



**TEXAS STATE TECHNICAL COLLEGE**

**ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDING AUGUST 31, 2011**

*Corrected December 5, 2011*

**ANNUAL  
FINANCIAL REPORT**

**TEXAS STATE TECHNICAL COLLEGE**

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

**FISCAL YEAR ENDED AUGUST 31, 2011**

*Corrected December 5, 2011*

**Texas State Technical College  
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Office of the Chancellor  
254.867.4891  
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November 20, 2011

The Honorable Rick Perry  
Governor of Texas

The Honorable Susan Combs  
Texas Comptroller

Mr. John O'Brien  
Director, Legislative Budget Board

Mr. John Keel, CPA  
State Auditor

Lady and Gentlemen:

We are pleased to submit the Annual Financial Report of Texas State Technical College for the year ended August 31, 2011, in compliance with TEXAS GOV'T CODE ANN §2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts.

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

If you have any questions, please contact Albert Srubar at 254-867-3956. Susan Vonder Hoya may be contacted at 254-867-3961 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael L. Reeser", is written over a horizontal line.

Michael L. Reeser  
Chancellor

**TEXAS STATE TECHNICAL COLLEGE**

**ORGANIZATIONAL DATA**  
**For the Fiscal Year Ended August 31, 2011**

Board of Regents

Officers

Rolf R Haberecht	Dallas, Texas	Chairman of the Board
Joe M. Gurecky	Rosenberg, Texas	Vice Chairman
Gene Seaman	Corpus Christi, Texas	Executive Committee
Penny Forrest	Waco, Texas	Executive Committee

Members

Term Expires  
 August 31,

Rolf R. Haberecht	Dallas, Texas	2011
Michael F. Northcutt	Longview, Texas	2013
Gene Seaman	Corpus Christi, Texas	2013
Ellis M. Skinner, II	Dallas, Texas	2013
Penny Forrest	Waco, Texas	2015
James V. (J.V.) Martin	Sweetwater, Texas	2015
Linda McKenna	Harlingen, Texas	2015
Joe M. Gurecky	Rosenberg, Texas	2017
Joe K. Hearne	Dallas, Texas	2017

Key Officers

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

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TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Statement of Net Assets  
 August 31, 2011

	TOTAL
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	
Cash on Hand	\$ 45,129.00
Cash in Bank	12,593,004.46
Reimbursements Due from State Treasury	
Cash in State Treasury	13,031,713.93
Cash Equivalents	
Short-term Investments	8,570,583.17
Restricted	
Cash and Cash Equivalents	
Cash on Hand	50.00
Cash in Bank	13,359,620.63
Cash Equivalents	
Short-term Investments	3,924,715.65
Balance in State Appropriations	9,492,655.46
Notes Receivable, Net	
Accounts Receivable, Net	10,972,018.70
Federal Receivables	10,540,476.14
Other Intergovernmental Receivables	
Accrued Interest Receivable	27,497.59
Other Receivables	
Due from Other Funds/ Colleges	
Due From Other Agencies-State	149,843.71
Due From Other Agencies-Federal	2,802,319.42
Consumable Inventories	946,930.67
Merchandise Inventories	2,157,463.15
Loans and Contracts	
Other Current Assets	1,000.00
Total Current Assets	88,615,021.68
Non-Current Assets:	
Restricted	
Cash in Bank	130,582.64
Short-term Investments	511,294.26
Investments	1,100,000.00
Loans, Contracts and Other	
Accrued Interest Receivable	1,650.63
Investments	10,000.00
Other Non-Current Assets	
Capital Assets, Non-Depreciable or Non-Amortizable	
Land and Land Improvements	7,636,470.13
Other Capital Assets	9,500.00
Construction in Progress	14,129,053.06
Capital Assets, Depreciable or Amortizable	
Buildings and Building Improvements	145,215,301.55
Less Accumulated Depreciation	(77,994,324.64)
Infrastructure	11,944,739.98
Less Accumulated Depreciation	(5,213,646.71)
Facilities and Other Improvements	5,177,309.49
Less Accumulated Depreciation	(3,251,162.54)
Furniture and Equipment	35,462,804.39
Less Accumulated Depreciation	(23,263,261.69)

UNAUDITED

TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Statement of Net Assets  
 August 31, 2011

	TOTAL
Vehicles, Boats, and Aircraft	8,884,443.01
Less Accumulated Depreciation	(6,207,082.30)
Other Capital Assets	11,553,317.79
Less Accumulated Depreciation	(1,364,624.00)
Computer Software	1,317,206.94
Less Accumulated Amortization	(819,126.88)
Other Non-Current Assets	
Total Non-Current Assets	124,970,445.11
<b>TOTAL ASSETS</b>	<b>\$ 213,585,466.79</b>
 <b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	\$ 6,363,850.47
Payroll Payables	6,399,726.87
Federal Payables	122,177.98
Other Intergovernmental Payables	
Due to Other Funds/Colleges	
Due to Other Agencies	
Deferred Revenue	17,924,478.11
Employees' Compensable Leave-Current Portion	662,334.42
Capital Lease Obligations-Current Portion	626,872.79
Deposits Payable	950,939.06
Revenue Bonds Payable-Current Portion	1,786,428.57
General Obligation Bonds Payable-Current Portion	1,630,000.00
Accrued Interest Payable-Bonds	169,741.50
Funds Held for Others	1,569,951.92
Other Current Liabilities	22,925.80
Total Current Liabilities	38,229,427.49
Non-Current Liabilities:	
Employees' Compensable Leave	5,067,202.17
Interfund Payable (LoanStar Loan Program)	3,376,479.64
Capital Lease Obligations	4,645,519.59
Pollution Remediation Obligations	
Deposits Payable	
Claims and Judgements	
Revenue Bonds Payable	38,964,285.72
General Obligation Bonds Payable	5,295,000.00
Other Non-Current Liabilities	1,200.00
Total Non-Current Liabilities	57,349,687.12
<b>TOTAL LIABILITIES</b>	<b>\$ 95,579,114.61</b>
 <b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	79,793,499.59
Restricted for:	
Debt Retirement	7,175.27
Capital Projects	287,266.27
Other	1,394,196.32
True and Other Endowments, and Annuities	
Non-Expendable	642,143.66
Expendable	
Unrestricted	35,882,071.07
<b>TOTAL NET ASSETS</b>	<b>118,006,352.18</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 213,585,466.79</b>

UNAUDITED

TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Statement of Revenues, Expenses, and Changes in Net Assets  
 For The Fiscal Year Ended August 31, 2011

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	TOTAL
<b>OPERATING REVENUES:</b>	
Sales of Goods and Services:	
Student Tuition and Fees - Pledged	\$ 34,726,412.97
Student Tuition and Fees	6,472,147.16
Discounts and Allowances	(20,206,263.60)
Auxiliary Enterprises - Pledged	13,578,083.26
Auxiliary Enterprises	748,957.20
Discounts and Allowances	(4,553,917.59)
Net Sales and Services of Educational Activities - Pledged	5,057,400.98
Interest and Investment Income from Operating Activities - Pledged	118,995.40
Federal Sponsored Programs	7,036,159.99
Federal Sponsored Programs Pass-Through from Other State Agencies	9,930,709.94
State Sponsored Programs	
State Sponsored Programs Pass-Through from Other State Agencies	6,250,353.41
Other Grants and Contracts	3,763,509.93
Other Grants and Contracts - Pledged	13,444.00
Other Operating Revenues - Pledged	4.00
Total Operating Revenues	62,935,997.05
<b>OPERATING EXPENSES:</b>	
Instruction	57,028,426.09
Research	279,208.56
Public Service	1,160.00
Academic Support	16,490,240.16
Student Services	15,171,334.55
Institutional Support	18,601,499.57
Operations and Maintenance of Plant	13,012,755.10
Scholarships and Fellowships	25,424,339.50
Auxiliary Enterprises	13,492,431.71
Depreciation and Amortization	7,982,618.64
Total Operating Expenses	167,484,013.88
Operating Income (Loss)	(104,548,016.83)
<b>NONOPERATING REVENUES (EXPENSES):</b>	
State Appropriations	75,747,622.92
Gifts	2,500.00
Investment Income - Pledged	195,345.13
Investment Income	54,540.16
Federal Sponsored Programs	38,953,593.33
Disposal of Plant Facilities	(234,110.41)
Settlement of Claims	1,096,340.35
Interest Expense and Fiscal Charges	(2,366,765.62)
Other Nonoperating Revenues	21,899.42
Other Nonoperating (Expenses)	(5,930,717.17)
Net Nonoperating Revenues (Expenses)	107,540,248.11
Income (Loss) Before Other Revenues, Expenses, Gains/(Losses), and Transfers	2,992,231.28



