.82	3,158,511.94	3,012,710.32	5,795,278.44	570,255.44	5,225,023.00
Claims and Judgments (Accrued Arbitrage Payable)	335,286.36	0.00	0.00	335,286.36	0.00	335,286.36
<b>Total Business-Type Activities</b>	<b>33,364,347.73</b>	<b>4,443,761.24</b>	<b>5,644,168.37</b>	<b>32,163,940.60</b>	<b>3,178,393.69</b>	<b>28,985,546.91</b>

**Claims and Judgments**

At August 31, 2009, various lawsuits and claims involving Texas State Technical College were pending. While the ultimate liability with respect to litigation and other claims asserted against the College cannot be reasonably estimated at this time, such liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the College.

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 investments were invested at a yield equal to the yield on the bond issue. This rebatable arbitrage must be paid to the federal government. The College is entitled to invest its bond proceeds at an unrestricted yield for various temporary periods ranging from six months to three years. This unrestricted earnings period begins on the date of delivery of the bond issue. Earnings on any funds held by the College after this six month period must be restricted to the yield of the College's bond issue unless the College meets certain spending requirements during the six months to three years temporary period. The amount of rebate due the federal government is determined and payable during each five year period and upon final payment of the tax-exempt bonds.



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The Constitutional Appropriation Bonds, Series 2005 was the only bond issue of the College calculated as having rebatable arbitrage at August 31, 2009. The College recognizes the accrued liability for rebatable arbitrage in the Statement of Net Assets. For the year ended August 31, 2009, the accrued liability totaled \$335,286.36.

**Employees' Compensable Leave**

Full-time State employees earn annual leave from eight to twenty one hours per month depending on the respective employee's years of State employment. The State's policy is that an employee may carry his accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to 532 for those employees with 35 or more years of State service. Employees with at least six months of State service who terminate their employment are entitled to payment for all accumulated annual leave up to the maximum allowed. The College recognizes the accrued liability for the unpaid annual leave in the Statement of Net Assets. This obligation is usually paid from the same funding source(s) from which the employee's salary or wage compensation was paid. For the year ended August 31, 2009, the accrued liability totaled \$5,795,278.44.

The College made lump sum payments totaling \$510,315.33 for accrued vacation and/or compensatory time to employees who separated from state service during fiscal year ending August 31, 2009.

Sick leave, the accumulation of which is unlimited, is earned at the rate of eight hours per month and is paid only when an employee is off due to illness or to the estate of an employee in the event of his/her death. The maximum sick leave that may be paid an employee's estate is one-half of the employee's accumulated entitlement or 336 hours, whichever is less. The College's policy is to recognize the cost of sick leave when paid and the liability is not shown in the financial statements since experience indicates the expenditure for sick leave to be minimal.

**Bonds Payable**

Bonds Payable obligations are described in Note 6.

**Capital Leases**

Capital Lease obligations are described in Note 7.

<b>Note 6: Bonded Indebtedness</b>
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**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, and Schedule 2D, Analysis of Funds Available for Debt Service.

General information related to bonds payable is summarized below:

**Business – Type Activities**

**General Obligation Bonds**

Constitutional Appropriation Bonds, Series 2005

- ☐ To construct buildings or other permanent improvements, and for major repair and rehabilitation of buildings or other permanent improvements, all at the TSTC System's campuses located in the cities of Harlingen, Marshall, Sweetwater and Waco, Texas, and to pay costs of issuance of the bonds.
- ☐ Issued 11-16-2005



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- ☐ \$15,695,000.00, all authorized bonds have been issued
- ☐ Source of revenues for debt service-General Revenue Funds (HEAF) Appropriations

**Revenue Bonds**

**Building Revenue and Refunding Revenue Bonds, Series 1992**

- ☐ Issued by the Texas Public Finance Authority on behalf of Texas State Technical College System
- ☐ To refinance three existing bond issues totaling \$9,515,000.00 with remaining proceeds used for construction of Student Recreation Center at TSTC Waco and gymnasium at TSTC Harlingen
- ☐ Issued November 24, 1992
- ☐ \$14,080,000.00; all authorized bonds have been issued
- ☐ Source of revenue for debt service-Auxiliary Revenues, Special Use Fees and other income.

Bonds payable were due in annual installments varying from \$695,000.00 to \$1,250,000.00 with interest rates from 3.20% to 6.25% with the final installment paid on August 01, 2009.

