

UNAUDITED

TEXAS HIGHER EDUCATION
COORDINATING BOARD
L. 13 2011
PLANNING AND
ACCOUNTABILITY

Annual Financial Report

for the fiscal year ended August 31, 2011

for

Texas State University-San Marcos (754)

A member of The Texas State University System

*General Accounting Office
Financial Reporting & Analysis*



UNAUDITED
Texas State University-San Marcos (754)

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TEXAS★STATE
UNIVERSITY
SAN MARCOS
The rising STAR of Texas

October 15, 2011

Dr. Denise M. Trauth
President
Texas State University-San Marcos
601 University Drive
San Marcos, Texas 78666

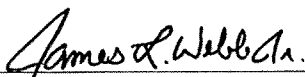
Dear Dr. Trauth:

Submitted herein is the annual financial report of Texas State University-San Marcos for the fiscal year ended August 31, 2011, in compliance with Texas Government Code Annotated, Section 2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts.

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

If you have any questions, please contact me at (512) 245-2748.

Respectfully submitted,



James L. Webb, Jr., CPA
Director of Accounting

Approved:



Terry R. Ondreyka
Associate Vice President for Financial Services



William A. Nance
Vice President for Finance and Support Services

GENERAL ACCOUNTING OFFICE

601 UNIVERSITY DRIVE | SAN MARCOS, TEXAS 78666-4603 | phone 512.245.2747 | fax 512.245.8433 | WWW.TXSTATE.EDU

Texas State University-San Marcos, founded in 1899, is a member of The Texas State University System.

UNAUDITED
Texas State University-San Marcos (754)

ORGANIZATIONAL DATA

BOARD OF REGENTS

<u>Name</u>	<u>Member's City (Texas)</u>	<u>Term Expires</u>
Charlie Amato, Chairman	San Antonio	2013
Donna N. Williams, Vice Chair	Arlington	2017
Dr. Jaime R. Garza	San Antonio	2017
Kevin J. Lilly	Houston	2015
Ron Mitchell	Horseshoe Bay	2015
David Montagne	Beaumont	2015
Trisha S. Pollard	Bellaire	2013
Rossanna Salazar	Austin	2017
Michael Truncale	Beaumont	2013
Ryan Bridges, Student Regent	Huntsville	2012

TEXAS STATE UNIVERSITY SYSTEM – SENIOR ADMINISTRATIVE OFFICIAL

Dr. Brian McCall Chancellor

UNIVERSITY ADMINISTRATION - KEY OFFICERS

Dr. Denise M. Trauth President

Mr. William A. Nance Vice President for Finance and Support Services

Mr. Terry R. Ondreyka Associate Vice President for Financial Services

UNAUDITED
Texas State University-San Marcos (754)

ENROLLMENT DATA

NUMBER OF STUDENTS BY SEMESTER

TYPE OF STUDENT	FALL 2010	SPRING 2011	<u>SUMMER TERM 2011</u>	
			FIRST	SECOND
Texas Residents	30,715	29,319	10,035	6,896
Out of State (Classified as Residents)	383	383	77	53
Out of State	377	358	120	85
Foreign	123	115	46	23
Adopted Dependents	16	15	4	5
Children of Disabled Firemen or Peace Officers	4	3	2	1
Clinical Preceptors Exemption	4	6	0	0
Family & Consumer Science Alliance Agreement	1	0	0	0
Firemen - Fire Science Curriculum	1	2	0	0
Foster Care Students	51	51	18	14
Grad Teaching Asst/Instructional Asst Fee Waiver	331	225	0	0
Hazelwood Act	471	462	257	160
High School Honor Scholarships	19	19	0	0
Nursing Program	0	0	1	1
Senior Citizens	2	3	0	0
Texas Commission for the Blind	23	22	9	8
Texas Rehabilitation Commission for the Deaf	40	45	23	22
Texas Tomorrow Waiver	7	5	1	1
Thesis	4	5	4	0
Totals	32,572	31,038	10,597	7,269

ENROLLMENT TREND DATA

(FALL SEMESTER)

<u>FISCAL YEAR</u>	<u>STUDENTS</u>	<u>SEMESTER HOURS</u>
2011	32,572	383,199
2010	30,836	362,993
2009	29,105	346,144
2008	28,159	336,831
2007	27,518	326,779
2006	27,222	322,780
2005	26,827	314,520
2004	26,362	307,496
2003	25,049	292,249
2002	23,547	275,119

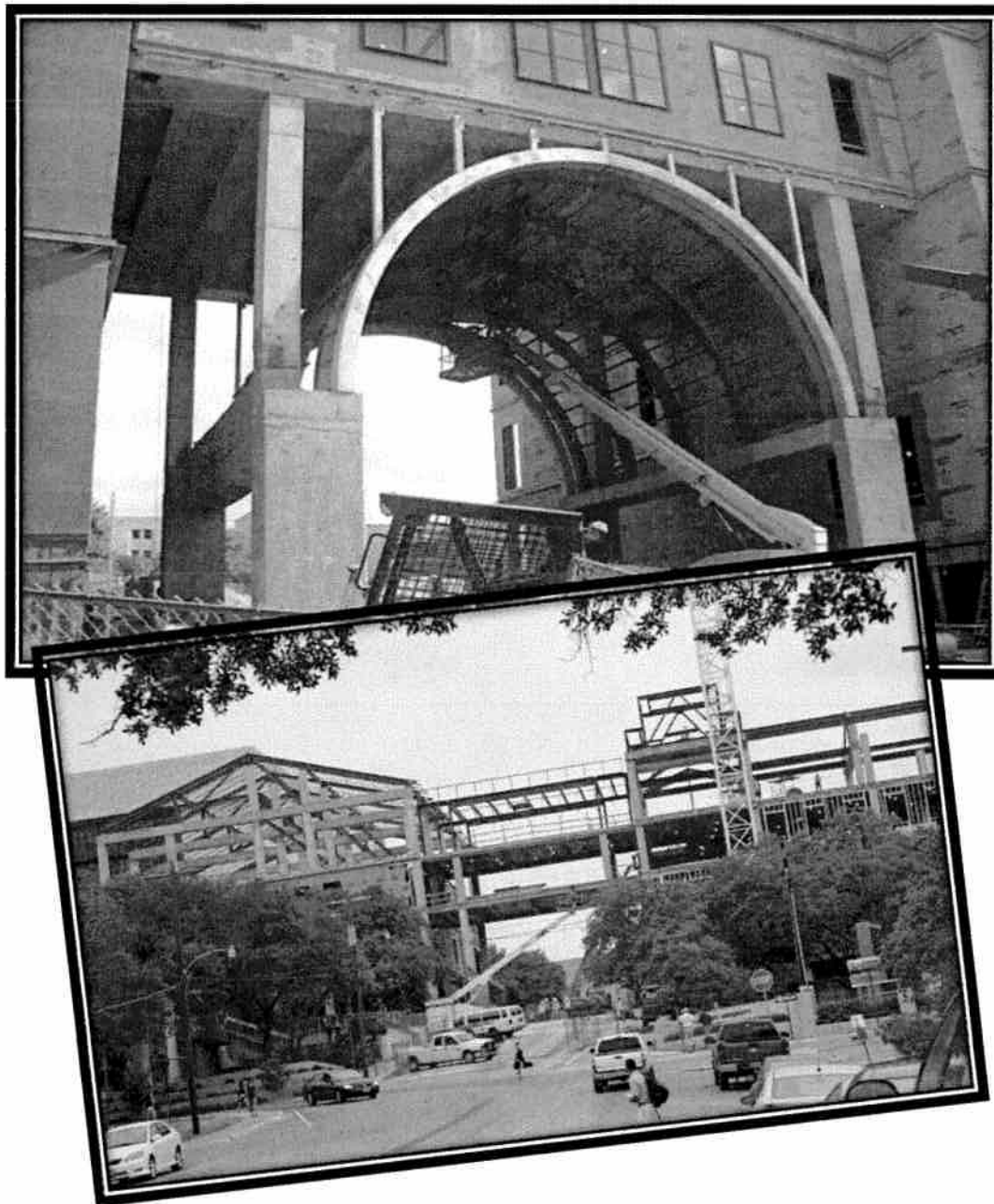
PROPRIETARY FUND FINANCIAL STATEMENTS

Undergraduate Academic Center

As of August 2011, the status of the Undergraduate Academic Center construction project was at about 40% with expected completion in the spring of 2012.



PROPRIETARY FUND FINANCIAL STATEMENTS



PROPRIETARY FUND FINANCIAL STATEMENTS

The University has a symbiotic relationship with the San Marcos Community, where the campus boundaries provide identifiable gateways as visual cues without restricting access.

UNAUDITED
Texas State University-San Marcos (754)

STATEMENT OF NET ASSETS

ASSETS

Current Assets

Unrestricted Cash and Cash Equivalents:

Cash on Hand	\$331,825.51
Cash in Bank (Note 3)	4,064,022.19
Cash in Transit/Reimbursement from Treasury	2,103,183.29
Cash in State Treasury (Schedule 3)	24,348,666.35
Cash Equivalents	222,446,503.28

Restricted Cash and Cash Equivalents:

Cash in Bank (Note 3)	3,647,120.49
Cash Equivalents	125,759,967.42

Legislative Appropriations 46,521,700.93

Net Receivables:

Federal Receivables (Note 24)	4,872,046.81
Interest and Dividends	356,203.81
Accounts Receivable (Note 24)	41,437,312.31
Gifts Receivables - Pledges	1,665,530.11
Loans and Contracts	3,789,309.19

Due From Other Agencies (Note 12) 2,283,384.75

Consumable Inventories 607,048.36

Merchandise Inventories 3,086,598.95

Other Current Assets 18,656,994.50

Total Current Assets \$505,977,418.25

Non-Current Assets

Restricted:

Gifts Receivables - Pledges \$2,526,279.76

Investments (Note 3) 36,497,864.80

Loans and Contracts 31,019.65

Investments (Note 3) 74,387,813.53

Loans and Contracts 1,193.96

Capital Assets, Non-Depreciable (Note 2)

Land and Land Improvements 35,051,778.57

Construction in Progress 89,874,387.80

Art and Historical Treasures 4,300,801.56

Capital Assets, Net of Depreciation (Note 2)

Buildings and Building Improvements 306,708,259.37

Infrastructure 11,720,245.23

Facilities and Other Improvements 77,239,150.50

Furniture and Equipment 24,392,329.49

Vehicles, Boats and Aircraft 2,552,566.26

Intangible Asset - Computer Software 5,783,297.93

Other Capital Assets 37,853,525.11

Total Non-Current Assets \$708,920,513.52

Total Assets \$1,214,897,931.77

UNAUDITED
Texas State University-San Marcos (754)

STATEMENT OF NET ASSETS

LIABILITIES

Current Liabilities:

Accounts Payable	\$37,148,145.45
Accrued Payroll	11,680,218.45
Deferred Revenues	139,958,109.51
Due to Other Agencies (Note 12)	1,568,117.88
Employees' Compensable Leave (Note 5)	5,879,751.45
Capital Lease Obligations (Note 5 & 8)	20,637.64
Revenue Bonds Payable (Note 5)	160,000.00
Funds Held for Others	1,492,758.99
Other Current Liabilities	<u>2,568,645.02</u>

Total Current Liabilities \$200,476,384.39

Non-Current Liabilities:

Capital Lease Obligations (Note 5 & 8)	\$23,140.10
Employees' Compensable Leave (Note 5)	3,933,547.96
Revenue Bonds Payable (Note 5)	<u>685,000.00</u>

Total Non-Current Liabilities \$4,641,688.06

Total Liabilities \$205,118,072.45

NET ASSETS

Invested in Capital Assets, Net of Related Debt \$594,631,341.82

Restricted for:

Debt Retirement	1,942,519.72
Capital Projects	124,508,755.21
Funds Held as Permanent Investments:	
Non-Expendable	16,382,354.44
Expendable	8,463,369.44
Other	28,975,445.97

Unrestricted 234,876,072.72

Total Net Assets \$1,009,779,859.32

See accompanying Notes to the Basic Financial Statements.

UNAUDITED
Texas State University-San Marcos (754)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

OPERATING REVENUES

Sales of Goods and Services	
Tuition and Fees (PR - Chgs for Services)	\$237,355,509.89
Discounts and Allowances	(60,274,597.94)
Auxiliary Enterprises - Pledged (PR - Chgs for Services)	63,527,077.66
Other Sales of Goods and Services	13,067,290.35
Federal Revenue-Operating (PR-OP Grants/Contributions) (Schedule 1A, Note 2)	15,935,344.28
Federal Pass Through Revenue (PR-OP Grants/Contributions) (Schedule 1A, Note 2)	8,061,210.86
State Grant Revenue (PR-OP Grants/Contributions)	5,852,885.90
State Grant Pass Through Revenue (PR-OP Grants/Contributions) (Schedule 1B)	27,388,385.00
Other Grants & Contracts (PR-OP Grants/Contributions)	2,709,936.28
Other Operating Revenue (PR-Chgs for Services)	140,056.40
Total Operating Revenues	<u>\$313,763,098.68</u>

OPERATING EXPENSES

Instruction	\$141,952,479.91
Research	28,845,369.65
Public Service	7,372,525.15
Academic Support	36,100,454.94
Student Services	24,440,362.48
Institutional Support	28,348,318.84
Operation and Maintenance Of Plant	36,359,158.23
Scholarship and Fellowships	41,101,927.71
Auxiliary Enterprises	63,777,780.15
Depreciation and Amortization	29,900,890.97
Total Operating Expenses	<u>\$438,199,268.03</u>

Operating Income (Loss)	<u>(\$124,436,169.35)</u>
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NONOPERATING REVENUES (EXPENSES)

Legislative Revenue (GR)	\$85,473,479.00
Additional Appropriations (GR)	18,983,176.27
Fed Grant - Non Exchange (Schedule 1A, Note2)	47,364,841.79
Federal Pass-Through Revenue (Schedule 1A, Note2)	3,429,931.57
Gifts (PR-OP Grants/Contributions)	8,249,686.70
Pledged Revenues	342,302.48
Investment Income	3,881,438.72
Interest Expense and Fiscal Charges	(34,906.25)
Gain (Loss) on Sales of Capital Assets	(220,156.23)
Net Increase (Decrease) in Fair Value of Investments	1,718,237.62
Other Nonoperating Revenues (Expenses)	(300,219.42)
Total Nonoperating Revenues (Expenses)	<u>\$168,887,812.25</u>

Income (Loss) before Other Revenues, Expenses, Gains, Losses and Transfers	<u>\$44,451,642.90</u>
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UNAUDITED
Texas State University-San Marcos (754)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

OTHER REVENUES, EXPENSES, GAINS

LOSSES AND TRANSFERS

HEAF Appropriation Revenue (GR)	\$21,863,258.00
Additions to Permanent and Term Endowments	171,058.16
Transfers From Other Governmental Agencies (Note 12)	66,468,000.00
Transfers To Other Governmental Agencies (Note 12)	(26,485,643.03)
Legislative Transfers-Out (Note 12)	(10,867,299.90)
Total Other Revenue, Expenses, Gain/Losses and Transfers	<u>\$51,149,373.23</u>

CHANGE IN NET ASSETS

\$95,601,016.13

Net Assets, Beginning September 1, 2010

\$914,178,843.19

TOTAL NET ASSETS August 31, 2011

\$1,009,779,859.32

See accompanying Notes to the Basic Financial Statements.