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TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Statement of Revenues, Expenses, and Changes in Net Assets  
 For The Fiscal Year Ended August 31, 2011

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	TOTAL
<b>OTHER REVENUES, EXPENSES, GAINS (LOSSES) AND TRANSFERS:</b>	
Capital Contributions	474,613.95
Capital Appropriations (HEAF)	5,775,000.00
Gifts and Sponsored Programs for Capital Acquisitions	571,843.24
Increase Net Assets - Interagency Transfers Capital Assets	
Decrease Net Assets - Interagency Transfers Capital Assets	
Transfers from/(to) Other State Agencies	(864,220.61)
Legislative Transfers	
Legislative Appropriations Lapsed	
Net Other Revenues, Expenses, Gains/(Losses) and Transfers	5,957,236.58
<b>CHANGE IN NET ASSETS</b>	<b>8,949,467.86</b>
Net Assets - September 1, 2010	109,070,894.92
Restatements	(14,010.60)
Net Assets - September 1, 2010 - As Restated	109,056,884.32
<b>NET ASSETS - August 31, 2011</b>	<b>\$ 118,006,352.18</b>

UNAUDITED

TEXAS STATE TECHNICAL COLLEGE

(Agency 719)

Matrix of Operating Expenses

Reported by Function

For the Fiscal Year Ended August 31, 2011

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services	Institutional Support
Cost of Goods Sold	\$ (1,103.31)	\$ 0.00	\$ 0.00	\$ (93,320.81)	\$ 0.00	\$ 3,759.64
Salaries and Wages	33,783,058.61	156,739.96	0.00	8,707,735.63	8,261,248.28	10,708,127.20
Payroll Related Costs	11,559,450.50	29,501.00	0.00	2,502,825.47	2,904,804.77	3,633,669.14
Professional Fees and Services	513,403.68	3,000.00	0.00	164,493.69	32,928.30	295,861.51
Federal Grant Pass-Through Expenses	0.00	0.00	0.00	0.00	0.00	0.00
State Grant Pass-Through Expenses	0.00	0.00	0.00	0.00	0.00	0.00
Travel	284,241.91	8,437.78	0.00	264,948.97	112,684.38	251,550.07
Materials and Supplies	5,635,896.38	6,029.24	0.00	1,859,128.22	1,004,556.09	1,337,291.13
Communications and Utilities	444,172.89	0.00	0.00	265,814.67	460,169.19	387,995.76
Repairs and Maintenance	368,791.53	79.00	0.00	480,195.88	56,838.95	661,615.96
Rentals and Leases	158,500.87	0.00	0.00	310,593.66	173,401.51	194,853.90
Printing and Reproduction	7,144.51	8,000.00	0.00	55,134.93	19,678.05	34,367.19
Depreciation and Amortization	0.00	0.00	0.00	0.00	0.00	0.00
Bad Debt Expense	0.00	0.00	0.00	0.00	0.00	0.00
Interest	1,016.51	0.00	0.00	395.90	412.85	256.67
Scholarships	165,457.89	0.00	0.00	161,139.04	538,045.60	17,290.00
Less Tuition Discounting	0.00	0.00	0.00	0.00	0.00	0.00
Claims and Judgments	0.00	0.00	0.00	0.00	0.00	500.00
Other Operating Expenses	4,108,394.12	67,421.58	1,160.00	1,811,154.91	1,606,566.58	1,074,361.40
Capital	2,413,031.08	0.00	0.00	1,904,001.68	13,120.50	420,451.51
Less Capital Additions	(2,413,031.08)	0.00	0.00	(1,904,001.68)	(13,120.50)	(420,451.51)
<b>Total Operating Expenses</b>	<b>\$ 57,028,426.09</b>	<b>\$ 279,208.56</b>	<b>\$ 1,160.00</b>	<b>\$ 16,490,240.16</b>	<b>\$ 15,171,334.55</b>	<b>\$ 18,601,499.57</b>

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TEXAS STATE TECHNICAL COLLEGE

(Agency 719)

Matrix of Operating Expenses

Reported by Function

For the Fiscal Year Ended August 31, 2011

Operating Expenses	Operation and Maintenance of Plant	Scholarships and Fellowships	Auxiliary Enterprises	Depreciation and Amortization	Total Expenditures
Cost of Goods Sold	\$ (24,588.94)	\$ 0.00	\$ 4,808,961.18	\$ 0.00	\$ 4,693,707.76
Salaries and Wages	3,600,423.19	0.00	3,140,571.91	0.00	68,357,904.78
Payroll Related Costs	1,973,533.51	0.00	1,021,670.28	0.00	23,625,454.67
Professional Fees and Services	139,689.42	0.00	109,077.10	0.00	1,258,453.70
Federal Grant Pass-Through Expenses	0.00	0.00	0.00	0.00	0.00
State Grant Pass-Through Expenses	0.00	0.00	0.00	0.00	0.00
Travel	22,815.96	0.00	45,380.54	0.00	990,059.61
Materials and Supplies	994,052.28	0.00	1,627,637.76	0.00	12,464,591.10
Communications and Utilities	4,800,551.34	0.00	1,395,139.10	0.00	7,753,842.95
Repairs and Maintenance	346,230.30	0.00	296,823.73	0.00	2,210,575.35
Rentals and Leases	100,011.82	0.00	337,622.71	0.00	1,274,984.47
Printing and Reproduction	157.76	0.00	482.06	0.00	124,964.50
Depreciation and Amortization	0.00	0.00	0.00	7,982,618.64	7,982,618.64
Bad Debt Expense	0.00	0.00	0.00	0.00	0.00
Interest	964.26	0.00	131.16	0.00	3,177.35
Scholarships	4,000.00	50,184,520.69	17,169.96	0.00	51,087,623.18
Less Tuition Discounting	0.00	(24,760,181.19)	0.00	0.00	(24,760,181.19)
Claims and Judgments	0.00	0.00	1,602.30	0.00	2,102.30
Other Operating Expenses	1,054,914.20	0.00	690,161.92	0.00	10,414,134.71
Capital	1,926,165.24	0.00	476,732.42	0.00	7,153,502.43
Less Capital Additions	(1,926,165.24)	0.00	(476,732.42)	0.00	(7,153,502.43)
<b>Total Operating Expenses</b>	<b>\$ 13,012,755.10</b>	<b>\$ 25,424,339.50</b>	<b>\$ 13,492,431.71</b>	<b>\$ 7,982,618.64</b>	<b>\$ 167,484,013.88</b>

UNAUDITED

TEXAS STATE TECHNICAL COLLEGE

(Agency 719)