**Revenue Financing System Bonds, Series 2002**

- ☐ To construct a Learning Resource and Distance Learning facility at TSTC Harlingen; to construct a Library and Administrative Activities facility at TSTC Marshall; to construct a Transportation Technologies Building at TSTC West Texas Sweetwater; to renovate the Industrial Technology Center at TSTC Waco; to pay costs of issuing the bonds; and to renovate existing structures and facilities for any portion of the proceeds not required for the specified projects at the institution.
- ☐ Issued 11-14-2002
- ☐ \$10,880,000.00, all authorized bonds have been issued
- ☐ Source of revenues for debt service – General Revenue Funds specifically appropriated for debt service and all other available non-General Revenue Funds.

**Revenue Financing System Bonds, Series 2008**

- ☐ To acquire, purchase, construct, renovate, enlarge or equip property, buildings, structures, facilities, road or related infrastructure for HVAC system replacements at TSTC Waco; and to pay certain costs of issuing the bonds.
- ☐ Issued 07-08-08
- ☐ \$3,125,000.00, all authorized bonds have been issued
- ☐ Source of revenues for debt service – General Revenue Funds specifically appropriated for debt service and all other available non-General Revenue Funds.



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Revenue Financing System Bonds (Clean Renewable Energy Bonds), Series 2008A

- To repay the principal and interest on the commercial paper notes issued by the Texas Public Finance Authority to finance the acquisition, construction and installation of a wind turbine as a renewable energy project at the System's campus located in Sweetwater, Texas, to achieve energy efficiencies and establish a program to teach and train students to become technicians to operate and maintain wind turbines.
- Issued 12-03-08
- \$1,000,000.00, all authorized bonds have been issued
- Source of revenues for debt service – pledged revenues of the System, subject to the payment of debt service on any prior encumbered obligations.

**Advance Refunding Bonds**

On November 24, 1992, revenue bonds were issued by the Texas Public Finance Authority on behalf of Texas State Technical College System issued as Building Revenue and Refunding Revenue Bonds Series 1992 which refunded three issues of bonds then outstanding. The existing bond issues with their respective balances that were refunded were as follows:

Housing System and Auxiliary Services Revenue Bonds, Series 1979	4,750,000.00
Housing System and Auxiliary Services Revenue Bonds, Series 1982	3,065,000.00
Housing System and Auxiliary Services Revenue Bonds, Series 1989	1,700,000.00
Total	9,515,000.00

The average interest rate of the bond issues refunded was 8.1%.

The par amount of the Series 1992 Bonds was \$14,080,000.00, with all authorized bonds being issued. Net proceeds from the Series 1992 Bonds were \$13,520,184.00 after payment of \$386,347.00 in underwriting fees, insurance and other issuance costs. An additional \$1,496,418.00 of sinking fund monies from the Series 1979, 1982, and 1989 was deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the 1979, 1982 and 1989 issues.

The Series 1979, 1982, and 1989 Bonds are considered fully defeased and the liability for those bonds has been removed from the financial statements.

In Fiscal Year 1994, the remaining \$4,200,000.00 of bonds from the 1979 issue were called and paid thus extinguishing all outstanding indebtedness from the 1979 issue.

**Note 7: Capital Leases**

Texas State Technical College has entered into long-term leases for financing the purchase of certain capital assets. Such leases are classified as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments at the inception of the lease. The following is a summary of original capitalized costs of all such property under lease as well as the accumulated depreciation as of August 31, 2009:

Assets Under Capital Leases	Business-Type Activities
Land	455,762.50
Construction in Progress	0.00



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Building	5,572,934.58
Less: Accumulated Depreciation	(816,887.49)
Furniture and Equipment	264,117.05
Less: Accumulated Depreciation	(127,655.39)
<b>Total</b>	<b>5,348,271.25</b>

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

Future minimum lease payments	Business-Type Activities		
	Principal	Interest	Total
2010	421,709.68	175,099.92	596,809.60
2011	408,226.99	156,197.11	564,424.10
2012	391,895.70	140,142.90	532,038.60
2013	408,557.09	123,481.51	532,038.60
2014	425,522.56	106,516.04	532,038.60
2015– 2019	1,403,461.35	321,328.95	1,724,790.30
2020 – 2024	990,431.00	86,060.35	1,076,491.35
2025 – 2029	0.00	0.00	0.00
Total Minimum Lease Payments	4,449,804.37	1,108,826.78	5,558,631.15
Less: Amount Representing Interest at Various Rates			1,108,826.78
Present Value of Net Minimum Lease Payments			4,449,804.37

**Note 8: Operating Lease Obligations**

Included in expenditures is the following amount of rent paid or due under operating leases:

Fund Type	Amount
Proprietary, Business-Type Activities	1,318,774.50

TSTC has no non-cancelable operating leases having an initial term in excess of one year.