UNAUDITED
Texas State University-San Marcos (754)

MATRIX OF OPERATING EXPENSES REPORTED BY FUNCTION

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services
Cost of Goods Sold	\$615.09		\$223.22		\$8,672.38
Salaries and Wages	104,895,691.72	\$14,254,450.26	3,384,255.08	\$21,923,065.15	14,278,258.25
Payroll Related Costs	23,721,232.94	2,396,090.22	896,047.66	4,957,973.16	3,146,255.50
Professional Fees and Services	3,327,280.09	5,345,111.54	1,332,019.70	1,835,109.98	2,649,709.73
Federal Pass-Through Expense (Sch 1A)		1,148,194.39	9,203.19		
State Grant Pass-Through Expense (Sch 1B)		69,514.23			
Travel	1,572,569.22	1,702,472.81	434,683.41	416,435.65	622,102.78
Materials and Supplies	6,697,571.48	2,908,724.23	841,586.81	3,088,730.85	2,192,147.50
Communication and Utilities	116,650.45	54,120.34	42,497.29	171,265.46	133,968.15
Repairs and Maintenance	333,418.23	74,706.83	89,191.46	2,604,302.80	325,820.21
Rentals and Leases	195,368.93	178,944.38	145,134.74	704,453.91	168,198.34
Printing and Reproduction	505,359.32	195,894.68	56,792.69	249,229.80	669,615.78
Depreciation and Amortization					
Interest				234.66	
Scholarships	515,824.24	515,724.05	140,784.12	145,730.00	241,781.00
Other Operating Expenses	70,898.20	1,421.69	105.78	3,923.52	3,832.86
Total Operating Expenses	\$141,952,479.91	\$28,845,369.65	\$7,372,525.15	\$36,100,454.94	\$24,440,362.48

See accompanying Notes to the Basic Financial Statements.

UNAUDITED
Texas State University-San Marcos (754)

MATRIX OF OPERATING EXPENSES REPORTED BY FUNCTION

Institutional Support	Operation and Maintenance of Plant	Scholarships and Fellowships	Auxiliary Enterprise Expenditures	Depreciation and Amortization	Total Expenses
			\$7,365,009.53		\$7,374,520.22
\$17,937,481.02	\$11,965,402.06	\$1,471,360.55	14,424,617.97		204,534,582.06
5,159,125.54	3,500,104.12	12,097.12	3,373,686.61		47,162,612.87
1,147,730.49	385,131.52	9,565.96	6,901,367.83		22,933,026.84
					1,157,397.58
					69,514.23
270,660.88	27,018.31	1,500.00	1,053,023.79		6,100,466.85
2,128,854.10	2,033,742.52	12,193.15	14,677,524.61		34,581,075.25
639,689.25	16,623,329.11		9,837,922.08		27,619,442.13
204,074.06	1,730,694.77	609.76	2,340,226.80		7,703,044.92
104,841.69	54,557.25	1,462.04	434,460.53		1,987,421.81
255,265.31	38,578.57		251,409.49		2,222,145.64
				\$29,900,890.97	29,900,890.97
4,460.45			7,540.19		12,235.30
465,282.50	600.00	39,592,030.75	3,098,600.19		44,716,356.85
30,853.55		1,108.38	12,390.53		124,534.51
\$28,348,318.84	\$36,359,158.23	\$41,101,927.71	\$63,777,780.15	\$29,900,890.97	\$438,199,268.03

UNAUDITED
Texas State University-San Marcos (754)

STATEMENT OF CASH FLOWS

Cash Flows from Operating Activities	
Receipts from Customers	\$13,195,494.39
Proceeds from Tuition and Fees	188,452,118.38
Proceeds from Research Grants and Contracts	61,874,477.53
Proceeds from Loan Programs	8,176,492.95
Proceeds from Auxiliaries	66,833,148.54
Proceeds from Other Revenues	1,938,734.77
Payments to Suppliers for Goods and Services	(111,322,863.05)
Payments to Employees for Salaries	(204,640,652.47)
Payments to Employees for Benefits	(50,294,737.76)
Payments for Loans Provided	(9,348,905.83)
Payments for Other Expenses	(46,290,945.33)
Net Cash Provided (Used) by Operating Activities	<u>(\$81,427,637.88)</u>
 Cash Flows from Noncapital Financing Activities	
Proceeds from State Appropriations	\$94,583,622.56
Proceeds from Gifts	8,901,109.11
Proceeds from Grant Receipts	50,839,060.29
Proceeds from Other Financing Activities	524.11
Payments for Other Uses	(5,501,879.48)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>\$148,822,436.59</u>
 Cash Flows from Capital and Related Financing Activities	
Proceeds from Debt Issuance	\$66,468,000.00
Proceeds from Other Financing Activities	21,863,258.00
Payments for Additions to Capital Assets	(76,112,795.18)
Payments of Principal on Debt Issuance	(18,306,949.04)
Payments for Capital Lease	(18,405.81)
Payments of Interest on Debt Issuance	(15,244,637.48)
Payments of Other Costs of Debt Issuance	(14,293.75)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(\$21,365,823.26)</u>
 Cash Flows from Investing Activities	
Proceeds from Sales of Investments	\$137,456,870.03
Proceeds from Investment Income	4,007,159.07
Payments to Acquire Investments	(140,542,664.44)
Net Cash Provided (Used) by Investing Activities	<u>\$921,364.66</u>
 Increase (Decrease) in Cash and Cash Equivalents	 \$46,950,340.11
Cash and Cash Equivalents, September 1, 2010	\$335,750,948.42
Cash and Cash Equivalents, August 31, 2011	<u>\$382,701,288.53</u>

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Texas State University-San Marcos (754)

STATEMENT OF CASH FLOWS

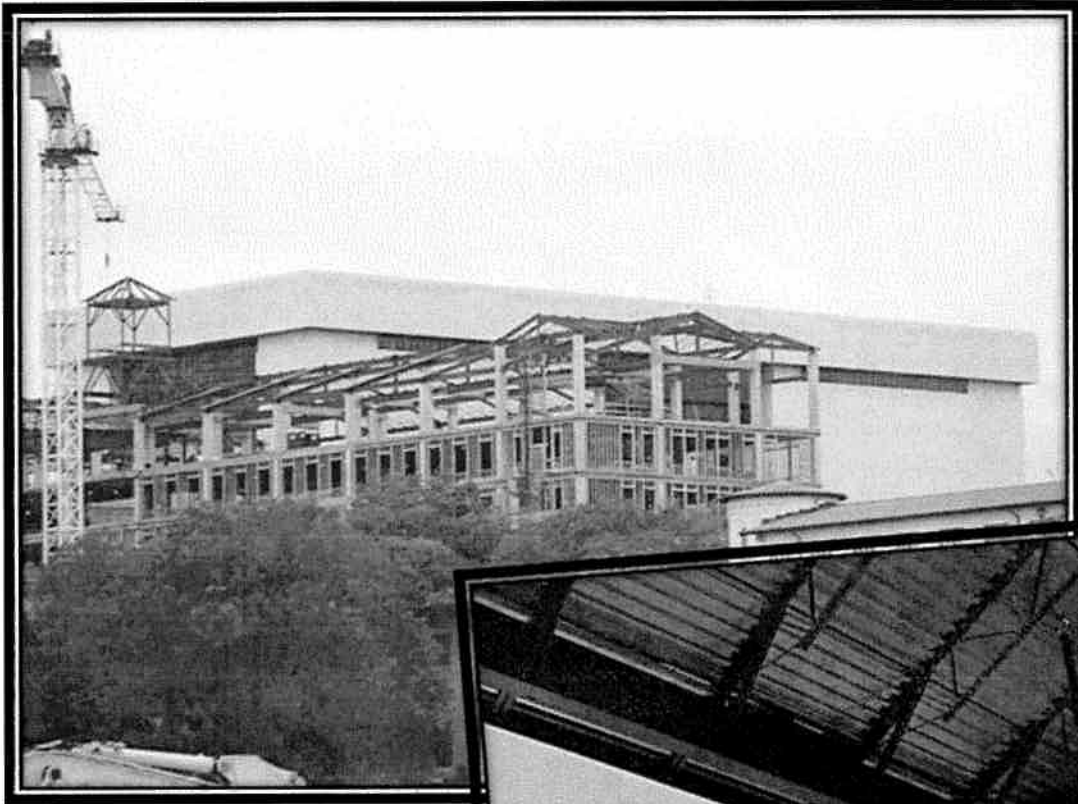
**Reconciliation of Operating Income (Loss) to
Net Cash Provided (Used) by Operating Activities**

Operating Income (Loss)	(\$124,436,169.35)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Amortization and Depreciation	\$29,900,890.97
Operating Income and Cash Flow Categories Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	\$4,146,806.69
(Increase) Decrease in Due from Other Agencies	922,049.28
(Increase) Decrease in Inventories	(374,599.16)
(Increase) Decrease in Prepaid Expenses	(724,198.28)
(Increase) Decrease in Loans & Contracts	(1,232,170.84)
(Increase) Decrease in Other Assets	6,118.93
Increase (Decrease) in Payables	8,076,623.16
Increase (Decrease) in Due to Other Funds	(344,518.81)
Increase (Decrease) in Deferred Income	5,006,953.00
Increase (Decrease) in Benefits Payable	(1,807,838.15)
Increase (Decrease) in Other Liabilities	(567,585.32)
Total Adjustments	<u>\$43,008,531.47</u>
Net Cash Provided by Operating Activities	(\$81,427,637.88)
Non Cash Transactions	
Net Decrease in the Fair Value of Investments	\$1,718,237.62
Donation of Capital Assets	\$594,000.00
Gain (loss) on Sale of Capital Assets	\$220,156.23

See accompanying Notes to the Basic Financial Statements.

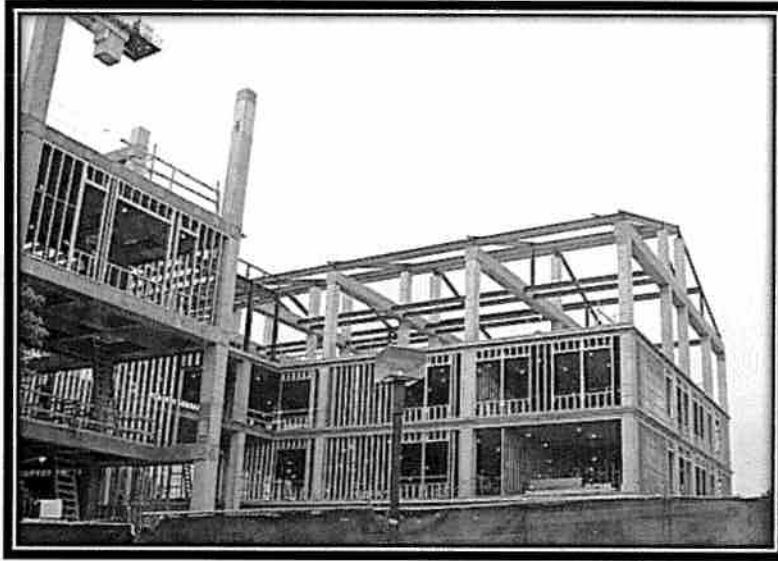
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTES TO THE BASIC FINANCIAL STATEMENTS



The Undergraduate Academic Center is one of the most prominent sites on the Texas State Campus.

NOTES TO THE BASIC FINANCIAL STATEMENTS



The new building, with its arcade on the Guadalupe Street facade, will provide a sheltered place to wait for buses. This zone will become a new center for students being located adjacent to the east-west spine of Bobcat Trail and just to the southeast of the Alkek Library.



UNAUDITED
Texas State University-San Marcos (754)

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1: Summary of Significant Accounting Policies

BASIS OF PRESENTATION

The accompanying financial statements of Texas State University–San Marcos (Texas State) have been prepared in compliance with Texas Government Code Annotated, Section 2101.011, in accordance with the applicable requirements established by the Comptroller of Public Accounts and Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standard Board (GASB).

Financial reporting for the university is based on all GASB pronouncements, as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Auditing Practices Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. FASB pronouncements issued after November 30, 1989 are not followed in the preparation of the accompanying financial statements.

NATURE OF OPERATIONS

Texas State is a progressive university that serves the local, state, national and international communities by providing its approximately 32,600 students with academic instruction. The university offers degrees in 97 undergraduate programs, 88 graduate programs, 10 doctoral fields and one professional field. Through research, instruction, and other activities that advance essential knowledge and dissemination of that knowledge, the university serves the people of Texas and others throughout the world.