Statement of Cash Flows

For the Fiscal Year Ended August 31, 2011

	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Proceeds Received from Tuition and Fees	\$ 17,561,977.24
Proceeds Received from Customers (Other Sales and Services)	5,332,869.44
Proceeds from Grants and Contracts	30,143,132.63
Proceeds from Auxiliaries	9,769,538.19
Proceeds from Other Revenues	4.00
Payments to Suppliers for Goods and Services	(39,894,803.01)
Payments to Employees for Salaries and Wages	(68,759,311.27)
Payments to Employees for Benefits	(23,364,690.40)
Payments for Other Expenses	(27,616,822.13)
	(96,828,105.31)
Net Cash Provided (Used) by Operating Activities	
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Proceeds from State Appropriations	90,547,992.72
Proceeds from Gifts	2,500.00
Proceeds from Grants and Contracts	38,953,593.33
Proceeds from Other Revenues	21,899.42
Payments of Transfers to Other State Agencies	
Payments for Other Uses	(5,930,078.75)
	123,595,906.72
Net Cash Provided (Used) by Noncapital Financing Activities	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from Disposal of Capital Assets	
Proceeds from Grants and Contracts	
Proceeds from Capital Grants and Gifts	571,843.24
Proceeds from Other Financing Activities	1,096,340.35
Proceeds from Interfund Payables (LoanStar Loan Program)	3,376,479.64
Payments for Additions to Capital Assets	(36,299,920.84)
Payments of Principal on Debt Issuance	(3,906,657.87)
Payments of Interest on Debt Issuance	(2,376,881.09)
Payments of Other Costs of Debt Issuance	
Payments of Transfers to Other State Agencies for Debt Retirement	(973,968.44)
	(38,512,765.01)
Net Cash Provided (Used) by Capital and Related Financing Activities	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from Sales of Investments	33,739,239.26
Proceeds from Interest and Investment Income	365,924.15
Payments to Acquire Investments	(7,615,721.96)
	26,489,441.45
Net Cash Provided (Used) by Investing Activities	

UNAUDITED

TEXAS STATE TECHNICAL COLLEGE

(Agency 719)

Statement of Cash Flows

For the Fiscal Year Ended August 31, 2011

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Increase (Decrease) in Cash and Cash Equivalents	\$	14,744,477.85
Cash and Cash Equivalents, September 1, 2010		24,415,622.81
Restatements to Beginning Cash and Cash Equivalents		<u>                    </u>
Cash and Cash Equivalents, August 31, 2011	\$	<u><u>39,160,100.66</u></u>

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

Operating Income (Loss)	\$	(104,548,016.83)
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Adjustments to Reconcile Operating Income  
to Net Cash Provided (Used) by Operating Activities:

Amortization and Depreciation		7,982,618.64
Bad Debt Expense		
Operating Income and Cash Flow Categories		
Classification Differences		
Interest and Investment Income from Operating Activities		(118,995.40)
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables		(1,357,854.19)
(Increase) Decrease in Inventories		(40,815.63)
(Increase) Decrease in Loans and Contracts		
(Increase) Decrease in Due from Other Agencies		(584,547.19)
(Increase) Decrease in Other Assets		1,000.00
(Increase) Decrease in Prepaid Expenses		
Increase (Decrease) in Payables		591,025.47
Increase (Decrease) in Deposits Payable		317,433.12
Increase (Decrease) in Due to Other Agencies		
Increase (Decrease) in Deferred Income		1,600,134.43
Increase (Decrease) in Funds Held for Others		(296,918.23)
Increase (Decrease) in Compensated Absence Liability		(387,223.18)
Increase (Decrease) in Other Liabilities		<u>14,053.68</u>

Total Adjustments		<u>7,719,911.52</u>
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Net Cash Provided (Used) by Operating Activities	\$	<u><u>(96,828,105.31)</u></u>
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NON CASH TRANSACTIONS

Donations of Capital Assets	\$	471,731.66
Borrowing Under Capital Lease Purchases		4,715.04
Other Additions to Capital Assets		112,630.12
Disposal of Plant Facilities		(234,110.41)
Restatement to Beginning Capital Assets Balance		<u>(14,010.60)</u>
Total Non Cash Transactions	\$	<u><u>340,955.81</u></u>

**TEXAS STATE TECHNICAL COLLEGE**  
**(Agency 719)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Year Ended August 31, 2011*

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

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

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

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

**Fund Structure**

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

**Proprietary Fund Types****Enterprise Funds**

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

**Agency Funds**

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

**Component Units**

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

**Basis of Accounting**

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

Enterprise funds (proprietary funds), are accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Proprietary funds distinguish operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the proprietary funds principal ongoing operations.

**TEXAS STATE TECHNICAL COLLEGE**  
 (Agency 719)  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Year Ended August 31, 2011*

Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

**Budget and Budgetary Accounting**

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

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

**Assets, Liabilities, and Net Assets**

**Assets**

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Cash and Cash Equivalents

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

Restricted Assets

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

Inventories and Prepaid Items

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

Capital Assets

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

Other Receivables – Current and Non-Current

The disaggregation of other receivables as reported in the financial statements is shown in Note 24, "Disaggregation of Receivables and Payables Balances."

**Liabilities**

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Accounts Payable

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

Other Payables – Current and Non-Current

The disaggregation of other payables as reported in the financial statements is shown in Note 24, "Disaggregation of Receivables and Payables Balances."

Employees' Compensable Leave Balances

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

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

**Capital Lease Obligations**

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

**Bonds Payable – General Obligation Bonds**

General obligation bonds are accounted for in proprietary funds for business-type activities. These payables are reported as either current or non-current in the statement of net assets. The bonds are reported at par, net of unamortized premiums, discounts, issuance costs and gains/(losses) on bond refunding activities.

**Bonds Payable – Revenue Bonds**

Revenue bonds are accounted for in proprietary funds for business-type activities. These payables are reported as either current or non-current in the statement of net assets. The bonds are reported at par, net of unamortized premiums, discounts, issuance costs and gains/(losses) on bond refunding activities.

**Net Assets**

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

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

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

**Restricted Net Assets**

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

**Unrestricted Net Assets**

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

**Interfund Activities and Balances**

The agency has the following types of transactions among funds:

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



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- (4) **Interfund Sales and Purchases:** Charges or collections for services rendered by one fund to another that are recorded as revenues of the recipient fund and expenditures or expenses of the disbursing fund. The composition of Texas State Technical College's Interfund activities and balances are presented in Note 12.

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**Note 2: Capital Assets**

A summary of changes in capital assets for the year ended August 31, 2011 is presented below:

	<b>PRIMARY GOVERNMENT</b>							<b>Balance 8/31/11</b>
	<b>Balance 9/1/10</b>	<b>Adjustments</b>	<b>Reclassifications</b>			<b>Additions</b>	<b>Deletions</b>	
			<b>Completed CIP</b>	<b>Inc- Int'agy Trans</b>	<b>Dec- Int'agy Trans</b>			
<b>BUSINESS-TYPE ACTIVITIES</b>								
<b>Non-Depreciable or Non-amortizable Assets</b>								
Land and Land Improvements Infrastructure	7,481,159.81					155,310.32		7,636,470.13
Construction in Progress	6,469,003.65	(10,565.00)	(20,434,039.66)			28,104,654.07		14,129,053.06
Other Tangible Capital Assets	9,500.00							9,500.00
Land Use Rights								0.00
Other Intangible Capital Assets								0.00
<b>Total Non-Depreciable or Non-amortizable Assets</b>	<b>13,959,663.46</b>	<b>(10,565.00)</b>	<b>(20,434,039.66)</b>	<b>0.00</b>	<b>0.00</b>	<b>28,259,964.39</b>	<b>0.00</b>	<b>21,775,023.19</b>
<b>Depreciable Assets</b>								
Buildings & Bldg. Improvements Infrastructure	138,232,350.43	(3,445.60)	6,774,819.22			379,239.40	(167,661.90)	145,215,301.55
Facilities & Other Improvements	8,730,795.00		3,213,944.98					11,944,739.98
Furniture and Equipment	4,232,034.03		945,275.46					5,177,309.49
Vehicle, Boats & Aircraft	28,895,359.45	7,545.00				7,172,952.17	(613,052.23)	35,462,804.39
Other Capital Assets	8,561,916.64	22,498.37		14,499.00		560,103.70	(274,574.70)	8,884,443.01
	2,011,920.77		9,500,000.00			97,173.00	(55,775.98)	11,553,317.79
<b>Total Depreciable Assets at Historical Costs</b>	<b>190,664,376.32</b>	<b>26,597.77</b>	<b>20,434,039.66</b>	<b>14,499.00</b>	<b>0.00</b>	<b>8,209,468.27</b>	<b>(1,111,064.81)</b>	<b>218,237,916.21</b>
<b>Less Accumulated Depreciation for:</b>								
Buildings & Bldg. Improvements Infrastructure	(74,046,756.55)					(3,995,833.69)	48,265.60	(77,994,324.64)
Facilities & Other Improvements	(4,956,681.47)					(256,965.24)		(5,213,646.71)
Furniture and Equipment	(3,173,329.05)					(77,833.49)		(3,251,162.54)
Vehicle, Boats & Aircraft	(20,930,344.01)	(7,545.00)				(2,889,936.05)	564,563.37	(23,263,261.69)
Other Capital Assets	(5,837,893.80)	(22,498.37)		(14,499.00)		(596,734.65)	264,543.52	(6,207,082.30)
	(1,311,019.51)					(55,269.85)	1,665.36	(1,364,624.00)
<b>Total Accumulated Depreciation</b>	<b>(110,256,024.39)</b>	<b>(30,043.37)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(7,872,572.97)</b>	<b>879,037.85</b>	<b>(117,294,101.88)</b>
<b>Depreciable Assets, Net</b>	<b>80,408,351.93</b>	<b>(3,445.60)</b>	<b>20,434,039.66</b>	<b>0.00</b>	<b>0.00</b>	<b>336,895.30</b>	<b>(232,026.96)</b>	<b>100,943,814.33</b>