**Note 9: Retirement Plans**

The state has established an Optional Retirement Program (ORP) for institutions of higher education. Participation in ORP is in lieu of participation in the Teacher Retirement System and is available to certain eligible employees. The contributions made by plan members and employer for the fiscal year ended August 31, 2009 are:

	Year ended August 31, 2009
Member Contributions	\$ 1,556,720.00
Employer Contributions	1,758,311.00
Total	<u>\$ 3,315,031.00</u>

**Note 10: Deferred Compensation**

Not Applicable.



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**Note 11: Post Employment Health Care and Life Insurance Benefits**

Not Applicable

**Note 12: Interfund Balances/Activities**

As explained in Note 1 on Interfund Activities and Balances, there are numerous transactions between funds and agencies. At year-end amounts to be received or paid are reported as:

- ☐ Interfund Receivables or Interfund Payables – See Below
- ☐ Due from Other Agencies or Due to Other Agencies – See Schedule 1A – *Schedule of Expenditures of Federal Awards*, and Schedule 1B – *Schedule of State Grant Pass Throughs From/To State Agencies*
- ☐ Due From Other Funds or Due to Other Funds – None
- ☐ Legislative Transfers In or Legislative Transfers Out – None

The agency experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfers. Individual balances and activity at August 31, 2009 follows:

<i>Current Portion</i>	<b>Current Interfund Receivable</b>	<b>Current Interagency Payable</b>
GENERAL (01)	0.00	0.00
<b>Total Interfund Receivable/Payable</b>	0.00	0.00

<i>Non-Current Portion</i>	<b>Non-Current Interfund Receivable</b>	<b>Non-Current Interfund Payable</b>	<b>Purpose (Disclosure Required)</b>
GENERAL(01)	0.00	0.00	
<b>Total Interfund Receivable/Payable</b>	0.00	0.00	

	<b>Due From Other Agencies</b>	<b>Due to Other Agencies</b>	<b>Source</b>
GENERAL (01)			
<b>State Pass Throughs</b>			
(Agency 320, D23 Fund 0001)	181,500.31		State Pass Through
(Agency 781, D23 Fund 0001)	285,135.00		State Pass Through
(Agency 907, D23 Fund 0515)	6,988.27		State Pass Through
<b>Federal Pass Throughs</b>			
(Agency 781, D23 Fund 0001)	1,269,477.52		Federal Pass Through
(Agency 320, D23 Fund 5026)	7,285.00		Federal Pass Through
(Agency 405, D23 Fund 0092)	63,112.48		Federal Pass Through
<b>Other</b>			
(Agency 347, D23 Fund 0507)	104,889.65	104,889.65	D23 Fund Reimbursement
(Agency 347, D23 Fund 0735)	2,758.92	2,758.92	D23 Fund Reimbursement
<b>Total Due From/To Other Agencies</b>	1,921,147.15	107,648.57	



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Legislative transfers in and out were as follows:

	Legislative TRANSFERS IN	Legislative TRANSFERS OUT
GENERAL REVENUE(01)	0.00	0.00
<b>Total Legislative Transfers</b>	<b>0.00</b>	<b>0.00</b>

The detailed Federal and State Grant Pass Through Information is provided on Schedule 1A – *Schedule of Expenditures of Federal Awards*, and Schedule 1B – *Schedule of State Grant Pass Throughs From/To State Agencies*, respectively.

**Note 13: Continuance Subject to Review**

Not Applicable

**Note 14: Adjustments to Fund Balances/Net Assets**

During fiscal year 2009, the correction of errors in the financial statements of a prior period required the restatement of the amounts in net assets as shown.

**Business Type Activities**  
**Proprietary Funds**

Net Assets August 31, 2008	<u>\$75,936,469.60</u>
Restatements:	
Correction of prior year capital asset balances	<u>(145,073.54)</u>
Total Restatements	<u>(145,073.54)</u>
Net Assets September 1, 2008 As Restated	<u>\$75,791,396.06</u>

**Note 15: Contingent Liabilities**

At August 31, 2009, various lawsuits and claims involving Texas State Technical College were pending. While the ultimate liability with respect to litigation and other claims asserted against Texas State Technical College cannot be reasonably estimated at this time, to the extent not provided for by insurance or otherwise, the minimum liability is \$0.00 and the maximum liability pending is \$300,000.00.

**Note 16: Subsequent Events**

The Board of Regents of TSTC and the Texas Bond Review Board have approved bonds to be issued as Revenue System Financial Bonds, Series 2009 in the amount of \$31,555,000.00 to be used to acquire, purchase, construct, improve, renovate, enlarge or equip property, buildings, structures, facilities, roads or related infrastructure at Texas State Technical College campuses, and pay the costs of issuance associated with the issuance of the Bonds. These bonds are special obligations of the Texas State Technical College System. The Bonds are being issued pursuant to a Master Resolution adopted by the Board of Regents of the System on October 18, 2002, and a Fourth Supplemental Resolution adopted by the Board on November 13, 2009. The Bonds are payable from and secured solely by the pledged revenues of the System, subject to the payment of debt service on any prior encumbered obligations. The bonds will be issued in December 2009.