REPORTING ENTITY

The financial reporting entity, as defined by GASB Statement No. 14, *The Financial Reporting Entity*, consists of the primary government organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. The Texas State University Research Foundation is included in the financial statements of Texas State as a blended component unit.

Texas State is governed by the Board of Regents for The Texas State University System and is included in their financial statements as a component unit. The Texas State University System is a component of the State of Texas and is reported by the State of Texas in the proprietary fund.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The basis of accounting determines when revenues and expenses are recognized in the accounts reported in the financial statements. Three primary financial statements are presented with supporting schedules: The Statement of Net Assets, the Statement of Revenue, Expenses and Changes in Net Assets, and the Statement of Cash Flows. The accompanying statements have been prepared using the economic resources measurement focus and accrual basis of accounting as prescribed in GASB Statements 34/35. Under the accrual basis, revenues are recognized when earned and expenses are recognized when an obligation has been incurred.

As an agency of the State of Texas, Texas State is reflected as a special-purpose government engaged in only business type activities. Business type activities are those that are financed in whole or in part by fees charged to external parties for goods or services and focus on determining operating income, changes in net assets, financial position, and cash flows. Operating items are distinguished from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the principle of ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All significant inter-agency transactions have been eliminated.

RESTRICTED NET ASSETS

When both restricted and unrestricted net assets are available for use, restricted resources are generally used first, and then unrestricted resources are used as they are needed.

UNAUDITED
Texas State University-San Marcos (754)

NOTES TO THE BASIC FINANCIAL STATEMENTS

USE OF ESTIMATES IN THE PREPARATION OF BASIC FINANCIAL STATEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

A significant estimate for scholarship discounts and allowances is made by the university. Allowances are determined by using the Alternate Method as issued by National Association of College and University Business Officers in the *Advisory Report 2000-05*. This method resulted in a total estimate of \$60,274,597.94 for the university's discounts and allowances related to tuition and fees.

CURRENT AND NON-CURRENT ASSETS

Current assets are those considered available for appropriation and expenditure within one fiscal year. Examples of expendable financial resources include cash, various receivables, and short-term investments. All other assets are considered non-current.

CASH AND CASH EQUIVALENTS

For reporting purposes, this account includes cash on hand, cash in local banks, cash in transit, and cash in the treasury. Cash equivalents are defined as short-term, highly liquid investments that are both: (a) readily convertible to known amounts of cash and (b) so near maturity they present insignificant risk of changes in value due to changes in interest rates. Only investments with an original maturity of three months or less are considered cash equivalents.

ACCOUNTS RECEIVABLE

The university's accounts receivable primarily relate to tuition and fee charges to students and to auxiliary enterprise services provided to students, faculty, and staff. Restricted receivable amounts, related to reimbursement of expenditures from various federal, state, and private sources, are amounts pledged to the university by donors, net of allowances.

CONTRACTS AND GRANT AWARDS

Contract and grant awards are accounted for in accordance with the requirements of GASB Statements 34/35. Federal contract and grant awards not collected as of fiscal year-end are reported as Federal Accounts Receivable on the Statement of Net Assets.

INVESTMENTS

In accordance with GASB Statement No. 31, investments are reported at fair market value in the Statement of Net Assets. Fair value is defined as the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

INVENTORIES AND PREPAID ITEMS

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

Payments made for services that will benefit periods beyond the current accounting period are recorded as prepaid items. Prepaid scholarships represent funds paid in the current period relating to the following period.

The consumption method of accounting is used to account for inventories and prepaid items that appear in the Proprietary Fund types. The cost of these items is expensed when the items are consumed.

UNAUDITED
Texas State University-San Marcos (754)

NOTES TO THE BASIC FINANCIAL STATEMENTS

CAPITAL ASSETS AND RELATED DEBT ACTIVITY

Capital assets include property, plant, equipment, infrastructure, other tangible assets, and intangible assets subject to the provisions of GASB 51. These assets are recorded at cost or, if not purchased, at fair [market] value as of the date of acquisition. Capital additions, replacements, and major renovations that increase the estimated useful life and the value of assets are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. In accordance with the State of Texas' capitalization threshold policy, Land, Land improvements, and Permanent (PERM) Land Use Rights are capitalized at any dollar value. Buildings, Facilities and Improvements, Purchased Computer Software, Terminal (TERM) Land Use Rights, and Other Capital Intangibles are capitalized at a cost of \$100,000 or greater. Infrastructure and Improvements are capitalized at \$500,000 or greater. Internally Generated Computer Software is capitalized at \$1 Million. All other assets are capitalized with a unit cost of \$5,000 or greater.

The university continues to advance its Campus Master Plan which represents over \$577 million in current and future investments scheduled through fiscal year 2015. Related bonded indebtedness is issued by the Texas State University System Revenue Financing System. The System Administration Office and each component institution within the system comprise the Revenue Financing System. Receipt of cash may or may not precede appropriation of bond proceeds. Subject to approval from the university's President, System Administration's Chancellor, and the Board of Regents through a board authorized reimbursement resolution, the university may from time to time provide short-term financing for capital projects in advance of bond proceeds. Capital assets, created as a result of expenditures from bond proceeds, are reported on the applicable component institution's Statement of Net Assets and further detailed in Note 2, Capital Assets. Although the university must repay the debt that was issued on its behalf, the associated bond liability is reported in total by the System Administration Office. Debt service requirements reported by the System Administration Office and attributable to Texas State are disclosed in Note 6, Bonded Indebtedness.

Based on the requirements of GASB Statements 34/35, depreciation is reported on all "exhaustible" assets. "Inexhaustible assets" such as works of art are not depreciated. Assets are depreciated over the estimated useful life of the asset using the straight-line method as follows:

Buildings, Infrastructure and Facilities	22-30 yrs
Furniture and Equipment	7-15 yrs
Vehicles	5-10 yrs
Other Assets	15 yrs
Purchased and Internally Developed Software	5 yrs
Other Capital Intangible Assets - TERM	10 yrs
Land Use Rights - TERM	10 yrs

ACCOUNTS PAYABLE

Accounts payable represents the liability for the value of assets or services received at the statement of net assets date for which payment is pending.

OTHER PAYABLES

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

DEFERRED REVENUES

Deferred revenues represent payments received in advance of providing goods or services.

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Texas State University-San Marcos (754)

NOTES TO THE BASIC FINANCIAL STATEMENTS

LONG-TERM LIABILITIES

General long-term liabilities are not limited to liabilities arising from debt issuances, but may also include non-current liabilities on lease-purchase agreements and other commitments that are not recorded as current liabilities. In Proprietary Fund types, long-term debt, and other long-term obligations are reported as liabilities in the applicable Business-Type Activities or as a Proprietary Fund type in the Statement of Net Assets. Bonds Payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges and amortized over the term of the debt.

EMPLOYEES' COMPENSABLE LEAVE BALANCES

A state employee is entitled to be paid for all unused vacation time accrued, in the event of the employee's resignation, dismissal, or separation from State employment, provided the employee has had continuous employment with the State for six months. Compensated absence liabilities are reported as either short-term (current) or long-term (non-current) in the Statement of Net Assets. Long term is the portion of vacation balance which was not earned in the given fiscal year. Short term is the portion earned during the fiscal year. If the amount earned during a fiscal year is greater than the balance, then the entire balance is considered short-term. An expense and liability for proprietary fund types are recorded as the benefits accrue to employees.

No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

NET ASSETS

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

INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT

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

RESTRICTED NET ASSETS

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

UNRESTRICTED NET ASSETS

Unrestricted net assets consist of net assets 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. Substantially all unrestricted net assets are designated for academic and research programs and initiatives, and capital projects.

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Texas State University-San Marcos (754)

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2: Capital Assets

A summary of changes in capital assets is presented below:

	PRIMARY GOVERNMENT				
	<u>Balance</u> 9/1/2010	Adjustments	Completed CIP	Reclassifications	
				Inc-Int'agy	Dec-Int'agy
BUSINESS-TYPE ACTIVITIES					
Non-Depreciable Assets					
Land and Land Improvements	\$35,046,016.82				
Construction in Progress	95,470,816.84		(\$74,092,174.72)		
Other Assets	3,752,614.80				
Land Use Rights					
Other Intangible Capital Assets					
Total Non-Depreciable Assets	\$134,269,448.46	\$0.00	(\$74,092,174.72)	\$0.00	\$0.00
Depreciable Assets					
Buildings and Building Improvements	\$562,710,944.95		\$52,903,828.51		
Infrastructure	32,982,897.57				
Facilities & Other Improvements	73,556,295.39		21,188,346.21		
Furniture and Equipment	52,231,442.78				
Vehicle, Boats & Aircraft	5,241,276.32				
Other Assets	72,995,209.48				
Total Depreciable Assets at Historical Costs	\$799,718,066.49	\$0.00	\$74,092,174.72	\$0.00	\$0.00
Less Accumulated Depreciation for:					
Buildings and Improvements	(\$295,211,768.07)				
Infrastructure	(20,082,288.18)				
Facilities & Other Improvements	(14,330,675.51)				
Furniture and Equipment	(27,759,852.55)				
Vehicles, Boats & Aircraft	(3,570,294.08)				
Other Assets	(37,502,764.86)				
Total Accumulated Depreciation	(\$398,457,643.25)	\$0.00	\$0.00	\$0.00	\$0.00
Depreciable Assets, Net	\$401,260,423.24	\$0.00	\$74,092,174.72	\$0.00	\$0.00
Amortizable Assets - Intangible					
Land Use Rights	\$0.00				
Computer Software	14,337,862.19				
Other Capital Intangible Assets	0.00				
Total Amortizable Assets - Intangible	\$14,337,862.19	\$0.00	\$0.00	\$0.00	\$0.00
Less Accumulated Amortization for:					
Land Use Rights	\$0.00				
Computer Software	(6,646,170.92)				
Other Intangible Capital Assets	0.00				
Total Accumulated Amortization	(\$6,646,170.92)	\$0.00	\$0.00	\$0.00	\$0.00
Amortizable Assets - Intangible, Net	\$7,691,691.27	\$0.00	\$0.00	\$0.00	\$0.00
Business Type-Activities Capital Assets, Net	\$543,221,562.97	\$0.00	\$0.00	\$0.00	\$0.00

UNAUDITED
Texas State University-San Marcos (754)

NOTES TO THE BASIC FINANCIAL STATEMENTS

PRIMARY GOVERNMENT		
Additions	Deletions	Balance 8/31/2011
		\$35,051,778.57
\$6,261.75	(\$500.00)	\$35,051,778.57
68,495,745.68		89,874,387.80
548,186.76		4,300,801.56
\$69,050,194.19	(\$500.00)	\$129,226,967.93
	(\$2,671,926.70)	\$612,942,846.76
		32,982,897.57
		94,744,641.60
\$5,385,949.70	(1,194,744.81)	56,422,647.67
1,281,846.21	(238,745.44)	6,284,377.09
6,067,414.95	(2,244,726.70)	76,817,897.73
\$12,735,210.86	(\$6,350,143.65)	\$880,195,308.42
(\$13,561,149.69)	\$2,538,330.37	(\$306,234,587.39)
(1,180,364.16)		(21,262,652.34)
(3,174,815.59)		(17,505,491.10)
(5,379,150.54)	1,108,684.91	(32,030,318.18)
(400,262.19)	238,745.44	(3,731,810.83)
(3,706,334.46)	2,244,726.70	(38,964,372.62)
(\$27,402,076.63)	\$6,130,487.42	(\$419,729,232.46)
(\$14,666,865.77)	(\$219,656.23)	\$460,466,075.96
		\$0.00
\$590,421.00	(\$240,216.22)	14,688,066.97
		0.00
\$590,421.00	(\$240,216.22)	\$14,688,066.97
		\$0.00
(\$2,498,814.34)	\$240,216.22	(8,904,769.04)
		0.00
(\$2,498,814.34)	\$240,216.22	(\$8,904,769.04)
(\$1,908,393.34)	\$0.00	\$5,783,297.93
\$52,474,935.08	(\$220,156.23)	\$595,476,341.82

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Texas State University-San Marcos (754)

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 3: Deposits, Investments and repurchase Agreements

Texas State is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act (Texas Government Code Sec. 2256.001) and for the Endowment Fund as defined in the Uniform Prudent Management of Institutional Funds Act (Property Code Chapter 163.001). 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 deposit and (5) other instruments and obligations authorized by statute.

Deposits

As of August 31, 2011, the actual bank balance was \$9,860,463.55. The carrying value was \$7,711,142.68 as presented below.