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	<b>PRIMARY GOVERNMENT</b>							<b>Balance 8/31/11</b>
	<b>Balance 9/1/10</b>	<b>Adjustments</b>	<b>Reclassifications</b>			<b>Additions</b>	<b>Deletions</b>	
			<b>Completed CIP</b>	<b>Inc-Int'agy Trans</b>	<b>Dec- Int'agy Trans</b>			
<b>Amortizable Assets-Intangible</b>								
Land Use Rights								0.00
Computer Software	1,004,033.94	(5,500.00)				419,565.00	(100,892.00)	1,317,206.94
Other Capital Intangible Assts								0.00
<b>Total Amortizable Assets - Intangible</b>	1,004,033.94	(5,500.00)	0.00	0.00	0.00	419,565.00	(100,892.00)	1,317,206.94
<b>Less Accumulated Amortization for:</b>								
Land Use Rights								0.00
Computer Software	(813,389.76)	5,500.00				(110,045.67)	98,808.55	(819,126.88)
Other Intangible Capital Assets								0.00
<b>Total Accumulated Amortization</b>	(813,389.76)	5,500.00	0.00	0.00	0.00	(110,045.67)	98,808.55	(819,126.88)
<b>Amortizable Assets - Intangible, Net</b>	190,644.18	0.00	0.00	0.00	0.00	309,519.33	(2,083.45)	498,080.06
<b>Business-Type Activities Capital Assets, Net</b>	94,558,659.57	(14,010.60)	0.00	0.00	0.00	28,906,379.02	(234,110.41)	123,216,917.58

(A)

(A)

(A) A total of (\$51,612.19) of adjustments pertaining to deletion of library books during FY 2011 has been reported in the "Deletions" column above. This differs from the "Capital Assets Note 2" generated by the State Property Accounting (SPA) where these deletions are reported in the "Adjustments" column.

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

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

**Deposits of Cash in Bank**

As of August 31, 2011, the carrying amount of deposits was \$39,280,072.68 as presented below.

<b>Business-Type Activities</b>	
CASH IN BANK – CARRYING AMOUNT	39,280,072.68
Less: Certificates of Deposit included in carrying amount and reported as Current Short-term Investments	8,191,831.84
Less: Certificates of Deposit included in carrying amount and reported as Current Restricted Short-term Investments	3,383,738.85
Less: Certificates of Deposit included in carrying amount and reported as Non-Current Restricted Short-term Investments	511,294.26
Less: Certificates of Deposit included in carrying amount and reported as Non-Current Investments	10,000.00
Less: Certificates of Deposit included in carrying amount and reported as Non-Current Restricted Investments	1,100,000.00
Total Cash in Bank per AFR	26,083,207.73
Proprietary Funds Current Assets Cash in Bank	12,593,004.46
Proprietary Funds Current Assets Restricted Cash in Bank	13,359,620.63
Proprietary Funds Non-Current Assets Restricted Cash in Bank	130,582.64
Cash in Bank per AFR	26,083,207.73

These amounts consist of all cash in local banks, a portion of short-term investments, and investments.. These amounts are included on the Statement of Net Assets as part of the "Cash and Cash Equivalents", "Short-term Investments", and "Investments" accounts.

As of August 31, 2011, the total bank balance was as follows:

<b>Business-Type Activities</b>	41,564,985.00
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**Investments**

As of August 31, 2011, the fair value of investments is as presented below.

<b>Business-Type Activities</b>	<b>Fair Value</b>
U.S. Government	
U. S. Treasury Securities	
U. S. Treasury Strips	
U. S. Treasury TIPS	
U.S. Government Agency Obligations (Ginnie Mae, Fannie Mae, Freddie Mac, etc)	
U.S. Government Agency Obligations (Texas Treasury Safekeeping Trust Co)	
Corporate Obligations	
Corporate Asset and Mortgage Backed Securities	
Equity	
International Obligations (Govt. and Corp)	
International Equity	
Repurchase Agreement	
Repurchase Agreement (Texas Treasury Safekeeping Trust Co)	
Fixed Income Money Market and Bond Mutual Fund	
Other Commingled Funds	
International Other Commingled Funds	
Other Commingled Funds (TexPool)	919,728.13
Commercial Paper	
Real Estate	
Derivatives	
Alternative Investments	
Misc. (Political subdivision, bankers' acceptance, negotiable CD)	
<b>Total Investments</b>	<b>919,728.13</b>
<b>Reconciliation of Investments per Exhibits – Business – Type Activities</b>	
Proprietary Funds Current Assets Short-term Investments	378,751.33
Proprietary Funds Current Assets Restricted Short-term Investments	540,976.80
Add: Certificates of Deposit disclosed as deposits but reported as Current Short-term Investments	8,191,831.84
Add: Certificates of Deposit disclosed as deposits but reported as Current Restricted Short-term Investments	3,383,738.85
Add: Certificates of Deposit disclosed as deposits but reported as Non-Current Restricted Short-term Investments	511,294.26
Add: Certificates of Deposit disclosed as deposits but reported as Non-Current Investments	10,000.00
Add: Certificates of Deposit disclosed as deposits but reported as Non-Current Restricted Investments	1,100,000.00
<b>Investments per Exhibits</b>	<b>14,116,593.08</b>

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**Note 4: Short Term Debt**

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

**Note 5: Long Term Liabilities**

**Changes in Long-Term Liabilities**

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

	Balance 09-01-10	Additions	Reductions	Balance 08-31-11	Amounts Due Within One Year	Amounts Due Thereafter
Claims and Judgments	0.00	0.00	0.00	0.00	0.00	0.00
Capital Lease Obligations	5,897,906.64	4,717.82	630,232.08	5,272,392.38	626,872.79	4,645,519.59
Employees' Compensable Leave	6,116,759.77	2,286,602.29	2,673,825.47	5,729,536.59	662,334.42	5,067,202.17
General Obligation Bonds Payable	8,490,000.00	0.00	1,565,000.00	6,925,000.00	1,630,000.00	5,295,000.00
Revenue Bonds Payable	42,462,142.86	0.00	1,711,428.57	40,750,714.29	1,786,428.57	38,964,285.72
<b>Total Business-Type Activities</b>	<b>62,966,809.27</b>	<b>2,291,320.11</b>	<b>6,580,486.12</b>	<b>58,677,643.26</b>	<b>4,705,635.78</b>	<b>53,972,007.48</b>

**Claims and Judgments**

TSTC has no claims or judgments.

**Employees' Compensable Leave**

Full-time State employees earn annual leave from eight to twenty one hours per month depending on the respective employee's years of State employment. The State's policy is that an employee may carry his accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to 532 for those employees with 35 or more years of State service. Employees with at least six months of State service who terminate their employment are entitled to payment for all accumulated annual leave up to the maximum allowed. The College recognizes the accrued liability for the unpaid annual leave in the Statement of Net Assets. This obligation is usually paid from the same funding source(s) from which the employee's salary or wage compensation was paid. For the year ended August 31, 2011, the accrued liability totaled \$5,729,536.59.