**TEXAS STATE TECHNICAL COLLEGE**  
**(Agency 719)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Year Ended August 31, 2009*

**Note 17: Risk Management**

Texas State Technical College (TSTC) is exposed to a variety of civil claims resulting from the performance of its duties. It is TSTC's policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed.

TSTC assumes substantially all risks associated with tort and liability claims due to the performance of its duties. Currently, TSTC has purchased worker's compensation, auto, property, boiler & machinery, crime, director's & officer's liability insurance, and peace officer bonds. TSTC is not involved in any risk pools with other government entities.

TSTC's liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Liabilities are reevaluated periodically to consider current settlements, frequency of claims, past experience and economic factors. There were no significant reductions in insurance coverage in the past year and losses did not exceed funding arrangements during the past three years. Changes in the balances of TSTC's claims liabilities during fiscal 2008 and 2009 were:

	Beginning Fiscal Year Liability	Current year Claims/Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2008	0.00	0.00	0.00	0.00
2009	0.00	0.00	0.00	0.00

**Note 18: Management Discussion and Analysis**

The Rolling Plains Technical Foundation is a non-profit organization with the sole purpose of supporting the educational and other activities of Texas State Technical College. The Rolling Plains Technical Foundation remitted restricted gifts of \$111,679.51 during the year ended August 31, 2009. Neither the balance nor the transactions of this organization's fund are reflected in the financial statements during the year ended August 31, 2009.

The TSTC Regents Circle is a non-profit organization with the sole purpose of supporting the educational and other activities of Texas State Technical College. The TSTC Regents Circle remitted gifts of \$226,888.00 during the year ended August 31, 2009. Neither the balance nor the transactions of this organization's fund are reflected in the financial statements during the year ended August 31, 2009.

The Board of Regents of TSTC and the Texas Bond Review Board have approved bonds to be issued as Revenue System Financial Bonds, Series 2009 in the amount of \$31,555,000.00 to be used to acquire, purchase, construct, improve, renovate, enlarge or equip property, buildings, structures, facilities, roads or related infrastructure at Texas State Technical College campuses, and pay the costs of issuance associated with the issuance of the Bonds. These bonds are special obligations of the Texas State Technical College System. The Bonds are being issued pursuant to a Master Resolution adopted by the Board of Regents of the System on October 18, 2002, and a Fourth Supplemental Resolution adopted by the Board on November 13, 2009. The Bonds are payable from and secured solely by the pledged revenues of the System, subject to the payment of debt service on any prior encumbered obligations. The bonds will be issued in December 2009.

**Note 19: The Financial Reporting Entity**

Not Applicable.

**Note 20: Stewardship, Compliance and Accountability**

No material issues were noted.

**Note 21: N/A**



**TEXAS STATE TECHNICAL COLLEGE**  
**(Agency 719)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Year Ended August 31, 2009*

**Note 22: Donor Restricted Endowments**

Donor-Restricted Endowments	Amounts of Net Appreciation	Reported in Net Assets
True Endowments	0.00	Restricted for Expendable
Term Endowments	0.00	Restricted for Expendable
	0.00	

**Note 23: Extraordinary and Special Items**

Not Applicable

**Note 24: Disaggregation of Receivable and Payable Balances**

Not Applicable.

**Note 25: Termination Benefits**

Not Applicable.

**Note 26: Segment Information**

Not Applicable.



**Agency 719 - Texas State Technical College System**  
**Schedule 1A**  
**For the Fiscal Year Ended August 31, 2009**

\*\*\*Certified\*\*\*

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	Identifying Number	Pass-through From			Direct Program Amount	Total PT From and Direct Prog. Amount	Pass-through To			Expenditures Amount	Total PT To and Expenditures Amount
			Agy/ Univ No	Agencies or Universities Amount	Non-State Entities Amount			Agy/ Univ No	Agencies or Universities Amount	Non- State Entities Amount		
U.S. Department of Labor												
<u>Direct Programs:</u>												
Incentive Grants - WIA Section 503	17.267					1,984.00	1,984.00				1,984.00	1,984.00
Community Based Job Training Grants	17.269					245,903.85	245,903.85				245,903.85	245,903.85
Totals - U.S. Department of Labor				0.00	0.00	247,887.85	247,887.85		0.00	0.00	247,887.85	247,887.85
National Science Foundation												
Education and Human Resources	47.076	3			93,942.93		93,942.93				93,942.93	93,942.93
<u>Direct Programs:</u>												
Education and Human Resources	47.076					34,064.39	34,064.39				34,064.39	34,064.39
Totals - National Science Foundation				0.00	93,942.93	34,064.39	128,007.32		0.00	0.00	128,007.32	128,007.32
Nuclear Regulatory Commission												
U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	77.008					96,228.07	96,228.07				96,228.07	96,228.07
Totals - Nuclear Regulatory Commission				0.00	0.00	96,228.07	96,228.07		0.00	0.00	96,228.07	96,228.07
U.S. Department of Education												
Career and Technical Education – Basic Grants to States	84.048	81109			-5,786.96		-5,786.96				-5,786.96	-5,786.96
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	P334A060157			223,581.46		223,581.46				223,581.46	223,581.46