Governmental and Business-Type Activities

CASH IN BANK - CARRYING VALUE	\$7,711,142.68
Less: Certificates of Deposit included in carrying value and reported as Cash Equivalent	
Less: Uninvested Securities Lending Cash Collateral included in carrying value and reported as Securities Lending Collateral	
Less: Securities Lending CD Collateral included in carrying value and reported as Securities Lending Collateral	
Cash in Bank per AFR	\$7,711,142.68
Governmental Funds Current Assets Cash in Bank	
Governmental Funds Current Assets Restricted Cash in Bank	
Governmental Funds Non-Current Assets Restricted Cash in Bank	
Proprietary Funds Current Assets Cash in Bank	4,064,022.19
Proprietary Funds Current Assets Restricted Cash in Bank	3,647,120.49
Proprietary Funds Non-Current Restricted Cash in Bank	
Cash in Bank per AFR	\$7,711,142.68

Investments

As of August 31, 2011 investments, at fair market value, consisted of the following:

Governmental and Business-Type Activities

	Fair Value
U.S. Government	
U.S. Treasury Securities	\$32,888,824.80
U.S. Treasury Strips	
U.S. Treasury TIPS	
U.S. Government Agency Obligations (Ginnie Mae, Fannie Mae, Freddie Mac, etc)	22,049,238.00
U.S. Government Agency Obligations (Texas Treasury Safekeeping Trust Co)	
Corporate Obligations	18,779,744.45
Corporate Asset and Mortgage Backed Securities	6,202,585.49
Equity	21,966,671.22
International Obligations (Govt and Corp)	95,090.00
International Equity	3,420,370.17
Repurchase Agreement	
Repurchase Agreement (Texas Treasury Safekeeping Trust Co)	
Fixed Income Money Market and Bond Mutual Fund	5,483,154.20
Other Commingled Funds	
International Other Commingled Funds	
SUBTOTAL LONG-TERM INVESTMENTS (Statement of Net Assets)	\$110,885,678.33
Other Commingled Funds (Texpool)	\$348,206,470.70
Commercial Paper	
Alternative Investments	
Misc (alternative investments, limited partnerships, guaranteed investment contract, political subdivision, bankers' acceptance, negotiable CD)	
SUBTOTAL CASH EQUIVALENTS (Statement of Net Assets)	\$348,206,470.70
Total	\$459,092,149.03

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NOTES TO THE BASIC FINANCIAL STATEMENTS

Credit Risk for Investments

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The university's investment policy requires that investments in debt securities be rated in the top three investment grade ratings (Standard & Poor's AAA to A or comparable ratings with other agencies for operating funds and BBB and above for endowments) at the time of purchase. Two nationally recognized statistical rating organizations must rate the security. Risk is further limited through the Investment Policy by term limitations, and maximum single purchase and maximum aggregate position percentages. Investment grade rather of debt securities as of August 31, 2011, were as follows:

Fund Type	GAAP Fund	Investment Type	Current Standard & Poor's Rating				Total
			AAA	AA	A	BBB	
		Fixed Money Market and Bond Mutual Fund					
05	9999						
05	9999	U.S. Government Agency Obligations (Exclude obligations explicitly guaranteed by U.S. Government such as Ginnie Mae, GSEs such as Fannie Mae have implicit U.S. Government guarantees and therefore are considered to have credit risk and require disclosure of credit quality)	\$32,888,824.80	\$22,004,753.20			\$54,893,578.00
05	9999	Corporate Obligations		7,527,712.25	9,468,124.45	1,622,013.95	18,617,850.65
05	9999	Corporate Asset and Mortgage Backed Securities	545,632.66				545,632.66
05	9999	International Obligation			95,090.00		95,090.00
05	9999	Municipal Bonds		44,484.80			44,484.80
05	9999	Misc - Preferred Securities			62,398.80		62,398.80
TOTAL			\$33,434,457.46	\$29,576,950.25	\$9,625,613.25	\$1,622,013.95	\$74,259,034.91
Not Rated							
05	9999	Corporate Asset and Mortgage Backed Securities					\$5,656,952.83
05	9999	Misc - Preferred Securities					99,495.00
TOTAL							\$5,756,447.83

NOTE 4: Short-Term Debt

Not Applicable.

During the fiscal year ended August 31, 2011, Texas State had no short-term debt activity.

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Texas State University-San Marcos (754)

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 5: Long-Term Liabilities

During the fiscal year ended August 31, 2011, the following changes occurred in liabilities:

Business-Type Activities	Balance 9/1/2010	Additions	Reductions	Balance 8/31/2011	Amounts Due Within One Year	Amounts Due Thereafter
Revenue Bonds Payable	\$1,410,000.00		\$565,000.00	\$845,000.00	\$160,000.00	\$685,000.00
Capital Lease Obligation	62,183.55		18,405.81	43,777.74	20,637.64	23,140.10
Compensable Leave	12,126,597.05	\$984,543.52	3,297,841.16	9,813,299.41	5,879,751.45	3,933,547.96
Total Business-Type Activities	\$13,598,780.60	\$984,543.52	\$3,881,246.97	\$10,702,077.15	\$6,060,389.09	\$4,641,688.06

Employees' Compensable Leave

Accrued Compensated Absence is the Institution's liability for unpaid overtime accrued by classified employees and unused vacation time for all employees. Any obligation to university personnel is paid at the time an employee is dismissed, resigns, or separates from the university, provided the employee has had six months of continuous employment with the State. An expense and liability are recorded annually as the benefits accrue to employees. A maximum accrual of 532 hours of vacation is allowed for employees with 35 or more years of service. For the fiscal year ended August 31, 2011 the accrued liability totaled \$9,813,299.41 for vacation and/or overtime. The university made lump sum payments totaling \$1,167,556.63 for accrued vacation and/or overtime to employees who separated from State service during the fiscal year ending August 31, 2011. Sick leave, the accumulation of which is unlimited, is earned at the rate of eight hours per month and is only paid when an employee is off due to illness or to the estate of an employee in the event of his/her death. The maximum leave that may be paid to an employees' estate is one-half of the employees' accumulated entitlement or 336 hours, whichever is less.

Capital Lease obligations are described in detail in Note 8.
 Bond Payable obligations are described in detail in Note 6.

NOTE 6: Bonded Indebtedness

Description of Bond Issues

Texas State has one bond-issue outstanding as of August 31, 2011. Details of debt service requirements related to this issue can be found in Schedule 2C, Debt Service Requirements.

Housing System Revenue Bonds, Series 1986

- To acquire an apartment complex known as Comanche Hills
- Issued April 1, 1986
- \$3,500,000; all authorized bonds have been issued
- Interest Rates – 3.0%
- First/last year of scheduled maturities – 1988/2016
- First call date – 10/1/1996
- Revenue Bond
- Source of revenue for debt service – Auxiliary Enterprises net operating revenues

All other bonded indebtedness for Texas State University-San Marcos is issued by System Administration through the Texas State University System Revenue Financing System. System Administration and each component institution within the system are members of the Revenue Financing System. The Board of Regents pledged all of the funds (revenues) and balances derived or attributable to any member of the Revenue Financing System that is lawfully available to the board for payments on Parity Debt.

System Administration issued the debt; therefore, the bonds payable attributable to the institution are included with the Bonds Payable reported by System Administration. The institution must repay the debt that was issued on its behalf; consequently, the following debt amortization schedule is presented for informational purposes only.

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Texas State University-San Marcos (754)

NOTES TO THE BASIC FINANCIAL STATEMENTS

DEBT SERVICE REQUIREMENTS ATTRIBUTABLE TO TEXAS STATE UNIVERSITY - SAN MARCOS				
Description	Year	Principal	Interest	Total
All Series	2012	\$17,151,341.76	\$19,372,709.41	\$36,524,051.17
	2013	18,432,848.28	19,356,953.74	37,789,802.02
	2014	19,262,424.71	18,571,164.36	37,833,589.07
	2015-2019	98,286,674.92	79,049,204.96	177,335,879.88
	2020-2024	100,511,889.92	54,074,904.46	154,586,794.38
	2025-2029	96,030,000.00	28,756,800.14	124,786,800.14
	2030-2034	33,925,000.00	10,838,043.80	44,763,043.80
	2035-2039	19,375,000.00	4,861,843.78	24,236,843.78
	2040-2042	7,775,000.00	639,750.00	8,414,750.00
	TOTALS	\$410,750,179.59	\$235,521,374.65	\$646,271,554.24

A portion of the debt represents Tuition Revenue Bonds historically funded by the Texas Legislature through General Revenue Appropriations. The institution was appropriated \$10,867,299.90 during the current fiscal year for Tuition Revenue Bond debt service. The institution expects future Legislative appropriations to meet debt service requirements for Tuition Revenue Bonds.

NOTE 7: Derivative Instruments

Not Applicable.

Texas State had no derivative activity to report for the fiscal year ended August 31, 2011.

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Texas State University-San Marcos (754)

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 8: Leases

Operating Leases

Texas State has entered into various operating leases for buildings and land. Rental expenses for operating leases were \$282,783.47 for the fiscal year ended August 31, 2011.

Future minimum lease rental payments under noncancelable operating leases having an initial term in excess of one year as of August 31, 2011 were as follows:

Fiscal Year Ended August 31, 2011	
2012	\$279,136.94
2013	184,753.23
2014	123,930.43
2015	99,985.57
2016	2,144.17
Total Minimum Future Lease Rental Payments	\$689,950.34

Texas State has also leased a building to an outside party under an operating lease. The cost, carrying value and accumulated depreciation of the leased building as of August 31, 2011 was as follows:

Asset Leased	
Building:	
Cost	\$350,178.00
Less: Accumulated Depreciation	(332,669.10)
Carrying Value of Building	17,508.90

Minimum future lease rental income under noncancelable operating leases as of August 31, 2011, was as follows:

Fiscal Year Ended August 31, 2011	
2012	\$96,800.04
2013	0.00
2014	0.00
2015	0.00
2016	0.00
Total Minimum Future Lease Rental Payments	\$96,800.04

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NOTES TO THE BASIC FINANCIAL STATEMENTS

Capital Leases

Certain leases to finance the purchase of equipment are capitalized at the present value of future minimum lease payments.

The following is a summary of the original capitalized cost of all such property under lease as well as the accumulated depreciation as of August 31, 2011:

Assets Under Capital Leases	Business-Type Activities
Furniture & Equipment	\$93,239.00
Less: Accumulated Depreciation	-
Total	\$93,239.00

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

Future Capital Lease Payments	Business-Type Activities	
	Principal	Interest
2012	20,637.64	5,308.36
2013	23,140.10	2,805.90
2014	0.00	0.00
2015	0.00	0.00
2016	0.00	0.00
Total	\$43,777.74	\$8,114.26

NOTE 9: Pension Plans (administering agencies only)

Not Applicable.

Texas State is not the administering agency for any employee pension plan.

NOTE 10: Deferred Compensation (administering agencies only)

Not Applicable.

The Employee's Retirement System will report the plans, balances, and liabilities for the State.

**NOTE 11: Postemployment Health Care and Life Insurance Benefits
(administering agencies only)**

Not Applicable.

The disclosure of information on postemployment benefits other than pension benefits (OPEB) will be provided by Employees Retirement System.

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NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 19: The Financial Reporting Entity

Component Units (CUs) are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, CUs can be other organizations for which the nature and significance of their relationship with the primary government is such that exclusion would create misleading or incomplete financial statements.

COMPONENT UNIT

The Texas State University-San Marcos Research Foundation was formed as an independent 501(c)(3) organization on July, 22, 2010. The Research Foundation was formed to support the university's mission and objectives of promoting higher education, conducting research, providing public service, and assisting in economic development in Texas. The Research Foundation has a fiscal year end of February 28 and is exclusively associated with the university.

The Research Foundation is included in the financial statements of Texas State University – San Marcos (University) as a blended component unit in accordance with GASB Statement 14 as amended by GASB Statement 39. The key business officers of the University comprise the entirety of the Research Foundation's officers and directors, thereby giving the University the ability to impose its will on the Research Foundation.

During fiscal year 2011, there were no financial transactions to report for the Research Foundation.

RELATED ORGANIZATIONS

The following affiliated foundations, while not component units, are disclosed due to their close relationship with the university. Affiliated foundations are controlled by separate boards of directors, pay their own expenses and are not included in the basic financial statements of the university.

TEXAS STATE UNIVERSITY-SAN MARCOS DEVELOPMENT FOUNDATION

The Texas State University-San Marcos Development Foundation was formed in 1977 to support the educational, scientific and research mission of Texas State. The Development Foundation raises and manages endowment funds designated for scholarships and other support for the university. In total, the Development Foundation Board reported payments of \$619,122.89 for university support and \$460,802.50 for student scholarships from Development Foundation funds during the fiscal year ended August 31, 2011. Donations to the Development Foundation are restricted gifts of \$3,386,877.54, temporarily restricted gifts of \$2,145,089.81 and unrestricted gifts of \$2,254.50.

THE MCCOY COLLEGE OF BUSINESS ADMINISTRATION DEVELOPMENT FOUNDATION

The McCoy College of Business Foundation (Business Foundation), founded in 2004, is dedicated exclusively to the support of The McCoy College of Business at Texas State University-San Marcos. The Business Foundation administers its investments and transfers designated funds to the McCoy College of Business in support of chairs or professorships, undergraduate scholarships, graduate fellowships, faculty development, and student development. Based upon estimated, unaudited, figures during the fiscal year ended August 31, 2011 the Business Foundation approved a new \$592,500.00 distribution from endowments to the University, received new contributions of \$481,850.00 for endowments and ended with accrued assets and liabilities of \$25,148,609.00 and \$15,100.00 respectively. The Business Foundation pays for its own operating expenses (including staff salaries, accounting, supplies and auditing), which totaled approximately \$72,117.00 in fiscal year 2011 or less than 0.3% of the assets of the Business Foundation. Fees for investment management were less than 0.9% of the assets.

TEXAS STATE UNIVERSITY-SAN MARCOS SUPPORT FOUNDATION

The Texas State University-San Marcos Support Foundation was formed exclusively for charitable, educational and scientific purposes to assist in the development of the university. The Support Foundation had assets totaling \$341,730.00 as of August 31, 2011. The Support Foundation income was \$4,112.00, and expended \$5,570.00 of which \$3,600.00 was in direct support of the University, including payment for University-provided services.

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NOTES TO THE BASIC FINANCIAL STATEMENTS

TEXAS STATE ALUMNI ASSOCIATION

The efforts and funds of the Texas State Alumni Association are dedicated to Texas State University-San Marcos for student scholarships, campus support, and alumni outreach activities. During the fiscal year ended August 31, 2011 the Alumni Association raised \$369,962.00 in operating income and reported payments of \$262,752.00. At August 31, 2011, Texas State University-San Marcos holds \$19,140.00 in deposits that are considered Held in Trust for Others – Agency Funds on behalf of the Alumni Association. Agency funds are assets not owned by the university but held in custodianship, to be used or withdrawn by the depositors at will. The Agency funds resources, including those of the Alumni Association, are reflected in the university's financial records as cash and cash equivalents with a corresponding liability to the depositing organizations. The Texas State University-San Marcos Development Foundation holds and manages endowments associated with the Alumni Association in the amount of \$831,089.00.

NOTE 20: Stewardship, Compliance and Accountability

Texas State's administration is not aware of any non-compliance items or material violations of finance related legal and contract provisions. Per the laws of the State of Texas, Texas State cannot spend amounts in excess of appropriations granted by the Texas Legislature and there are no deficits reported in net assets or retained earnings. No new component units are included in the financial report.