The College made lump sum payments totaling \$803,198.38 for accrued vacation and/or compensatory time to employees who separated from state service during fiscal year ending August 31, 2011.

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

**Bonds Payable**

Bonds Payable obligations are described in Note 6.

**Capital Lease Obligations**

Capital Lease obligations are described in Note 8.

<b>Note 6: Bonded Indebtedness</b>
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**Bonds Payable**

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

General information related to bonds payable is summarized below:

**Business – Type Activities**

**General Obligation Bonds**

**Constitutional Appropriation Bonds, Series 2005**

- To construct buildings or other permanent improvements, and for major repair and rehabilitation of buildings or other permanent improvements, all at the TSTC System's campuses located in the cities of Harlingen, Marshall, Sweetwater and Waco, Texas, and to pay costs of issuance of the bonds.
- Issued 11-16-2005
- \$15,695,000.00, all authorized bonds have been issued
- Source of revenues for debt service-General Revenue Funds (HEAF) Appropriations

**Revenue Bonds**

**Revenue Financing System Bonds, Series 2002**

- To construct a Learning Resource and Distance Learning facility at TSTC Harlingen; to construct a Library and Administrative Activities facility at TSTC Marshall; to construct a Transportation Technologies Building at TSTC West Texas Sweetwater; to renovate the Industrial Technology Center at TSTC Waco; to pay costs of issuing the bonds; and to renovate existing structures and facilities for any portion of the proceeds not required for the specified projects at the institution.

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- Issued 11-14-2002
- \$10,880,000.00, all authorized bonds have been issued
- Source of revenues for debt service – General Revenue Funds specifically appropriated for debt service and all other available non-General Revenue Funds.

**Revenue Financing System Bonds, Series 2008**

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

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

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

**Revenue Financing System Bonds, Series 2009**

- To acquire, purchase, construct, improve, renovate, enlarge or equip property, buildings, structures, facilities, road or related infrastructure at Texas State Technical College campuses, and paying the costs of issuance associated with the issuance of the bonds.
- Issued 12-17-2009
- \$31,555,000.00, all authorized bonds have been issued
- Source of revenues for debt service – all legally available non-General Revenue Funds of the System.



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**Pledged Future Revenues**

GASB Statement No. 48 *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfer of Assets and Future Revenues*, makes a basic distinction between sales of receivables and future revenues, on the one hand, and the pledging of receivables or future revenues to repay a borrowing (a collateralized borrowing), on the other. The following table provides the pledged future revenue information for Texas State Technical College revenue bonds:

	<b>Government Activities</b>	<b>Business-Type Activities</b>	<b>Component Units</b>
Pledged Revenue Required for Future Principal and Interest on Existing Revenue Bonds (1)		59,072,394.84	
Term of Commitment Year Ending 08/31 (2)		2030	
Percentage of Revenue Pledged (3)		100.0%	
Current Year Pledged Revenue		54,780,741.74	
Current Year Principal and Interest Paid		3,498,897.85	

Pledged revenue sources: Business-type activities – tuition and fees, auxiliary enterprises, sales and services of educational activities, interest and investment income, and appropriations for tuition revenue bonds.

- (1) Schedule 2C.
- (2) Year of final revenue bond maturity.
- (3) For gross pledge, this is 100 percent (gross pledged revenue divided by gross pledged revenue). See Schedule 2D.

**Note 7: Derivatives**

Not Applicable.

**Note 8: Leases**

**Operating Leases**

Included in the expenditures reported in the financial statements is the following amount of rents paid or due under operating lease obligations:

Fund Type	Amount
Proprietary, Business-Type Activities	1,320,992.25

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

**Capital Leases**

Texas State Technical College has entered into long-term leases for financing the purchase of certain capital assets. Such leases are classified as capital leases for accounting purposes and are recorded at the present value of the future minimum lease payments at the inception of the lease. A summary of original capitalized costs of all such property under lease in addition to the accumulated depreciation as of August 31, 2011 is as follows:

Assets Under Capital Leases	Business-Type Activities		
Class of Property	Assets under Capital Lease	Accumulated Depreciation	Total
Land	10,762.50		10,762.50
Buildings	7,282,334.58	(1,246,211.48)	6,036,123.10
Furniture and Equipment	241,454.56	(79,855.76)	161,598.80
<b>Totals</b>	<b>7,534,551.64</b>	<b>(1,326,067.24)</b>	<b>6,208,484.40</b>

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

Future minimum lease payments	Business-Type Activities		
	Principal	Interest	Total
2012	626,872.79	190,982.62	817,855.41
2013	575,522.33	192,756.07	768,278.40
2014	584,777.40	155,171.28	739,948.68
2015	615,114.18	130,787.09	745,901.27
2016	498,909.16	106,834.64	605,743.80
2017- 2021	1,845,388.37	287,070.30	2,132,458.67
2022 - 2026	525,808.15	23,425.52	549,233.67
2027 - 2031	0.00	0.00	0.00
<b>Total Minimum Lease Payments</b>	<b>5,272,392.38</b>	<b>1,087,027.52</b>	<b>6,359,419.90</b>

**Note 9: Pension Plans**

The state has established an Optional Retirement Program (ORP) for institutions of higher education. Participation in ORP is in lieu of participation in the Teacher Retirement System and is available to certain eligible employees. The contributions made by plan members and employer for the fiscal year ended August 31, 2011 are:

		<u>Year ended August 31, 2011</u>
Member Contributions		1,366,482.98
Employer Contributions		1,638,074.49
Total		<u>3,004,557.47</u>

**Note 10: Deferred Compensation**

Not Applicable.

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

Not Applicable

**Note 12: Interfund Activity and Transactions**

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

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

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The agency experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfers. Individual balances and activity at August 31, 2011 follows:

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

<i>Non-Current Portion</i>	<b>Non-Current Interfund Receivable</b>	<b>Non-Current Interfund Payable</b>	<b>Purpose (Disclosure Required)</b>
GENERAL(01) (Agency 907, D23 Fund 2370)	0.00	3,376,479.64	See Below
<b>Total Interfund Receivable/Payable</b>	<b>0.00</b>	<b>3,376,479.64</b>	See Below

	<b>Due From Other Agencies</b>	<b>Due to Other Agencies</b>	<b>Source</b>
GENERAL (01)			
<b>State Pass Throughs</b>			
(Agency 320, D23 Fund 0001)	90,168.40		State Pass Through
(Agency 781, D23 Fund 0001)	8,644.13		State Pass Through
(Agency 907, D23 Fund 0510)	51,031.18		State Pass Through
<b>Federal Pass Throughs</b>			
(Agency 320, D23 Fund 5026)	27,856.23		Federal Pass Through
(Agency 781, D23 Fund 0001)	993,376.98		Federal Pass Through
(Agency 907, D23 Fund 0224)	264,757.23		Federal Pass Through
(Agency 712, D23 Fund 2369)	1,516,328.98		Federal Pass Through
<b>Total Due From/To Other Agencies</b>	<b>2,952,163.13</b>		

Legislative transfers in and out were as follows:

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

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

The Interfund Payable is the principal amount owed to the Comptroller’s State Energy Conservation Office at August 31, 2011, for energy retrofit projects financed through the LoanStar Loan Program.

<b>Note 13: Continuance Subject to Review</b>
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Not Applicable

**TEXAS STATE TECHNICAL COLLEGE**  
 (Agency 719)  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Year Ended August 31, 2011*

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

During fiscal year 2011, the correction of errors in the financial statements of a prior period required the restatement of the amounts in net assets as shown.