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Direct Programs:

Higher Education_Institutional Aid	84.031	1,241,092.16	1,241,092.16	1,241,092.16	1,241,092.16
Career and Technical Education -- Basic Grants to States	84.048	-47,114.92	-47,114.92	-47,114.92	-47,114.92
Fund for the Improvement of Postsecondary Education	84.116	142,405.94	142,405.94	142,405.94	142,405.94
Migrant Education_High School Equivalency Program	84.141	412,629.56	412,629.56	412,629.56	412,629.56
Tech-Prep Education	84.243	6,023.51	6,023.51	6,023.51	6,023.51
Twenty-First Century Community Learning Centers	84.287	6,043.79	6,043.79	6,043.79	6,043.79
Hurricane Education Recovery	84.938	36,000.00	36,000.00	36,000.00	36,000.00

Pass-Through From:

Career and Technical Education -- Basic Grants to States	84.048		2,863,402.70	2,863,402.70	2,863,402.70
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Pass-Through From:

Texas Higher Education Coordinating Board		781	2,863,402.70		
---	--	-----	--------------	--	--

Tech-Prep Education	84.243		879,752.19	879,752.19	879,752.19
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Pass-Through From:

Texas Higher Education Coordinating Board		781	879,752.19		
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**Totals - U.S. Department of Education**

	3,743,154.89	217,794.50	1,797,080.04	5,758,029.43	0.00	0.00	5,758,029.43	5,758,029.43
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**U.S. Department of Health and Human Services**Direct Programs:

Model State-Supported Area Health Education Centers	93.107		21,684.05	21,684.05			21,684.05	21,684.05
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**Totals - U.S. Department of Health and Human Services**

	0.00	0.00	21,684.05	21,684.05	0.00	0.00	21,684.05	21,684.05
--	------	------	-----------	-----------	------	------	-----------	-----------

Employment Service Cluster**U.S. Department of Labor**Direct Programs:

Employment Service/Wagner-Peyser Funded Activities	17.207		112,856.28	112,856.28			112,856.28	112,856.28
Disabled Veterans' Outreach Program (DVOP)	17.801		1,075.14	1,075.14			1,075.14	1,075.14

**Totals - U.S. Department of Labor**

	0.00	0.00	113,931.42	113,931.42	0.00	0.00	113,931.42	113,931.42
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Public Assistance Cluster

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**U.S. Department of Homeland Security**Pass-Through From:

Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	402,355.37	402,355.37	402,355.37
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Pass-Through From:

Texas Department of Public Safety	405	402,355.37		
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**Totals - U.S. Department of Homeland Security**

402,355.37	0.00	0.00	402,355.37	0.00	0.00	402,355.37	402,355.37
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**Student Financial Assistance Cluster****U.S. Department of Education**Direct Programs:

Federal Supplemental Educational Opportunity Grants	84.007	535,378.83	535,378.83	535,378.83	535,378.83
Federal Family Education Loans	84.032	6,996,153.00	6,996,153.00	6,996,153.00	6,996,153.00
Federal Work-Study Program	84.033	701,650.00	701,650.00	701,650.00	701,650.00
Federal Pell Grant Program	84.063	21,425,239.27	21,425,239.27	21,425,239.27	21,425,239.27
Federal Direct Student Loans	84.268	23,506,540.00	23,506,540.00	23,506,540.00	23,506,540.00
Academic Competitiveness Grants	84.375	508,637.00	508,637.00	508,637.00	508,637.00

**Totals - U.S. Department of Education**

0.00	0.00	53,673,598.10	53,673,598.10	0.00	0.00	53,673,598.10	53,673,598.10
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**SNAP Cluster****U.S. Department of Agriculture**Pass-Through From:

State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	10,271.99	10,271.99	10,271.99
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Pass-Through From:

Texas Workforce Commission	320	10,271.99		
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**Totals - U.S. Department of Agriculture**

10,271.99	0.00	0.00	10,271.99	0.00	0.00	10,271.99	10,271.99
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**TANF Cluster****U.S. Department of Health and Human Services**Pass-Through From:

Temporary Assistance for Needy Families	93.558	9,284.42	9,284.42	9,284.42
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*Pass-Through From:**Texas Workforce Commission*

320 9,284.42

**Totals - U.S. Department of Health and Human Services**

9,284.42 0.00 0.00 9,284.42

0.00 0.00 9,284.42 9,284.42

**TRIO Cluster****U.S. Department of Education****Direct Programs:**

TRIO\_Upward Bound 84.047

250,701.11 250,701.11

250,701.11 250,701.11

TRIO\_Educational Opportunity Centers 84.066

223,757.39 223,757.39

223,757.39 223,757.39

**Totals - U.S. Department of Education**

0.00 0.00 474,458.50 474,458.50

0.00 0.00 474,458.50 474,458.50

**WIA Cluster****U.S. Department of Labor**

ARRA - WIA Youth Activities

17.259 13090105

142,125.66

142,125.66

142,125.66

142,125.66

**Direct Programs:**

WIA Adult Program 17.258

42,735.32 42,735.32

42,735.32 42,735.32

WIA Youth Activities 17.259

13,032.32 13,032.32

13,032.32 13,032.32

WIA Dislocated Workers 17.260

308,718.15 308,718.15

308,718.15 308,718.15

**Pass-Through From:**

WIA Adult Program

17.258

104,954.55

104,954.55

104,954.55

**Pass-Through From:***Texas Workforce Commission*

320 104,954.55

WIA Adult Program

17.258

83,858.20

83,858.20

83,858.20

**Pass-Through From:***Texas Engineering Experiment Station*

712 83,858.20

WIA Adult Program

17.258

7,376.96

7,376.96

7,376.96

**Pass-Through From:***University of Texas at San Antonio*

743 7,376.96

WIA Youth Activities

17.259

151,414.53

151,414.53

151,414.53

**Pass-Through From:***Texas Workforce Commission*

320 151,414.53



WIA Dislocated Workers	17.260				249,308.31		249,308.31	249,308.31
Pass-Through From:								
Texas Workforce Commission		320	249,308.31					
WIA Dislocated Workers	17.260				309,728.78		309,728.78	309,728.78
Pass-Through From:								
Texas Tech University		733	309,728.78					
WIA Dislocated Workers	17.260				7,500.00		7,500.00	7,500.00
Pass-Through From:								
University of Texas at San Antonio		743	7,500.00					
<b>Totals - U.S. Department of Labor</b>					<hr/> 914,141.33	<hr/> 142,125.66	<hr/> 364,485.79	<hr/> 1,420,752.78
					0.00	0.00	1,420,752.78	1,420,752.78
					<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Expenditures of Federal Awards</b>					<hr/> 5,079,208.00	<hr/> 453,863.09	<hr/> 56,823,418.21	<hr/> 62,356,489.30
					0.00	0.00	62,356,489.30	62,356,489.30
					<hr/>	<hr/>	<hr/>	<hr/>

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TEXAS STATE TECHNICAL COLLEGE  
(Agency 719)  
Schedule 1A  
Schedule of Expenditures Federal Awards  
For the Year Ended August 31, 2009

Note 1: Non-Monetary Assistance  
Not Applicable

Note 2: Reconciliation:

Federal Revenues -	
Federal Grants and Contracts	\$ 4,813,970.20
Fed. Pass-Through Grants from Other State Agencies	5,079,208.00
Other Nonoperating Revenues (Federal Grants and Contracts)	21,960,618.10
Federal Revenues Per Statement of Revenues, Expenses, and Changes in Net Assets	<u>31,853,796.30</u>
Reconciling Items:	
ADD:	
Non-Monetary Assistance:	
Donation of Federal Surplus Property	0.00
New Loans Processed:	
Federal Family Education Loan Program	6,996,153.00
Federal Direct Student Loans	23,506,540.00
Total Pass-Through To & Expenditures Per Federal Schedule	<u>\$ 62,356,489.30</u>

Note 3: Student Loans Processed and Administrative Costs Recovered

Federal Grantor/ CFDA Number/Program Name	New Loans Process	Admin Costs	Total Loans Processed & Admin Costs	Ending Bal. of Prev. Yr. Loan
U.S. Department of Education				
84.032 Fed Family Educ Loan Program	\$ 6,996,153.00		\$ 6,996,153.00	Not Applicable
84.268 Federal Direct Student Loans	23,506,540.00	0.00	23,506,540.00	Not Applicable
Total	<u>\$ 30,502,693.00</u>	<u>0.00</u>	<u>\$ 30,502,693.00</u>	

Note 4: Depository Libraries for Government Publications  
Not Applicable

Note 5: Unemployment Insurance  
Not Applicable

Note 6: Rebate from the Special Supplemental Food Program for Women, Infant and Children (WIC)  
Not Applicable