NOTE 21: N/A

Not Used.

UNAUDITED
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NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 22: Donor Restricted Endowments

The restricted, expendable, net asset classification on the Statement of Net Assets related to endowments is as follows:

Donor Restricted Endowment	Amounts of Net Appreciation (In Thousands)	Reported in Net Assets
True Endowment	\$8,463	Restricted for Expendable
Total	\$8,463	

The amount reported as Net Appreciation represents net appreciation on investments of donor restricted endowments that are available for authorization for expenditure. Pursuant to the Uniform Prudent Management of Institutional Funds Act (Property Code Chapter 163.001), net appreciation, realized and unrealized, in the fair market value of the endowment assets in excess of historical dollar value of the gifts may be distributed to the extent prudent.

The fiscal year 2011 Texas State endowment annual distribution was calculated using a hybrid Yale model. The calculation takes 70% of the prior year spend, increase by HEPI + 30% of the average 36 month fair market value multiplied times a percentage distribution rate between 3 – 5%. The individual endowments own units in a pool, and the distribution is allocated on a per unit basis.

NOTE 23: Extraordinary and Special Items

Not Applicable.

Texas State had no special or extraordinary items to report for the fiscal year ended August 31, 2011.

NOTE 24: Disaggregation of Receivable and Payable Balances

Accounts Receivable, net of allowances of uncollectible accounts, and Federal Receivables as reported on the Statement of Net Assets are detail as follows:

Federal Receivables - Current Federal Receivable Program	Amount
Instruction	\$494,552.83
Public Service	168,814.33
Research	2,131,250.48
Scholarships	2,077,429.17
Total Federal Receivables	\$4,872,046.81

As Reported on the Financial Statements	\$4,872,046.81
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Accounts Receivable - Current	Amount
General	\$16,159,113.32
Installment	25,278,198.99
Total Accounts Receivable - Current	\$41,437,312.31

As Reported on the Financial Statements	\$41,437,312.31
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UNAUDITED
Texas State University-San Marcos (754)

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 25: Termination Benefits

Not Applicable.

During the fiscal year ended August 31, 2011, Texas State did not provide termination benefits.

NOTE 26: Segment Information

Not Applicable.

Texas State does not have activities subject to segment disclosures.

SUPPLEMENTAL SUPPORTING INFORMATION

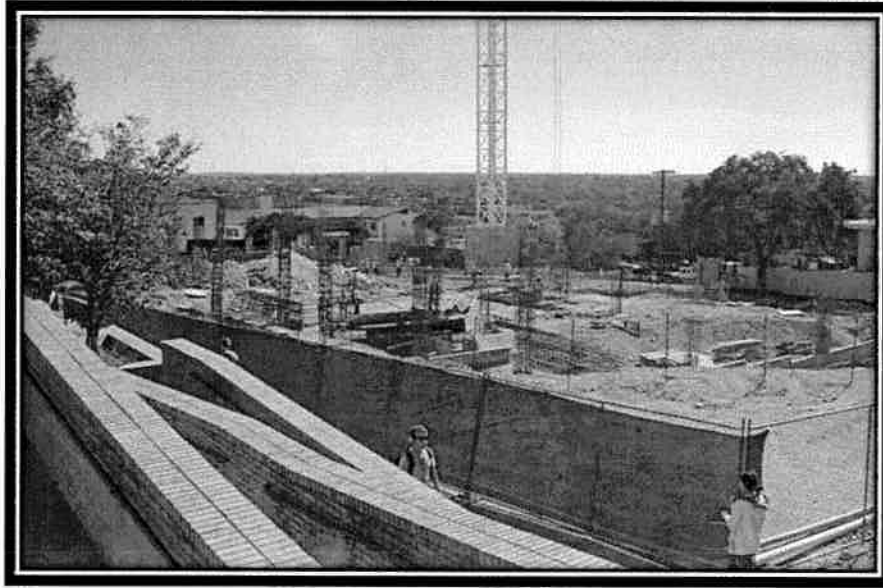
SUPPLEMENTAL SUPPORTING INFORMATION



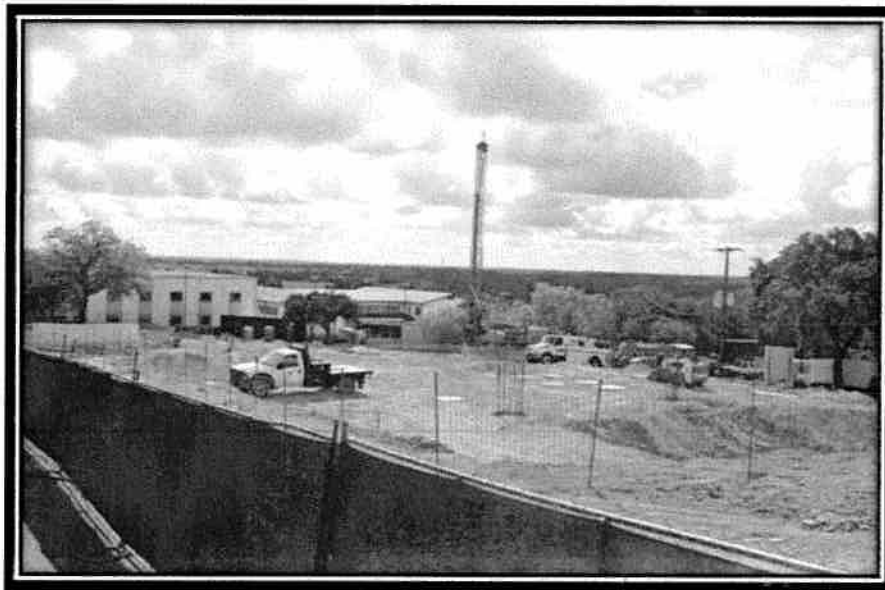
The Campus master plan includes design guidelines for architecture and landscape to help connect the different parts of Texas State and create a sense of place.



SUPPLEMENTAL SUPPORTING INFORMATION



The design guidelines present a unified approach that respects the historical precedent and embraces the technological advances of modern times.



SUPPLEMENTAL SUPPORTING INFORMATION

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Schedule 1A

Schedule of Expenditures of Federal Awards, DUN - 074602368

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From		
				Agencies or Universities Amount	Non-State Entities Amount	
U.S. Department of Agriculture						
Hispanic Serving Institutions Education Grants	10.223	Alamo Community College District/ 8000001193				23,390.76
Pass-Through From:						
Child and Adult Care Food Program	10.558					
Pass-Through From:						
Department of Agriculture			551	16,986.10		
Totals - U.S. Department of Agriculture					16,986.10	23,390.76
U.S. Department of Justice						
Direct Programs:						
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580					
Pass-Through To:						
Texas Engineering Extension Service						
Congressionally Recommended Awards						
	16.753					
Pass-Through To:						
Texas Engineering Extension Service						
Pass-Through From:						
Juvenile Justice and Delinquency Prevention--Allocation to States	16.540					
Pass-Through From:						
Governor - Fiscal			300	6,995.11		
Bulletproof Vest Partnership Program						
	16.607					
Pass-Through From:						
Governor - Fiscal			300	5,413.85		
Edward Byrne Memorial Justice Assistance Grant Program						
	16.738					
Pass-Through From:						
Governor - Fiscal			300	1,419,604.91		
Edward Byrne Memorial Justice Assistance Grant Program						
	16.738					
Pass-Through From:						
Governor - Fiscal			300	184,084.58		
Pass-Through To:						
Texas Engineering Extension Service						
Congressionally Recommended Awards						
	16.753					
Pass-Through From:						
Texas Engineering Extension Service			716	473,206.07		
Totals - U.S. Department of Justice					2,089,304.52	0.00
National Endowment For The Humanities						
Promotion of the Humanities_ We the People	45.168	Humanities Texas/ 8000001504				200.00
Totals - National Endowment For The Humanities					0.00	200.00

UNAUDITED
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Schedule 1A

Schedule of Expenditures of Federal Awards, DUN - 074602368

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		
	23,390.76			23,390.76	23,390.76
	16,986.10			16,986.10	16,986.10
0.00	40,376.86		0.00	0.00	40,376.86
69,092.02	69,092.02			61,500.00	9,117.77
		716	(1,525.75)		
276,786.13	276,786.13			106,370.00	168,716.13
		716	1,700.00		
	6,995.11			1,575.63	5,419.48
	5,413.85			5,413.85	5,413.85
	1,419,604.91			588,803.79	830,801.12
	184,084.58			67,244.76	107,810.88
		716	9,028.94		
	473,206.07			194,597.84	278,608.23
345,878.15	2,435,182.67		9,203.19	1,020,092.02	1,405,887.46
	200.00			200.00	200.00
0.00	200.00		0.00	0.00	200.00

UNAUDITED
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Schedule 1A

Schedule of Expenditures of Federal Awards, DUN - 074602368

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From	
				Agencies or Universities Amount	Non-State Entities Amount
Small Business Administration					
<u>Direct Programs:</u>					
Small Business Development Centers	59.037				
<u>Pass-Through From:</u>					
Small Business Development Centers	59.037				
<u>Pass-Through From:</u>					
University of Texas at San Antonio			743	119,109.22	
Totals - Small Business Administration				119,109.22	0.00
U.S. Department of Veterans Affairs					
<u>Direct Programs:</u>					
Vocational and Educational Counseling for Servicemembers and Veterans	64.125				
Totals - U.S. Department of Veterans Affairs				0.00	0.00
Environmental Protection Agency					
<u>Pass-Through From:</u>					
Water Pollution Control State, Interstate, and Tribal Program Support	66.419				
<u>Pass-Through From:</u>					
Texas Commission on Environmental Quality			582	485,783.05	
Capitalization Grants for Drinking Water State Revolving Funds	66.468				
<u>Pass-Through From:</u>					
Texas Commission on Environmental Quality			582	331,386.00	
Water Protection Grants to the States	66.474				
<u>Pass-Through From:</u>					
Texas Commission on Environmental Quality			582	(15,058.66)	
Performance Partnership Grants	66.605				
<u>Pass-Through From:</u>					
Texas Commission on Environmental Quality			582	178,465.41	
Totals - Environmental Protection Agency				980,575.80	0.00
U.S. Department of Education					
Higher Education_Institutional Aid	84.031	San Antonio College/ 8000001345			2,520.82
National Writing Project	84.928	National Writing Project Corp/ 8000000517			2,509.34
National Writing Project		National Writing Project Corp/ 8000001303			68,667.90
<u>Direct Programs:</u>					
Migrant Education - State Grant Program	84.011				
Undergraduate International Studies and Foreign Language Programs	84.016				
Fund for the Improvement of Postsecondary Education	84.116				
Migrant Education_College Assistance Migrant Program	84.149				
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325				

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Schedule 1A

Schedule of Expenditures of Federal Awards, DUN - 074602368

Direct Program Amount	Total PT From and Direct Prog. Amount	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
			Agencies or Universities Amount	Non-State Entities Amount		
58,251.53	58,251.53				58,251.53	58,251.53
	119,109.22			792.00	118,317.22	119,109.22
58,251.53	177,360.75		0.00	792.00	176,568.75	177,360.75
5,140.92	5,140.92				5,140.92	5,140.92
5,140.92	5,140.92		0.00	0.00	5,140.92	5,140.92
	485,783.05				485,783.05	485,783.05
	331,386.00				331,386.00	331,386.00
	(15,058.66)				(15,058.66)	(15,058.66)
	178,465.41			19,181.73	159,283.68	178,465.41
0.00	980,575.80		0.00	19,181.73	961,394.07	980,575.80
	2,520.82				2,520.82	2,520.82
	2,509.34			350.00	2,159.34	2,509.34
	68,667.90			19,085.00	49,582.90	68,667.90
722,430.40	722,430.40			184,429.17	538,001.23	722,430.40
82,814.08	82,814.08			3,000.00	79,814.08	82,814.08
202,655.07	202,655.07				202,655.07	202,655.07
(477.19)	(477.19)				(477.19)	(477.19)
289,010.44	289,010.44				289,010.44	289,010.44

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Schedule 1A

Schedule of Expenditures of Federal Awards, DUN - 074602368

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Pass-through From		
			Agy/ Univ No	Agencies or Universities Amount	Non-State Entities Amount
Pass-Through From:					
Improving Teacher Quality State Grants	84.367				
Pass-Through From:					
Texas Higher Education Coordinating Board			781	255,876.64	
College Access Challenge Grant Program	84.378				
Pass-Through From:					
Texas Higher Education Coordinating Board			781	160,237.68	
Totals - U.S. Department of Education				416,114.32	73,698.06
U.S. Department of Health and Human Services					
Nursing Workforce Diversity	93.178	Austin Community College/ 8000001611			8,286.34
Nursing Workforce Diversity		Austin Community College District/ 8000001338			61,909.87
Pass-Through From:					
Area Health Education Centers Point of Service Maintenance and Enhancement Awards	93.107				
Pass-Through From:					
University of Texas Medical Branch at Galveston			723	115,800.13	
Foster Care Title IV-E	93.658				
Pass-Through From:					
Department of Family and Protective Services			530	718,582.10	
Totals - U.S. Department of Health and Human Services				834,382.23	70,196.21
U.S. Department of Homeland Security					
Citizenship Education and Training	97.010	Harris County Dept of Education/ 8000001628			13,656.00
Totals - U.S. Department of Homeland Security				0.00	13,656.00
Research & Development Cluster					
U.S. Department of Agriculture					
Grants for Agricultural Research--Competitive Research Grants	10.206	University of Georgia/ 8000000980			56,486.00
Direct Programs:					
Agricultural Research--Basic and Applied Research	10.001				
Resource Conservation and Development	10.901				
Soil and Water Conservation	10.902				
Pass-Through From:					
Grants for Agricultural Research, Special Research Grants	10.200				
Pass-Through From:					
Sul Ross State University			756	472,120.35	
Totals - U.S. Department of Agriculture				472,120.35	56,486.00

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Schedule of Expenditures of Federal Awards, DUN - 074602368