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

Net Assets August 31, 2010	\$109,070,894.92
Restatements:	
Correction of prior year capital asset balances	(14,010.60)
Total Restatements	(14,010.60)
 Net Assets September 1, 2010 As Restated	 \$109,056,884.32

**Note 15: Contingencies and Commitments**

At August 31, 2011, various lawsuits and claims involving Texas State Technical College were pending. While the ultimate liability with respect to litigation and other claims asserted against Texas State Technical College cannot be reasonably estimated at this time, to the extent not provided for by insurance or otherwise, the minimum liability is \$0.00 and the maximum liability pending is \$120,000.00.

**Note 16: Subsequent Events**

Texas State Technical College issued the following bonds:

Bond Issuance	Series	Amount	Date of Issuance	Purpose
Revenue Bonds	2011	\$26,015,000.00	09-14-2011	Refund of \$6,355,000.00 of outstanding series 2002 Revenue Bonds; funding the construction of a multi-institution teaching facility; and paying the costs of issuing the bonds.
Revenue Bonds	2011A	\$5,160,000.00	12-15-2011	Funding construction and renovation projects and paying the costs of issuing the bonds.

**Note 17: Risk Management**

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

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

**TEXAS STATE TECHNICAL COLLEGE**  
 (Agency 719)  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Year Ended August 31, 2011*

TSTC's liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Liabilities are reevaluated periodically to consider current settlements, frequency of claims, past experience and economic factors. There were no significant reductions in insurance coverage in the past year and losses did not exceed funding arrangements during the past three years. Changes in the balances of TSTC's claims liabilities during fiscal years 2010 and 2011 were:

	Beginning Balance	Increases	Decreases	Ending Balance
2010	0.00	0.00	0.00	0.00
2011	0.00	0.00	0.00	0.00

**Note 18: Management Discussion and Analysis**

The Rolling Plains Technical Foundation is a non-profit organization with the sole purpose of supporting the educational and other activities of Texas State Technical College. The Rolling Plains Technical Foundation remitted restricted gifts of \$16,418.00 during the year ended August 31, 2011. Neither the balance nor the transactions of this organization's fund are reflected in the financial statements during the year ended August 31, 2011.

The TSTC Regents Circle is a non-profit organization with the sole purpose of supporting the educational and other activities of Texas State Technical College. The TSTC Regents Circle remitted gifts of \$143,428.00 during the year ended August 31, 2011. Neither the balance nor the transactions of this organization's fund are reflected in the financial statements during the year ended August 31, 2011.

**Note 19: The Financial Reporting Entity**

Not Applicable.

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

No material issues were noted.

**Note 21: Not Applicable to AFR**

**Note 22: Donor Restricted Endowments**

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

**Note 23: Extraordinary and Special Items**

Not Applicable

**TEXAS STATE TECHNICAL COLLEGE**  
**(Agency 719)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Year Ended August 31, 2011*

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

Not Applicable.

**Note 25: Termination Benefits**

Not Applicable.

**Note 26: Segment Information**

Not Applicable.

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**Agency 719 - Texas State Technical College System  
Schedule 1A  
For the Fiscal Year Ended August 31, 2011**

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

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Pass-through From			Direct Program Amount	Total PT From and Direct Prog. Amount	Pass-through To			Expenditures Amount	Total PT To and Expenditures Amount
			Agy/ Univ No	Agencies or Universities Amount	Non-State Entities Amount			Agy/ Univ No.	Agencies or Universities Amount	Non-State Entities Amount		
<b>U.S. Department of Housing and Urban Development</b>												
<u>Direct Programs:</u>												
Economic Development Initiative-Special Project, Neighborhood Initiative and Miscellaneous Grants	14.251					200,000.00	200,000.00				200,000.00	200,000.00
Totals - U.S. Department of Housing and Urban Development				0.00	0.00	200,000.00	200,000.00		0.00	0.00	200,000.00	200,000.00
<b>U.S. Department of Justice</b>												
<u>Pass-Through From:</u>												
Bulletproof Vest Partnership Program	16.607						2,115.00				2,115.00	2,115.00
<i>Pass-Through From:</i> <i>Governor - Fiscal</i>			300	2,115.00								
Totals - U.S. Department of Justice				2,115.00	0.00	0.00	2,115.00		0.00	0.00	2,115.00	2,115.00
<b>U.S. Department of Labor</b>												
<u>Direct Programs:</u>												
Community Based Job Training Grants	17.269					77,331.20	77,331.20				77,331.20	77,331.20
Totals - U.S. Department of Labor				0.00	0.00	77,331.20	77,331.20		0.00	0.00	77,331.20	77,331.20
<b>National Science Foundation</b>												
Education and Human Resources	47.076					191,945.64	191,945.64				191,945.64	191,945.64
Totals - National Science Foundation				0.00	0.00	191,945.64	191,945.64		0.00	0.00	191,945.64	191,945.64
<b>Nuclear Regulatory Commission</b>												
U. S. Nuclear Regulatory Commission Nuclear Education Grant Program	77.006					2,803.43	2,803.43				2,803.43	2,803.43
U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	77.008					54,747.20	54,747.20				54,747.20	54,747.20
Totals - Nuclear Regulatory Commission				0.00	0.00	57,550.63	57,550.63		0.00	0.00	57,550.63	57,550.63
<b>U.S. Department of Energy</b>												
State Energy Program	81.041					-46,844.59	-46,844.59				-46,844.59	-46,844.59
ARRA - Conservation Research and Development	81.086					1,786,735.21	1,786,735.21				1,786,735.21	1,786,735.21
Renewable Energy Research and Development	81.087					201,622.33	201,622.33				201,622.33	201,622.33

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Pass-Through From:

State Energy Program	81.041			597,735.95			597,735.95	597,735.95		
<i>Pass-Through From:</i>										
Comptroller - State Energy Conservation Office		907	597,735.95							
ARRA - State Energy Program	81.041			1,857,602.38			1,857,602.38	1,857,602.38		
<i>Pass-Through From:</i>										
Comptroller - State Energy Conservation Office		907	1,857,602.38							
Totals - U.S. Department of Energy			2,455,338.33	0.00	1,941,512.95	4,396,851.28	0.00	0.00	4,396,851.28	4,396,851.28

**U.S. Department of Education**

Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	Baylor University/ P334A0601Baylor	212,141.16		212,141.16			212,141.16	212,141.16	
<u>Direct Programs:</u>										
Higher Education_Institutional Aid	84.031			932,498.04	932,498.04			932,498.04	932,498.04	
Career and Technical Education – Basic Grants to States	84.048			845.94	845.94			845.94	845.94	
Fund for the Improvement of Postsecondary Education	84.116			98,137.92	98,137.92			98,137.92	98,137.92	
Migrant Education_High School Equivalency Program	84.141			450,590.61	450,590.61			450,590.61	450,590.61	
Migrant Education_College Assistance Migrant Program	84.149			438,165.76	438,165.76			438,165.76	438,165.76	
Tech-Prep Education	84.243			22,084.48	22,084.48			22,084.48	22,084.48	
<u>Pass-Through From:</u>										
Career and Technical Education – Basic Grants to States	84.048				2,159,652.23			2,159,652.23	2,159,652.23	
<i>Pass-Through From:</i>										
Texas Higher Education Coordinating Board		781	2,159,652.23							
Tech-Prep Education	84.243				884,243.59			884,243.59	884,243.59	
<i>Pass-Through From:</i>										
Texas Higher Education Coordinating Board		781	884,243.59							
College Access Challenge Grant Program	84.378				4,500.00			4,500.00	4,500.00	
<i>Pass-Through From:</i>										
Texas Higher Education Coordinating Board		781	4,500.00							
Totals - U.S. Department of Education			3,048,395.82	212,141.16	-1,942,322.75	5,202,859.73	0.00	0.00	5,202,859.73	5,202,859.73

**U. S. Agency for International Development**

Direct Programs:

USAID Development Partnerships for University Cooperation and Development	98.012			9,783.72	9,783.72			9,783.72	9,783.72	
Totals - U. S. Agency for International Development			0.00	0.00	9,783.72	9,783.72	0.00	0.00	9,783.72	9,783.72

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**Employment Service Cluster**

**U.S. Department of Labor**

**Direct Programs:**

Disabled Veterans' Outreach Program	17.801			1,538.00	1,538.00			1,538.00	1,538.00
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**Pass-Through From:**