Note 7: Federal Deferred Revenue

CFDA	Balance 09/01/08	Net Change	Balance 08/31/09
17.258 WIA Adult Program	\$ 54,335.99	\$ (54,335.99)	\$ 0.00
17.259 WIA Youth Activities	219.78	(219.78)	0.00
17.260 WIA Dislocated Workers	90,365.62	(90,365.62)	0.00
17.801 Disabled Veterans' Outreach Program (DVOP)	0.00	172.86	172.86
84.334 Gaining Early Awareness and Readiness for Undergraduate Programs	189.75	(189.75)	0.00
93.107 Model State-Supported Area Health Education Centers	0.00	0.00	0.00
93.558 Temporary Assistance for Needy Families	0.00	0.00	0.00
Total Deferred Revenue	<u>\$ 145,111.14</u>	<u>\$ (144,938.28)</u>	<u>\$ 172.86</u>

The deferred revenue of \$172.86 are federal grant prepayments that have not been earned.



Texas State Technical College  
 (Agency 719)  
 Schedule 1B Schedule of State Grant Pass Throughs From/To State Agencies  
For the Fiscal Year Ended August 31, 2009

Pass Through From:

Texas Higher Ed Coordinating Board (Agency #781)	\$	
Texas College Work Study Program		78,819.21
Texas Grants		1,857,785.00
TEOG (Texas Grants II)		792,843.00
Professional Services and grants		43,351.73
College Readiness Outreach		74,887.50
Mentorship		120,000.00
Enrollment Growth		222,364.00
Financial Air Profesional Nursing		644.00
Financial Air LVN Nursing		2,060.00
Top Ten		14,000.00
 Texas Workforce Commission (Agency # 320)		
Skills Development Fund		2,086,174.10
Apprenticeship		33,268.45
 State Energy Conservation Office (Agency #907)		233,136.60
 Total Pass Through From Other Agencies	\$	<u>5,559,333.59</u>
(Stmt. of Rev., Exp., and Chgs. In Net Assets)		



TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Schedule 2A - Miscellaneous Bond Information  
 For the Fiscal Year Ended August 31, 2009

**Business-Type Activities**

Description of Issue	Bonds Issued to Date	Range of Interest Rates	Terms of Variable Interest Rates	Scheduled Maturities		First Call Date
				First Year	Last Year	
General Obligation Bonds						
Constitutional Appropriation Bonds Series 2005	\$ 15,695,000.00	4.00%	4.50%	2006	2015	N/A
Revenue Bonds						
Revenue Financing System Bonds Series 2002	10,880,000.00	4.00%	5.00%	2003	2022	08/01/2012
Revenue Financing System Bonds Series 2008	3,125,000.00	4.25%	5.00%	2008	2023	08/01/2018
Revenue Financing System Bonds Taxable Series 2008A	<u>1,000,000.00</u>	1.00%	1.00%	2008	2021	12/15/2008
Total	\$ <u>30,700,000.00</u>					



TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Schedule 2B - Changes in Bonded Indebtedness  
 For the Fiscal Year Ended August 31, 2009

**Business-Type Activities**

Description of Issue	Bonds Outstanding 09/01/2008	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 08/31/2009
<b>General Obligation Bonds</b>					
Constitutional Appropriation Bonds, Series 2005	\$ 11,440,000.00	\$	\$ 1,445,000.00	\$	\$ 9,995,000.00
<b>Revenue Bonds</b>					
Revenue Financing System Bonds, Series 2002	8,275,000.00		455,000.00		7,820,000.00
Revenue Financing System Bonds, Series 2008	2,970,000.00		130,000.00		2,840,000.00
Revenue Financing System Bonds, Taxable Series 2008A		1,000,000.00	71,428.57		928,571.43
Total	\$ 22,685,000.00	\$ 1,000,000.00	\$ 2,101,428.57	\$	\$ 21,583,571.43

Description of Issue	Unamortized Premium	Unamortized Discount	Unamortized Gain/(Loss) on Refunding	Net Bonds Outstanding 08/31/2009	Amounts Due Within One Year
<b>General Obligation Bonds</b>					
Constitutional Appropriation Bonds, Series 2005	\$	\$	\$	\$ 9,995,000.00	\$ 1,505,000.00
<b>Revenue Bonds</b>					
Revenue Financing System Bonds, Series 2002				7,820,000.00	470,000.00
Revenue Financing System Bonds, Series 2008				2,840,000.00	140,000.00
Revenue Financing System Bonds, Taxable Series 2008A				928,571.43	71,428.57
Total	\$	\$	\$	\$ 21,583,571.43	\$ 2,186,428.57



TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Schedule 2C - Debt Service Requirements  
 For the Fiscal Year Ended August 31, 2009