Direct Program Amount	Total PT From and Direct Prog. Amount	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
			Agencies or Universities Amount	Non-State Entities Amount		
	255,876.64			19,573.85	236,302.79	255,876.64
	160,237.68				160,237.68	160,237.68
1,296,432.80	1,786,245.18		0.00	226,438.02	1,559,807.16	1,786,245.18
	8,286.34				8,286.34	8,286.34
	61,909.87			700.00	61,209.87	61,909.87
	115,800.13			350.00	115,450.13	115,800.13
	718,582.10				718,582.10	718,582.10
0.00	904,578.44		0.00	1,050.00	903,528.44	904,578.44
	13,656.00				13,656.00	13,656.00
0.00	13,656.00		0.00	0.00	13,656.00	13,656.00
	56,486.00			48,201.22	8,284.78	56,486.00
5,630.94	5,630.94				5,630.94	5,630.94
221,345.01	221,345.01			62,600.00	158,745.01	221,345.01
(992.36)	(992.36)				(992.36)	(992.36)
	472,120.35			11,629.07	460,491.28	472,120.35
225,983.59	754,589.94		0.00	122,430.29	632,159.65	754,589.94

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Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From	
				Agencies or Universities Amount	Non-State Entities Amount
U.S. Department of Commerce					
Measurement and Engineering Research and Standards	11.609	University of Washington/ 8000001491			51,782.40
Direct Programs:					
Measurement and Engineering Research and Standards	11.609				
Pass-Through From:					
Sea Grant Support	11.417				
Pass-Through From:					
Texas AgriLife Research			556	28,070.71	
Sea Grant Support	11.417				
Pass-Through From:					
Texas A&M University (Main University)			711	1,340.00	
Totals - U.S. Department of Commerce				29,410.71	51,782.40
U.S. Department of Defense					
U.S. Department of Defense	12.000	Intelligent Epitaxy Technology/ 8000001313			10,987.65
U.S. Department of Defense		Nitronex Corporation/ 8000001278			131,426.44
U.S. Department of Defense		US Fermiocs LLC/ 8000001309			10,741.98
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113	Systems and Materials Research Cons/ 8000001540			15,545.36
Collaborative Research and Development	12.114	Systems and Materials Rsrch Consult/ 8000001513			20,767.23
Basic and Applied Scientific Research	12.300	Infocitex/ 8000001268			66,742.76
Basic and Applied Scientific Research		Texas High Energy Materials/ 8000001378			29,970.00
Basic Scientific Research - Combating Weapons of Mass Destruction	12.351	ADVANCED MATERIALS AND PROCESSES/ 8000001445			830.86
Basic Scientific Research	12.431	ADVANCED MATERIALS AND PROCESSES/ 8000001201			(0.03)
Basic Scientific Research		ADVANCED MATERIALS AND PROCESSES/ 8000001439			152,265.31
Basic Scientific Research		UES INC./ 8000001521			19,638.70
Direct Programs:					
Basic and Applied Scientific Research	12.300				
Basic and Applied Scientific Research	12.300				
Pass-Through To:					
Angelo State University					

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Texas State University-San Marcos (754)

Schedule 1A

Schedule of Expenditures of Federal Awards, DUN - 074602368

Direct Program Amount	Total PT From and Direct Prog. Amount	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
			Agencies or Universities Amount	Non-State Entities Amount		
	51,782.40				51,782.40	51,782.40
10,291.98	10,291.98				10,291.98	10,291.98
	28,070.71				28,070.71	28,070.71
	1,340.00				1,340.00	1,340.00
10,291.98	91,485.09		0.00	0.00	91,485.09	91,485.09
	10,987.65				10,987.65	10,987.65
	131,426.44				131,426.44	131,426.44
	10,741.98				10,741.98	10,741.98
	15,545.36				15,545.36	15,545.36
	20,767.23				20,767.23	20,767.23
	66,742.76				66,742.76	66,742.76
	29,970.00				29,970.00	29,970.00
	830.86				830.86	830.86
	(0.03)				(0.03)	(0.03)
	152,265.31				152,265.31	152,265.31
	19,638.70				19,638.70	19,638.70
60,610.18	60,610.18				60,610.18	60,610.18
11,781.02	11,781.02					11,781.02
		737	11,781.02			

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Schedule 1A

Schedule of Expenditures of Federal Awards, DUN - 074602368

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From	
				Agencies or Universities Amount	Non-State Entities Amount
Basic and Applied Scientific Research	12.300				
<i>Pass-Through To:</i>					
<i>Sul Ross State University</i>					
Basic Scientific Research	12.431				
Basic Scientific Research	12.431				
<i>Pass-Through To:</i>					
<i>Angelo State University</i>					
Air Force Defense Research Sciences Program	12.800				
Mathematical Sciences Grants Program	12.901				
Research and Technology Development	12.910				
<i>Pass-Through From:</i>					
U.S. Department of Defense	12.000	8000001192			
<i>Pass-Through From:</i>					
<i>Lamar University</i>			734	0.04	
U.S. Department of Defense	12.000	8000001322			
<i>Pass-Through From:</i>					
<i>Lamar University</i>			734	809,816.90	
Totals - U.S. Department of Defense				809,816.94	458,916.26
U.S. Department of the Interior					
Endangered Species Conservation - Recovery Implementation Funds	15.657	Houston Zoo/ 8000001489			26,944.91
<i>Direct Programs:</i>					
Cooperative Endangered Species Conservation Fund	15.615				
Wildlife Without Borders- Latin America and the Caribbean	15.640				
Migratory Bird Monitoring, Assessment and Conservation	15.655				
U.S. Geological Survey_ Research and Data Collection	15.808				
Technical Preservation Services	15.915				
Rivers, Trails and Conservation Assistance	15.921				
<i>Pass-Through From:</i>					
Cooperative Endangered Species Conservation Fund	15.615				
<i>Pass-Through From:</i>					
<i>Parks and Wildlife Department</i>			802	44,695.17	
State Wildlife Grants	15.634				
<i>Pass-Through From:</i>					
<i>Parks and Wildlife Department</i>			802	149,448.59	
Assistance to State Water Resources Research Institutes	15.805				
<i>Pass-Through From:</i>					
<i>Texas AgriLife Research</i>			556	40,912.11	
Totals - U.S. Department of the Interior				235,055.87	26,944.91

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Schedule of Expenditures of Federal Awards, DUN - 074602368

Direct Program Amount	Total PT From and Direct Prog. Amount	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
			Agencies or Universities Amount	Non-State Entities Amount		
95,164.50	95,164.50				71,712.15	95,164.50
		756	23,452.35			
166,085.07	166,085.07				166,085.07	166,085.07
271,009.71	271,009.71				229,029.56	271,009.71
		737	41,980.15			
107,198.01	107,198.01				107,198.01	107,198.01
1,948.36	1,948.36				1,948.36	1,948.36
398,730.94	398,730.94			25,365.00	373,365.94	398,730.94
	0.04				0.04	0.04
	809,816.90			681,884.96	127,931.94	809,816.90
1,112,527.79	2,381,260.99		77,213.52	707,249.96	1,596,797.51	2,381,260.99
	26,944.91			8,000.00	18,944.91	26,944.91
9,957.52	9,957.52				9,957.52	9,957.52
1,509.12	1,509.12				1,509.12	1,509.12
24,428.47	24,428.47				24,428.47	24,428.47
23,268.95	23,268.95				23,268.95	23,268.95
4,406.92	4,406.92			1,050.00	3,356.92	4,406.92
36,507.63	36,507.63				36,507.63	36,507.63
	44,695.17				44,695.17	44,695.17
	149,448.59				149,448.59	149,448.59
	40,912.11			17,679.26	23,232.85	40,912.11
100,078.61	362,079.39		0.00	26,729.26	335,350.13	362,079.39

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Schedule 1A

Schedule of Expenditures of Federal Awards, DUN - 074602368

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From	
				Agencies or Universities Amount	Non-State Entities Amount
U.S. Department of Justice					
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	Mississippi State University/ 8000001406			17,562.81
Direct Programs:					
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560				
Totals - U.S. Department of Justice				0.00	17,562.81
U.S. Department of Labor					
Occupational Safety and Health_Susan Harwood Training Grants	17.502	Rice University/ 8000001469			11,194.17
Totals - U.S. Department of Labor				0.00	11,194.17
National Aeronautics and Space Administration					
Technology Transfer	43.002	Crystal Research Inc./ 8000001279			2,023.63
Pass-Through From:					
Aerospace Education Services Program	43.001				
Pass-Through From:					
University of Texas at Austin			721	752.67	
Totals - National Aeronautics and Space Administration				752.67	2,023.63
National Endowment For The Humanities					
Promotion of the Humanities_We the People	45.168	Humanities Texas/ 8000001361			4,982.48
Totals - National Endowment For The Humanities				0.00	4,982.48
National Science Foundation					
ARRA - Engineering Grants	47.041	ADVANCED MATERIALS AND PROCESSES/ 8000001162			92,319.86
Education and Human Resources	47.076	Association of American Geographers/ 8000000785			8,414.13
Direct Programs:					
Engineering Grants	47.041				
Mathematical and Physical Sciences	47.049				
Computer and Information Science and Engineering	47.070				
Biological Sciences	47.074				
Social, Behavioral, and Economic Sciences	47.075				
Education and Human Resources	47.076				
Office of Cyberinfrastructure	47.080				
ARRA - Trans-NSF Recovery Act Research Support	47.082				
Pass-Through From:					
Education and Human Resources	47.076				
Pass-Through From:					
University of Houston			730	55,058.05	
Totals - National Science Foundation				55,058.05	100,733.99

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Schedule of Expenditures of Federal Awards, DUN - 074602368

Direct Program Amount	Total PT From and Direct Prog. Amount	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
			Agencies or Universities Amount	Non-State Entities Amount		
	17,562.81				17,562.81	17,562.81
39,096.42	39,096.42			2,000.00	37,096.42	39,096.42
39,096.42	56,659.23		0.00	2,000.00	54,659.23	56,659.23
	11,194.17				11,194.17	11,194.17
0.00	11,194.17		0.00	0.00	11,194.17	11,194.17
	2,023.63				2,023.63	2,023.63
	752.67				752.67	752.67
0.00	2,776.30		0.00	0.00	2,776.30	2,776.30
	4,982.48				4,982.48	4,982.48
0.00	4,982.48		0.00	0.00	4,982.48	4,982.48
	92,319.86				92,319.86	92,319.86
	8,414.13				8,414.13	8,414.13
93,825.02	93,825.02				93,825.02	93,825.02
703,834.97	703,834.97				703,834.97	703,834.97
81,829.04	81,829.04				81,829.04	81,829.04
199,137.19	199,137.19				199,137.19	199,137.19
172,519.14	172,519.14			80,111.78	92,407.36	172,519.14
971,779.58	971,779.58			74,288.82	897,490.76	971,779.58
93,733.13	93,733.13				93,733.13	93,733.13
194,902.83	194,902.83				194,902.83	194,902.83
	55,058.05				55,058.05	55,058.05
2,511,560.90	2,667,352.94		0.00	154,400.60	2,512,952.34	2,667,352.94

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Texas State University-San Marcos (754)

Schedule 1A

Schedule of Expenditures of Federal Awards, DUN - 074602368

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From	
				Agencies or Universities Amount	Non-State Entities Amount
Environmental Protection Agency					
<u>Direct Programs:</u>					
Congressionally Mandated Projects	66.202				
Science To Achieve Results Research Program	66.509				
Environmental Education Grants	66.951				
<u>Pass-Through From:</u>					
National Estuary Program	66.456				
<u>Pass-Through From:</u>					
Texas Commission on Environmental Quality			582	16,617.59	
Nonpoint Source Implementation Grants	66.460				
<u>Pass-Through From:</u>					
Texas Commission on Environmental Quality			582	533,845.75	
Totals - Environmental Protection Agency				550,463.34	0.00
U.S. Department of Energy					
U.S. Department of Energy	81.000	Lawrence Livermore Ntl Security/ 8000001311			1,743.81
Office of Science Financial Assistance Program	81.049	Battelle Pacific NW Division/ 8000000963			11,550.74
<u>Pass-Through From:</u>					
Office of Science Financial Assistance Program	81.049				
<u>Pass-Through From:</u>					
University of Texas at San Antonio			743	13,506.48	
Totals - U.S. Department of Energy				13,506.48	13,294.55
U.S. Department of Education					
Fund for the Improvement of Postsecondary Education	84.116	Midland ISD/ 8000001437			85,143.08
Fund for the Improvement of Education	84.215	McAllen Independent School District/ 8000001355			49.35
Fund for the Improvement of Education		San Marcos CISD/ 8000001342			17,638.64
Research in Special Education	84.324	Florida State University/ 8000000974			15,761.08
<u>Direct Programs:</u>					
Fund for the Improvement of Education	84.215				
<u>Pass-Through From:</u>					
Adult Education - Basic Grants to States	84.002				
<u>Pass-Through From:</u>					
Texas Education Agency			701	728,204.84	
Totals - U.S. Department of Education				728,204.84	118,592.15
U.S. Department of Health and Human Services					
<u>Direct Programs:</u>					
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086				

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Schedule 1A

Schedule of Expenditures of Federal Awards, DUN - 074602368

Direct Program Amount	Total PT From and Direct Prog. Amount	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
			Agencies or Universities Amount	Non-State Entities Amount		
21,979.67	21,979.67				21,979.67	21,979.67
63,408.32	63,408.32				63,408.32	63,408.32
13,131.33	13,131.33			400.00	12,731.33	13,131.33
	16,617.59				16,617.59	16,617.59
	533,845.75			32,153.00	501,692.75	533,845.75
98,519.32	648,982.66		0.00	32,553.00	616,429.66	648,982.66
	1,743.81				1,743.81	1,743.81
	11,550.74				11,550.74	11,550.74
	13,506.48				13,506.48	13,506.48
0.00	26,801.03		0.00	0.00	26,801.03	26,801.03
	85,143.08			5,000.00	80,143.08	85,143.08
	49.35				49.35	49.35
	17,638.64			4,545.00	13,093.64	17,638.64
	15,761.08				15,761.08	15,761.08
272,505.47	272,505.47			112,854.92	159,650.55	272,505.47
	728,204.84			68,116.88	660,087.96	728,204.84
272,505.47	1,119,302.46		0.00	190,516.80	928,785.66	1,119,302.46
486,456.18	486,456.18				486,456.18	486,456.18