ARRA - Employment Service/Wagner-Peyser Funded Activities	17.207				959,437.00			959,437.00	959,437.00
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**Pass-Through From:**

Texas Workforce Commission		320	959,437.00						
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Totals - U.S. Department of Labor			959,437.00	0.00	1,538.00	960,975.00		0.00	0.00	960,975.00	960,975.00
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**Public Assistance Cluster**

**U.S. Department of Homeland Security**

**Direct Programs:**

Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036			50,743.21	50,743.21			50,743.21	50,743.21
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**Pass-Through From:**

Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036				-50,743.21			-50,743.21	-50,743.21
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**Pass-Through From:**

Texas Department of Public Safety		405	-50,743.21						
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Totals - U.S. Department of Homeland Security			-50,743.21	0.00	50,743.21	0.00		0.00	0.00	0.00	0.00
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**Statewide Data Systems Cluster Cluster**

**U.S. Department of Education**

**Pass-Through From:**

Statewide Data Systems	84.372				2,903.00			2,903.00	2,903.00
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**Pass-Through From:**

Texas Higher Education Coordinating Board		781	2,903.00						
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Totals - U.S. Department of Education			2,903.00	0.00	0.00	2,903.00		0.00	0.00	2,903.00	2,903.00
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**Student Financial Assistance Cluster**

**U.S. Department of Education**

**Direct Programs:**

Federal Supplemental Educational Opportunity Grants	84.007			536,965.25	536,965.25			536,965.25	536,965.25
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Federal Work-Study Program	84.033			516,865.68	516,865.68			516,865.68	516,865.68
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Federal Pell Grant Program	84.063			38,216,628.08	38,216,628.08			38,216,628.08	38,216,628.08
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Federal Direct Student Loans	84.268			33,645,967.00	33,645,967.00			33,645,967.00	33,645,967.00
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Academic Competitiveness Grants	84.375			866,597.22	866,597.22			866,597.22	866,597.22
Totals - U.S. Department of Education		0.00	0.00	73,783,023.23	73,783,023.23	0.00	0.00	73,783,023.23	73,783,023.23

**State Fiscal Stabilization Fund Cluster**

**U.S. Department of Education**

ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	Temple College/3633		532,326.27	532,326.27			532,326.27	532,326.27
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**Direct Programs:**

ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397			225.01	225.01			225.01	225.01
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**Pass-Through From:**

ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397				1,948,311.50			1,948,311.50	1,948,311.50
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**Pass-Through From:**

Governor - Fiscal			300	1,948,311.50					
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ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397				197,578.01			197,578.01	197,578.01
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**Pass-Through From:**

Texas Engineering Experiment Station			712	197,578.01					
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Totals - U.S. Department of Education			2,145,889.51	532,326.27	225.01	2,678,440.79	0.00	0.00	2,678,440.79
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**SNAP Cluster**

**U.S. Department of Agriculture**

**Pass-Through From:**

State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561				16,000.00			16,000.00	16,000.00
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**Pass-Through From:**

Texas Workforce Commission			320	16,000.00					
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Totals - U.S. Department of Agriculture			16,000.00	0.00	0.00	16,000.00	0.00	0.00	16,000.00
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**TRIO Cluster**

**U.S. Department of Education**

**Direct Programs:**

TRIO_Upward Bound	84.047			290,091.19	290,091.19			290,091.19	290,091.19
TRIO_Educational Opportunity Centers	84.066			233,519.75	233,519.75			233,519.75	233,519.75

Totals - U.S. Department of Education			0.00	0.00	523,610.94	523,610.94	0.00	0.00	523,610.94
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**WIA Cluster**

**U.S. Department of Labor**

ARRA - WIA Youth Activities	17.259	Austin Community College/ 141Oxsw001	56,318.11		56,318.11		56,318.11	56,318.11		
		Cameron County Workforce/ TSTC2409SIT	47,303.31		47,303.31		47,303.31	47,303.31		
<b>Direct Programs:</b>										
ARRA - WIA Youth Activities	17.259			-3,384.00	-3,384.00		-3,384.00	-3,384.00		
WIA Dislocated Workers	17.260			-1,020.38	-1,020.38		-1,020.38	-1,020.38		
ARRA - WIA Dislocated Workers	17.260			12,448.57	12,448.57		12,448.57	12,448.57		
<b>Pass-Through From:</b>										
WIA Adult Program	17.258				27,856.23		27,856.23	27,856.23		
<i>Pass-Through From:</i>										
<i>Texas Workforce Commission</i>		320	27,856.23							
ARRA - WIA Youth Activities	17.259				103,237.20		103,237.20	103,237.20		
<i>Pass-Through From:</i>										
<i>Texas Workforce Commission</i>		320	103,237.20							
WIA Dislocated Workers	17.260				18,314.88		18,314.88	18,314.88		
<i>Pass-Through From:</i>										
<i>Texas Workforce Commission</i>		320	18,314.88							
WIA Dislocated Workers	17.260				1,020.50		1,020.50	1,020.50		
<i>Pass-Through From:</i>										
<i>Texas Engineering Experiment Station</i>		712	1,020.50							
ARRA - WIA Dislocated Workers	17.260				1,172,043.37		1,172,043.37	1,172,043.37		
<i>Pass-Through From:</i>										
<i>Texas Workforce Commission</i>		320	1,172,043.37							
ARRA - WIA Dislocated Workers	17.260				28,902.31		28,902.31	28,902.31		
<i>Pass-Through From:</i>										
<i>Texas Tech University</i>		733	28,902.31							
<b>Totals - U.S. Department of Labor</b>			<b>1,351,374.49</b>	<b>103,621.42</b>	<b>8,044.19</b>	<b>1,463,040.10</b>	<b>0.00</b>	<b>0.00</b>	<b>1,463,040.10</b>	<b>1,463,040.10</b>
<b>Total Expenditures of Federal Awards</b>			<b>9,930,709.94</b>	<b>848,088.85</b>	<b>78,787,631.47</b>	<b>89,566,430.26</b>	<b>0.00</b>	<b>0.00</b>	<b>89,566,430.26</b>	<b>89,566,430.26</b>

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TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Schedule 1A  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended August 31, 2011

Note 1: Non-Monetary Assistance  
 Not Applicable

Note 2: Reconciliation:

Federal Revenues -	
Federal Grants and Contracts Operating	\$ 7,036,159.99
Federal Grants and Contracts Non-operating	<u>38,953,593.33</u>
Total Federal Revenue	<u>45,989,753.32</u>
Federal Pass-Through Revenue from Other State Agencies -	
Federal Pass-Through Revenue Operating	9,930,709.94
Federal Pass-Through Revenue Non-operating	<u>0.00</u>
Total Federal Pass-Through Revenue from Other State Agencies	<u>9,930,709.94</u>
TOTAL Federal Revenue and Federal Pass-Through Revenue	<u>55,920,463.26</u>

Reconciling Items:	
ADD:	
Non-monetary Assistance	0.00
Federal Direct Student Loans	<u>33,645,967.00</u>
TOTAL Reconciling Items	<u>33,645,967.00</u>

Total Pass-Through and Expenditures per Federal Schedule	<u>\$ 89,566,430.26</u>
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Note 3a: Student Loans Processed and Administrative Costs Recovered

Federal Grantor/ CFDA Number/Program Name	New Loans Process	Admin Costs	Total Loans Processed & Admin Costs	Ending Bal. of Prev. Yr. Loan
U.S. Department of Education				
84.268 Federal Direct Student Loans	\$ 33,645,967.00	0	\$ 33,645,967.00	0.00
Total	<u>\$ 33,645,967.00</u>	<u>0</u>	<u>\$ 33,645,967.00</u>	

Note 3b: Federally Funded Loans Process and Administrative Cost Reversed  
 Not Applicable

Note 4: Depository Libraries for Government Publications  
 Not Applicable

Note 5: Unemployment Insurance Funds  
 Not Applicable

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

Note 7: Federal Deferred Revenue  
 Not Applicable

Note 8: Supplemental Nutrition Assistance Program (SNAP)  
 Not Applicable

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Texas State Technical College  
 (Agency 719)  
 Schedule 1B Schedule of State Grant Pass Throughs From/To State Agencies  
 For the Fiscal Year Ended August 31, 2011