**Business-Type Activities**

Description of Issue	Year	Principal	Interest
<b>General Obligation Bonds</b>			
Constitutional Appropriation Bonds			
Series 2005	2010	\$ 1,505,000.00	\$ 417,800.00
	2011	1,565,000.00	357,600.00
	2012	1,630,000.00	295,000.00
	2013	1,695,000.00	229,800.00
	2014	1,760,000.00	162,000.00
	2015	1,840,000.00	82,800.00
Total		<u>\$ 9,995,000.00</u>	<u>\$ 1,545,000.00</u>
<b>Revenue Bonds</b>			
Revenue Financing System Bonds			
Series 2002	2010	\$ 470,000.00	\$ 350,467.50
	2011	490,000.00	331,667.50
	2012	505,000.00	312,067.50
	2013	525,000.00	291,867.50
	2014	545,000.00	270,867.50
	2015-2019	3,080,000.00	984,532.50
	2020-2022	2,205,000.00	224,000.00
Total		<u>\$ 7,820,000.00</u>	<u>\$ 2,765,470.00</u>
Revenue Financing System Bonds			
Series 2008	2010	\$ 140,000.00	\$ 134,887.50
	2011	145,000.00	127,887.50
	2012	160,000.00	120,637.50
	2013	165,000.00	112,637.50
	2014	175,000.00	104,387.50
	2015-2019	1,030,000.00	380,437.50
	2020-2023	1,025,000.00	117,600.00
Total		<u>\$ 2,840,000.00</u>	<u>\$ 1,098,475.00</u>
Revenue Financing System Bonds			
Taxable Series 2008A	2010	\$ 71,428.57	\$ 8,928.57
	2011	71,428.57	8,214.28
	2012	71,428.57	7,500.00
	2013	71,428.57	6,785.72
	2014	71,428.57	6,071.43
	2015-2019	357,142.85	19,642.85
	2020-2022	214,285.73	3,214.29
Total		<u>\$ 928,571.43</u>	<u>\$ 60,357.14</u>



## UNAUDITED

## TEXAS STATE TECHNICAL COLLEGE

(Agency 719)

Schedule 2D - Analysis of Funds Available for Debt Service

For the Fiscal Year Ended August 31, 2009

## Business-Type Activities

Description of Issue	Application of Funds	
	Principal	Interest
<b>General Obligation Bonds</b>		
Constitutional Appropriation Bonds		
Series 2005	\$ 1,445,000.00	\$ 475,600.00
Total	\$ 1,445,000.00	\$ 475,600.00

Description of Issue	Pledged and Other Sources and Related Expenditures for FY 2009			
	Net Available for Debt Service		Debt Service	
	Total Pledged and Other Sources	Operating Expenses/ Expenditures and Capital Outlay		
			Principal	Interest
<b>Revenue Bonds</b>				
Housing System & Auxiliary Services Revenue Bonds, Series 1979	\$ REFUNDED	\$	\$	\$
Housing System & Auxiliary Services Revenue Bonds, Series 1982	REFUNDED			
Housing System & Auxiliary Services Revenue Bonds, Series 1989	REFUNDED			
Building Revenue & Refunding Revenue Bonds, Series 1992	16,852,682.20	12,920,130.19	1,250,000.00	78,125.00
Revenue Financing System Bonds, Series 2002	23,863,982.31	(A)	455,000.00	368,667.50
Revenue Financing System Bonds, Series 2008	(B)	(B)	130,000.00	141,387.50
Revenue Financing System Bonds, Taxable Series 2008A	(B)	(B)	71,428.57	4,976.29
Total	\$ 40,716,664.51	\$ 12,920,130.19	\$ 1,906,428.57	\$ 593,156.29

(A) Expenditures associated with pledged sources totaled \$23,863,982.31. (Footnote disclosure for Gross Revenue Pledges only.)

(B) The Revenue Financing System Bonds, Series 2008, and Revenue Financing System Bonds, Taxable Series 2008A, were issued as parity obligations with the Revenue Financing System Bonds, Series 2002. As such, the Series 2008 and Taxable Series 2008A issues have an equal claim to the pledged sources reported above for the Series 2002 issue and share the same expenditures that are associated with the pledged sources disclosed in footnote (A) above.



## UNAUDITED

TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Schedule 3  
 Reconciliation of Cash in State Treasury  
August 31, 2009

<u>Cash in State Treasury</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Current Year Total</u>
Local Revenue Fund 0237	\$ 8,420,353.53	\$	\$ 8,420,353.53
Departmental Suspense Fund Fund 0900			
Total Cash in State Treasury (Stmnt of Net Assets)	\$ <u>8,420,353.53</u>	\$ <u></u>	\$ <u>8,420,353.53</u>