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Schedule 1A

Schedule of Expenditures of Federal Awards, DUN - 074602368

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From	
				Agencies or Universities Amount	Non-State Entities Amount
Alcohol Research Programs	93.273				
National Center for Research Resources	93.389				
Cancer Cause and Prevention Research	93.393				
ARRA - Trans-NIH Recovery Act Research Support	93.701				
ARRA - Health Information Technology Professionals in Health Care	93.721				
<i>Pass-Through To:</i> <i>University of Texas at Austin</i>					
ARRA - Health Information Technology Professionals in Health Care	93.721				
<i>Pass-Through To:</i> <i>University of Texas Health Science Center at Houston</i>					
ARRA - Health Information Technology Professionals in Health Care	93.721				
<i>Pass-Through To:</i> <i>University of Texas Health Center at Tyler</i>					
Aging Research	93.866				
<i>Pass-Through From:</i> Maternal and Child Health Services Block Grant to the States	93.994				
<i>Pass-Through From:</i> <i>Department of State Health Services</i>			537	35,289.00	
Totals - U.S. Department of Health and Human Services				35,289.00	0.00
U.S. Department of Homeland Security					
Homeland Security Research Testing, Evaluation, and Demonstration of Technologies Related to Nuclear Detection	97.077	Rutgers State Univ of New Jersey/ 8000001002			468.98
Totals - U.S. Department of Homeland Security				0.00	468.98
Employment Service Cluster					
U.S. Department of Labor					
<i>Pass-Through From:</i> Employment Service/Wagner-Peyser Funded Activities	17.207				
<i>Pass-Through From:</i> <i>Texas Workforce Commission</i>			320	200,212.54	
Totals - U.S. Department of Labor				200,212.54	0.00
Fish and Wildlife Cluster					
U.S. Department of the Interior					
<i>Pass-Through From:</i> Sport Fish Restoration Program	15.605				
<i>Pass-Through From:</i> <i>Parks and Wildlife Department</i>			802	30,032.28	
Wildlife Restoration	15.611				
<i>Pass-Through From:</i> <i>Parks and Wildlife Department</i>			802	131,954.33	
Totals - U.S. Department of the Interior				161,986.61	0.00

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Schedule 1A

Schedule of Expenditures of Federal Awards, DUN - 074602368

Direct Program Amount	Total PT From and Direct Prog. Amount	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
			Agencies or Universities Amount	Non-State Entities Amount		
57,082.57	57,082.57			8,000.00	49,082.57	57,082.57
443,153.42	443,153.42			111,992.48	331,160.94	443,153.42
99,357.18	99,357.18				99,357.18	99,357.18
216,467.79	216,467.79				216,467.79	216,467.79
1,320,771.97	1,320,771.97				447,362.41	1,320,771.97
		721	873,409.56			
184,071.31	184,071.31					184,071.31
		744	184,071.31			
13,500.00	13,500.00					13,500.00
		785	13,500.00			
21,514.84	21,514.84				21,514.84	21,514.84
	35,289.00			24,814.00	10,475.00	35,289.00
2,842,375.26	2,877,664.26		1,070,980.87	144,806.48	1,661,876.91	2,877,664.26
	468.98				468.98	468.98
0.00	468.98		0.00	0.00	468.98	468.98
	200,212.54			38,174.46	162,038.08	200,212.54
0.00	200,212.54		0.00	38,174.46	162,038.08	200,212.54
	30,032.28				30,032.28	30,032.28
	131,954.33				131,954.33	131,954.33
0.00	161,986.61		0.00	0.00	161,986.61	161,986.61

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Schedule 1A

Schedule of Expenditures of Federal Awards, DUN - 074602368

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From	
				Agencies or Universities Amount	Non-State Entities Amount
Highway Safety Cluster					
U.S. Department of Transportation					
<u>Pass-Through From:</u>					
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601				
<u>Pass-Through From:</u>					
Texas Department of Transportation			601	165,817.25	
Totals - U.S. Department of Transportation				165,817.25	0.00
Public Works and Economic Development Cluster					
U.S. Department of Commerce					
<u>Direct Programs:</u>					
Investments for Public Works and Economic Development Facilities	11.300				
Totals - U.S. Department of Commerce				0.00	0.00
Student Financial Assistance Cluster					
U.S. Department of Education					
Federal Family Education Loans	84.032				
Federal Perkins Loan Program_Federal Capital Contributions	84.038				
<u>Direct Programs:</u>					
Federal Supplemental Educational Opportunity Grants	84.007				
Federal Work-Study Program	84.033				
Federal Pell Grant Program	84.063				
Federal Direct Student Loans	84.268				
Academic Competitiveness Grants	84.375				
National Science and Mathematics Access to Retain Talent (SMART) Grants	84.376				
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379				
Totals - U.S. Department of Education				0.00	0.00
U.S. Department of Health and Human Services					
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925				
Totals - U.S. Department of Health and Human Services				0.00	0.00
State Fiscal Stabilization Fund Cluster					
U.S. Department of Education					
<u>Pass-Through From:</u>					
ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397				
<u>Pass-Through From:</u>					
Texas Higher Education Coordinating Board			781	3,429,931.57	
Totals - U.S. Department of Education				3,429,931.57	0.00
Title I, Part A Cluster					
U.S. Department of Education					
<u>Pass-Through From:</u>					
Title I Grants to Local Educational Agencies	84.010				
<u>Pass-Through From:</u>					
Texas Education Agency			701	142,120.93	
Totals - U.S. Department of Education				142,120.93	0.00

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Schedule 1A

Schedule of Expenditures of Federal Awards, DUN - 074602368

Direct Program Amount	Total PT From and Direct Prog. Amount	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
			Agencies or Universities Amount	Non-State Entities Amount		
	165,817.25				165,817.25	165,817.25
0.00	165,817.25		0.00	0.00	165,817.25	165,817.25
179,177.04	179,177.04				179,177.04	179,177.04
179,177.04	179,177.04		0.00	0.00	179,177.04	179,177.04
	0.00					0.00
	0.00					0.00
601,156.00	601,156.00				601,156.00	601,156.00
954,416.06	954,416.06				954,416.06	954,416.06
47,364,841.79	47,364,841.79				47,364,841.79	47,364,841.79
196,833,363.00	196,833,363.00				196,833,363.00	196,833,363.00
1,429,518.00	1,429,518.00				1,429,518.00	1,429,518.00
295,980.00	295,980.00				295,980.00	295,980.00
252,000.00	252,000.00				252,000.00	252,000.00
247,731,274.85	247,731,274.85		0.00	0.00	247,731,274.85	247,731,274.85
132,315.00	132,315.00				132,315.00	132,315.00
132,315.00	132,315.00		0.00	0.00	132,315.00	132,315.00
	3,429,931.57			17,223.33	3,412,708.24	3,429,931.57
0.00	3,429,931.57		0.00	17,223.33	3,412,708.24	3,429,931.57
	142,120.93			2,450.00	139,670.93	142,120.93
0.00	142,120.93		0.00	2,450.00	139,670.93	142,120.93

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Schedule 1A

Schedule of Expenditures of Federal Awards, DUN - 074602368

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From	
				Agencies or Universities Amount	Non-State Entities Amount
Teacher Quality Partnership Grants Cluster Cluster					
U.S. Department of Education					
Direct Programs:					
Teacher Quality Partnership Grants	84.336				
Totals - U.S. Department of Education				0.00	0.00
TRIO Cluster					
U.S. Department of Education					
Direct Programs:					
TRIO_Student Support Services	84.042				
TRIO_Talent Search	84.044				
TRIO_Upward Bound	84.047				
Totals - U.S. Department of Education				0.00	0.00
WIA Cluster					
U.S. Department of Labor					
Pass-Through From:					
ARRA - WIA Adult Program	17.258				
Pass-Through From:					
<i>Texas Tech University Health Sciences Center</i>			739	1,186.57	
Totals - U.S. Department of Labor				1,186.57	0.00
Total Expenditures of Federal Awards				11,487,405.91	1,044,123.36

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Schedule 1A

Schedule of Expenditures of Federal Awards, DUN - 074602368

Direct Program Amount	Total PT From and Direct Prog. Amount	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
			Agencies or Universities Amount	Non-State Entities Amount		
787,294.87	787,294.87			13,747.50	773,547.37	787,294.87
787,294.87	787,294.87		0.00	13,747.50	773,547.37	787,294.87
278,939.94	278,939.94				278,939.94	278,939.94
716,503.26	716,503.26				716,503.26	716,503.26
345,278.01	345,278.01				345,278.01	345,278.01
1,340,721.21	1,340,721.21		0.00	0.00	1,340,721.21	1,340,721.21
	1,186.57				1,186.57	1,186.57
0.00	1,186.57		0.00	0.00	1,186.57	1,186.57
259,089,425.71	271,620,954.98		1,157,397.58	2,719,835.45	267,743,721.95	271,620,954.98

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Schedule 1A - Notes

Schedule of Expenditures of Federal Awards, DUN - 074602368

Federal Assistance Schedule - Reconciliation

Note 1: Non-Monetary Assistance
None to Report

Note 2: Reconciliation:

Reconciliation of Revenues and Receipts to Expenditures
and Disbursements (Pass-through):

Federal Revenues - Per SRECNA:	
Federal Grants and Contracts-Restricted	\$15,935,344.28
Federal Pass-through Grants from Other State Agencies	8,061,210.86
Fed Grant - Non Exchange - Pell	47,364,841.79
Federal Pass-through Grants from Other State Agencies - Non Exchange	3,429,931.57
Total Federal Revenues per SRECNA	<u>\$74,791,328.50</u>

Reconciling Items:

New Loans Processed:	
Stafford Loans	\$0.00
Parent Loans	0.00
Perkins Student Loan & Administrative Cost Allowance	0.00
Direct Loans	196,833,363.00
Other:	
Federal Grants from the Texas A&M Research Foundation	(3,736.52)

Expenditures Per Federal Schedule \$271,620,954.98

Note 3a: Student Loans Processed and Administrative Costs Recovered

Federal Grantor/ CFDA Number/Program Name	New Loans Processed	Administrative Costs Recovered	Total Loans Processed & Admin Costs Recovered	Ending Balances of Previous Years' Loans
Department of Education				
84.032 Federal Family Education Loans - Stafford	\$0.00		\$0.00	\$14,500.00
84.032 Federal Family Education Loans - Parent Loans	0.00		0.00	
84.038 Federal Perkins Loans	0.00	\$0.00	0.00	388,243.06
84.268 Federal Direct Student Loan	196,833,363.00		196,833,363.00	177,475,703.13
Total Department of Education	<u>\$196,833,363.00</u>	<u>\$0.00</u>	<u>\$196,833,363.00</u>	<u>\$177,878,446.19</u>

Note 3b: Federally Funded Loans Processed and Administrative Cost Recovered

Federal Grantor/ CFDA Number/Program Name	New Loans Processed	Administrative Costs Recovered	Total Loans Processed & Admin Costs Recovered	Ending Balances of Previous Years' Loans
66.458 Clean Water State Revolving Fund (CWSRF)	\$0.00	\$0.00	\$0.00	\$0.00
66.468 Drinking Water State Revolving Fund (DWSRF)	0.00	0.00	331,386.00	0.00
Total	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$331,386.00</u>	<u>\$0.00</u>

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Schedule 1A - Notes
Schedule of Expenditures of Federal Awards, DUN - 074602368

Federal Assistance Schedule - Reconciliation (continued)

Note 4: Governmental Publications

The University participates as a depository library in the Government Printing Office's Depository Libraries for Government Publication program, CFDA #40.001. The University is the legal custodian of government publications, which remain the property of the Federal government. The publications are not assigned a value by the Government Printing Office.

Note 5: Unemployment Insurance Funds

There were no expenditures for CFDA 17.225 during the current fiscal year.

Note 6: N/A

Note 7: Federal Deferred Revenue

CFDA	Federal Deferred Revenue September 1, 2010	Increase (Decrease)	Federal Deferred Revenue August 31, 2011
10.223 Hispanic Serving Institutions Education Grants	\$0.00	\$20,200.27	\$20,200.27
12.114 Collaborative Research and Development	0.00	2,596.77	2,596.77
12.300 Basic and Applied Scientific Research	905.53	(905.53)	(0.00)
12.351 Basic Scientific Research - Combating Weapons of Mass Destruction	37.55	1,269.14	1,306.69
12.431 Basic Scientific Research	9,500.00	(9,500.00)	0.00
12.800 Air Force Defense Research Sciences Program	52,395.60	34,817.99	87,213.59
15.915 Technical Preservation Services	0.00	785.08	785.08
16.560 National Institute of Justice Research, Evaluation, and Development Project Grants	0.00	16,288.86	16,288.86
19.015 Cultural, Technical and Educational Centers	367.77	(367.77)	0.00
43.002 Technology Transfer	2,023.63	(2,023.63)	0.00
45.168 Promotion of the Humanities_We the People	0.00	2,900.00	2,900.00
47.041 Engineering Grants	2,530.90	(2,530.90)	0.00
47.050 Geosciences	0.00	2,000.00	2,000.00
47.076 Education and Human Resources	1,317.40	(1,317.40)	0.00
66.419 Water Pollution Control State, Interstate, and Tribal Program Support	0.00	11,073.66	11,073.66
66.605 Performance Partnership Grants	0.00	128.35	128.35
84.002 Adult Education - Basic Grants to States	0.00	1,659.00	1,659.00
84.116 Fund for the Improvement of Postsecondary Education	0.00	39,856.92	39,856.92
84.144 Migrant Education_Coordination Program	13,339.17	(2,041.88)	11,297.29
84.215 Fund for the Improvement of Education	17,687.99	(17,687.99)	0.00
84.928 National Writing Project	28,875.40	(6,667.90)	22,207.50
93.273 Alcohol Research Programs	0.00	13,695.34	13,695.34
	<u>\$128,980.94</u>	<u>\$104,228.38</u>	<u>\$233,209.32</u>

Explanation why the deferred revenue is reported:

Federal grants subject to A-133 audit in which revenue received in advance of expenditures.

Note 8: N/A

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

<u>Pass-Through From</u>	<u>Grant ID</u>	<u>Agency Number</u>	<u>Amount</u>
Emerging Tech Governor - Fiscal	300.0005	300	31,878.63
Institute for Criminal Justice Studies (ICJS) Governor - Fiscal	300.0015	300	275,786.43
Advanced Law Enforcement Rapid Response Training (ALERRT) Governor - Fiscal	300.0016	300	949,601.00
Keep Kids in School Governor - Fiscal	300.0017	300	59,727.48
Interns Enrolled In The Study Of Geography General Land Office	305.0001	305	6,665.55
Tobacco Use Prevention and Control Department of State Health Services	537.0008	537	900,465.66
Obesity Department of State Health Services	537.0011	537	82,369.09
WSC - Research Texas Water Development Board	580.0019	580	26,211.90
Monthly Stream Flow Disaggregation Texas Commission on Environmental Quality	582.0019	582	157,015.58
Interns for TCEQ Texas Commission on Environmental Quality	582.0057	582	12,732.18
Regulatory and Job Analyses of Surface Water Treatment Operators Texas Commission on Environmental Quality	582.0058	582	22,000.00
Limited English Proficient Texas Education Agency	701.0024	701	486,171.51
TX Reading, Math & Science Initiative Texas Education Agency	701.0004	701	1,022,289.95
College & Career Readiness Initiative Faculty Collaborative University of Texas at Arlington	714.0008	714	9,991.30
Joint Admission Medical Program (JAMP) University of Texas System	720.0002	720	22,383.50
Teacher Mentoring Program University of Texas at Austin	721.0003	721	121,083.67
College Readiness Initiative Board of Regents, Texas State University System	758.0001	758	627,150.23

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

<u>Pass-Through From (continued)</u>	Grant ID	Agency Number	Amount
College Readiness & Retention of Physics Texas A&M University - Corpus Christi	760.0001	760	19,479.31
Nursing & Allied Health Texas Higher Education Coordinating Board	781.0006	781	
General Academic Enrollment Growth Texas Higher Education Coordinating Board	781.0007	781	254,954.05
TEXAS Grant Program Texas Higher Education Coordinating Board	781.0008	781	19,450,148.74
Advanced Research Program Texas Higher Education Coordinating Board	781.0001	781	8,183.76
Engineering Recruitment Program Texas Higher Education Coordinating Board	781.0002	781	62,930.07
College Work Study Program Texas Higher Education Coordinating Board	781.0023	781	169,808.03
5th Yr. Accounting Students Scholarship Program Texas Higher Education Coordinating Board	781.0024	781	84,250.00
College Readiness Initiative Texas Higher Education Coordinating Board	781.0026	781	807,704.25
Top 10% Scholarships Texas Higher Education Coordinating Board	781.0028	781	814,301.00
Work Study Mentorship Program Texas Higher Education Coordinating Board	781.0029	781	153,781.54
ABE Community College Grants Texas Higher Education Coordinating Board	781.0031	781	252,671.01
Combat Exemption Program SB297 Texas Higher Education Coordinating Board	781.0033	781	42,160.60
TANF Program HB1479 Texas Higher Education Coordinating Board	781.0035	781	15,281.00
Early High School Program HB1479 Texas Higher Education Coordinating Board	781.0036	781	126,108.05
Certified Edu Aide Program Texas Higher Education Coordinating Board	781.0037	781	202,830.30
Assessing Texas' Freshwater Turtles - Year 2 Parks and Wildlife Department	802.0002	802	50,809.90

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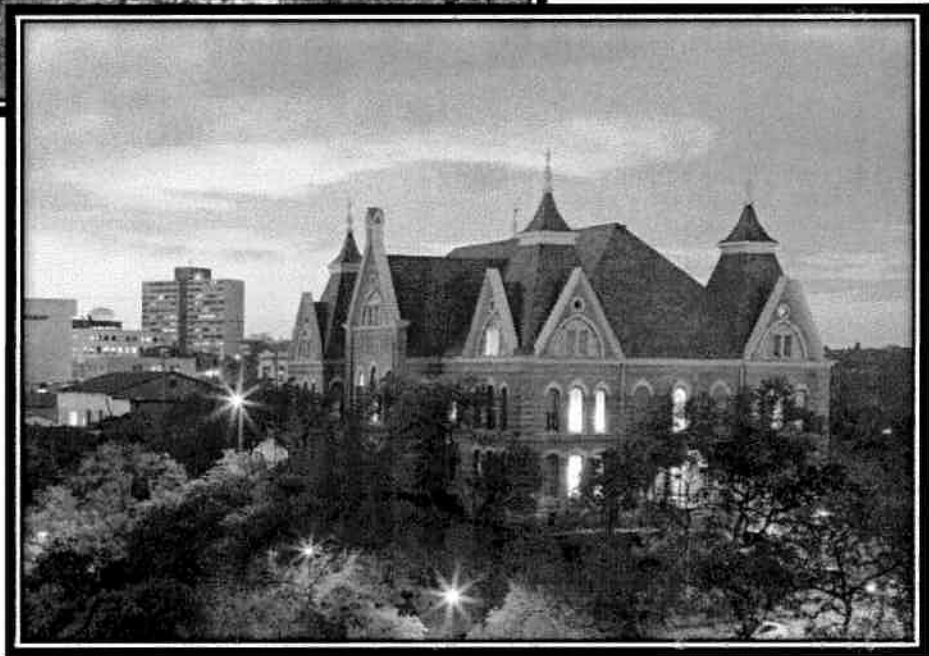
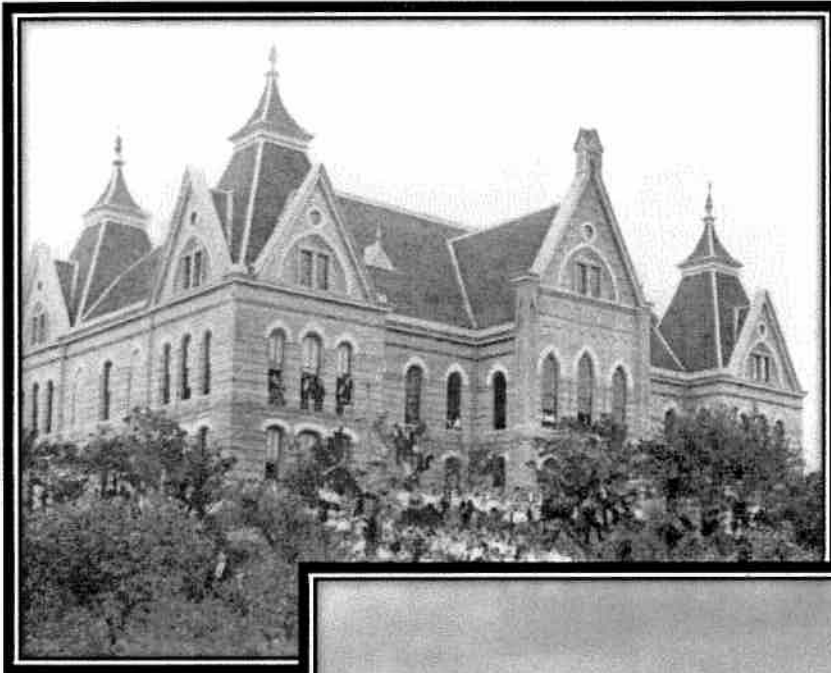
Schedule 1B
Schedule of State Grant Pass-Throughs From/To State Agencies

<u>Pass-Through From (continued)</u>	Grant ID	Agency Number	Amount
Addressing Information Deficiencies Related to Mourning Dove, White-winged Dove, and Eastern Wild Turkey Management in TX	802.0037		
Parks and Wildlife Department		802	50,448.67
Field Test of the Surrogator for Increasing Bobwhite Abundance, A Pilot Study	802.0039		
Parks and Wildlife Department		802	2,380.84
Inventory of Black-tailed Prairie Dog and Burrowing Owl within selected areas of Texas	802.0041		
Parks and Wildlife Department		802	6,630.22
Total Pass-Through from Other Agencies (Exh. II):			<u>27,388,385.00</u>
<u>Pass-Through To</u>	Grant ID	Agency Number	Amount
College & Career Readiness Initiative Faculty Collaborative Program	754.0003		
Texas A&M University (Main University)		711	2,067.12
Assessing Texas Freshwater Turtles - Year 3	754.0004		
University of Texas at Arlington		714	862.05
University of Texas at El Paso		724	4,766.20
University of Texas at Tyler		750	804.97
			6,433.22
Assessing Texas Freshwater Turtles - Year 4	754.0005		
University of Texas at Arlington		714	5,092.66
University of Texas at El Paso		724	6,854.47
Sul Ross State University		756	600.00
			12,547.13
Math for English Language Learners (MELL) 09-10	754.0006		
Lamar University		734	33,842.02
Sam Houston State University		753	14,624.74
			48,466.76
Total Pass-Through to Other Agencies (Exh. II):			<u>69,514.23</u>

PROPRIETARY FUND FINANCIAL STATEMENTS

As the campus landscape progressively changes, Old Main will remain the most important symbol of Texas State.

Old Main 1903



Old Main 2011

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Texas State University-San Marcos (754)

Schedule 2A
Miscellaneous Bond Information

Business-Type Activities

Description of Issue	Bonds Issued To Date	Range of Interest Rates	Scheduled Maturities		First Call Date
			First Year	Last Year	
Housing System					
Revenue Bonds, Series '86	\$3,500,000.00	3.00%	1988	2016	10/01/1996
Utility System					
Revenue Bonds, Series '96	<u>4,415,000.00</u>	3.60% - 5.45%	1997	2011	08/01/2006
Total	<u><u>\$7,915,000.00</u></u>				

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Schedule 2B
Change in Bonded Indebtedness

Business-Type Activities

Description of Issue	Bonds Outstanding 9/1/2010	Bonds Issued	Bonds Matured or Retired	Bonds Refunded Refunded or Extinguished	Bonds Outstanding 8/31/2011	Amounts Due Within One Year
Housing System						
Revenue Bonds, Series '86	\$1,000,000.00		\$155,000.00		\$845,000.00	\$160,000.00
Utility System						
Revenue Refund Bonds, Series '96	\$410,000.00		\$410,000.00		\$0.00	\$0.00
Total	<u>\$1,410,000.00</u>		<u>\$565,000.00</u>		<u>\$845,000.00</u>	<u>\$160,000.00</u>

(A)

Note A:

Bonds Outstanding Per Schedule	<u>\$845,000.00</u>
Bonds Payable Per Statement of Net Assets	<u>\$845,000.00</u>

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Schedule 2C
Debt Service Requirements

Business-Type Activities

Description of Issue	2012	2013	2014
Housing System			
Revenue Bonds, Series '86			
Principal	\$160,000.00	\$165,000.00	\$165,000.00
Interest	22,950.00	18,075.00	13,125.00
Total	<u>\$182,950.00</u>	<u>\$183,075.00</u>	<u>\$178,125.00</u>
Less Interest	<u>22,950.00</u>	<u>18,075.00</u>	<u>13,125.00</u>
Total Principal	<u>\$160,000.00</u>	<u>\$165,000.00</u>	<u>\$165,000.00</u>

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Schedule 2C
Debt Service Requirements

<u>2015</u>	<u>2016</u>	<u>Total</u> <u>Requirements</u>
\$175,000.00	\$180,000.00	\$845,000.00
8,025.00	2,700.00	64,875.00
<u>\$183,025.00</u>	<u>\$182,700.00</u>	<u>\$909,875.00</u>
8,025.00	2,700.00	64,875.00
<u>\$175,000.00</u>	<u>\$180,000.00</u>	<u>\$845,000.00</u>

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Schedule 2D
Analysis of Funds Available for Debt Services

Business-Type Activities
Revenue Bonds

Description of Issue	Pledged and Other Sources and Related Expenses				
	Operating Revenues	Interest Earned On Investments	Other Pledged Revenues	Total Pledged Sources	Other Sources
Housing System					
Revenue Bonds, Series '86	\$52,852,770.64	\$6,976.97		\$52,859,747.61	
Total	\$52,852,770.64	\$6,976.97	\$0.00	\$52,859,747.61	\$0.00

Description of Issue	Debt Service		Refunded or Extinguished	Interest and Sinking Fund	
	Principal	Interest		Minimum	Actual
Housing System					
Revenue Bonds, Series '86	\$155,000.00	\$27,675.00		\$172,675.00	\$1,760,329.23
Total	\$155,000.00	\$27,675.00		\$172,675.00	\$1,760,329.23

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Schedule 2D
Analysis of Funds Available for Debt Services

Pledged and Other Sources and Related Expenses

Operating Expenses	Capital Outlay	Net Available for Debt Service
\$39,890,889.54	\$10,884.44	\$12,957,973.63
<u>\$39,890,889.54</u>	<u>\$10,884.44</u>	<u>\$12,957,973.63</u>

**Reserve
Fund**

Minimum	Actual
\$181,975.00	\$182,104.84
<u>\$181,975.00</u>	<u>\$182,104.84</u>

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Schedule 2E
Schedule of Defeased Bonds Outstanding

Not Applicable

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Schedule 2F
Early Extinguishment and Refunding

Not Applicable

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Schedule 3
Reconciliation of Cash in State Treasury

<u>Cash in State Treasury</u>	<u>Unrestricted</u>	<u>Current Year Total</u>
Available University Fund	\$24,348,666.35	\$24,348,666.35
Total Cash in State Treasury	<u>\$24,348,666.35</u>	<u>\$24,348,666.35</u>