Pass Through From:

Grant Title	Grant ID	Agency	Agency Number	Amount
Apprenticeship FY 10	320.0002	Texas Workforce Commission	320	\$ 28,959.12
Skills Development	320.0003	Texas Workforce Commission	320	2,134,218.70
Vocational Nursing Aid	781.0003	Texas Higher Education Coordinating Board	781	221.00
Two-Year Enrollment Growth	781.0004	Texas Higher Education Coordinating Board	781	13,444.00
TEXAS Grant Program	781.0008	Texas Higher Education Coordinating Board	781	1,832,100.00
Professional Nursing Shortage Reduction Program	781.0013	Texas Higher Education Coordinating Board	781	80,574.00
Texas Education Opportunity Grant Program	781.0015	Texas Higher Education Coordinating Board	781	1,090,682.00
Promote Participation and Success	781.0017	Texas Higher Education Coordinating Board	781	5,000.00
College Work Study Program	781.0023	Texas Higher Education Coordinating Board	781	185,240.33
College Readiness Initiative	781.0026	Texas Higher Education Coordinating Board	781	95,192.61
Top 10% Scholarships	781.0028	Texas Higher Education Coordinating Board	781	38,000.00
Work Study Mentorship Program	781.0029	Texas Higher Education Coordinating Board	781	191,161.50
ABE Community College Grants	781.0031	Texas Higher Education Coordinating Board	781	250,000.00
Combat Exemption Program SB297	781.0033	Texas Higher Education Coordinating Board	781	10,651.00
Early High School Program HB 1479	781.0036	Texas Higher Education Coordinating Board	781	58,586.40
Certified Edu Aide Program	781.0037	Texas Higher Education Coordinating Board	781	60,277.00
Jobs and Education for Texas Program (JET)	902.0001	Comptroller - State Fiscal	902	125,014.57
SECO-Small Wind Technology Grant	907.0004	Comptroller-State Energy Conservation Office	907	51,031.18
<b>Total Pass Through From Other Agencies</b>				<b>\$ 6,250,353.41</b>

(Statement of Revenue, Expenses, and Changes in Net Assets)

Pass Through To:

0.00

**Total Pass Through To Other Agencies**

**\$ -**

(Statement of Revenue, Expenses, and Changes in Net Assets)

TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Schedule 2A - Miscellaneous Bond Information  
For the Fiscal Year Ended August 31, 2011

**Business-Type Activities**

<u>Description of Issue</u>	<u>Bonds Issued to Date</u>	<u>Range of Interest Rates</u>		<u>Terms of Variable Interest Rates</u>	<u>Scheduled Maturities</u>		<u>First Call Date</u>
					<u>First Year</u>	<u>Last Year</u>	
<b>General Obligation Bonds</b>							
Constitutional Appropriation Bonds Series 2005	\$ 15,695,000.00	4.0000%	4.5000%		2006	2015	N/A
<b>Revenue Bonds</b>							
Revenue Financing System Bonds Series 2002	10,880,000.00	4.0000%	5.0000%		2003	2022	08/01/2012
Revenue Financing System Bonds Series 2008	3,125,000.00	4.2500%	5.0000%		2008	2023	08/01/2018
Revenue Financing System Bonds Taxable Series 2008A	1,000,000.00	1.0000%	1.0000%		2008	2021	12/15/2008
Revenue Financing System Bonds Series 2009	<u>31,555,000.00</u>	3.0000%	5.0000%		2011	2030	08/01/2019
Total	<u>\$ 62,255,000.00</u>						

TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Schedule 2B - Changes in Bonded Indebtedness  
 For the Fiscal Year Ended August 31, 2011

**Business-Type Activities**

Description of Issue	Bonds Outstanding 09/01/2010	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 08/31/2011
<b>General Obligation Bonds</b>					
Constitutional Appropriation Bonds, Series 2005	\$ 8,490,000.00	\$	\$ 1,565,000.00	\$	\$ 6,925,000.00
<b>Revenue Bonds</b>					
Revenue Financing System Bonds, Series 2002	7,350,000.00		490,000.00		6,860,000.00
Revenue Financing System Bonds, Series 2008	2,700,000.00		145,000.00		2,555,000.00
Revenue Financing System Bonds, Taxable Series 2008A	857,142.86		71,428.57		785,714.29
Revenue Financing System Bonds, Series 2009	<u>31,555,000.00</u>		<u>1,005,000.00</u>		<u>30,550,000.00</u>
Total	<u>\$ 50,952,142.86</u>	<u>\$</u>	<u>\$ 3,276,428.57</u>	<u>\$</u>	<u>\$ 47,675,714.29</u>

Description of Issue	Unamortized Premium	Unamortized Discount	Unamortized Gain/(Loss) on Refunding	Net Bonds Outstanding 08/31/2011	Amounts Due Within One Year
<b>General Obligation Bonds</b>					
Constitutional Appropriation Bonds, Series 2005	\$	\$	\$	\$ 6,925,000.00	\$ 1,630,000.00
<b>Revenue Bonds</b>					
Revenue Financing System Bonds, Series 2002				6,860,000.00	505,000.00
Revenue Financing System Bonds, Series 2008				2,555,000.00	160,000.00
Revenue Financing System Bonds, Taxable Series 2008A				785,714.29	71,428.57
Revenue Financing System Bonds, Series 2009				<u>30,550,000.00</u>	<u>1,050,000.00</u>
Total	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 47,675,714.29</u>	<u>\$ 3,416,428.57</u>



UNAUDITED

TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Schedule 2C - Debt Service Requirements  
 For the Fiscal Year Ended August 31, 2011

**Business-Type Activities**

Description of Issue	Year	Principal	Interest
<b>General Obligation Bonds</b>			
<b>Constitutional Appropriation Bonds</b>			
Series 2005	2012	\$ 1,630,000.00	\$ 295,000.00
	2013	1,695,000.00	229,800.00
	2014	1,760,000.00	162,000.00
	2015	1,840,000.00	82,800.00
Total		<u>\$ 6,925,000.00</u>	<u>\$ 769,600.00</u>
<b>Revenue Bonds</b>			
<b>Revenue Financing System Bonds</b>			
Series 2002	2012	\$ 505,000.00	\$ 312,067.50
	2013	525,000.00	291,867.50
	2014	545,000.00	270,867.50
	2015	565,000.00	248,522.50
	2016	590,000.00	224,510.00
	2017-2021	3,360,000.00	697,000.00
	2022	770,000.00	38,500.00
Total		<u>\$ 6,860,000.00</u>	<u>\$ 2,083,335.00</u>
<b>Revenue Financing System Bonds</b>			
Series 2008	2012	\$ 160,000.00	\$ 120,637.50
	2013	165,000.00	112,637.50
	2014	175,000.00	104,387.50
	2015	185,000.00	95,637.50
	2016	195,000.00	86,387.50
	2017-2021	1,140,000.00	279,562.50
	2022-2023	535,000.00	36,450.00
Total		<u>\$ 2,555,000.00</u>	<u>\$ 835,700.00</u>
<b>Revenue Financing System Bonds</b>			
Taxable Series 2008A	2012	\$ 71,428.57	\$ 7,500.00
	2013	71,428.57	6,785.72
	2014	71,428.57	6,071.43
	2015	71,428.57	5,357.14
	2016	71,428.57	4,642.86
	2017-2021	357,142.85	12,500.00
	2022	71,428.59	357.14
Total		<u>\$ 785,714.29</u>	<u>\$ 43,214.29</u>

UNAUDITED

TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Schedule 2C - Debt Service Requirements  
For the Fiscal Year Ended August 31, 2011

**Business-Type Activities**

<u>Description of Issue</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>
<b>Revenue Bonds</b>			
Revenue Financing System Bonds			
Series 2009	2012	\$ 1,050,000.00	\$ 1,289,550.00
	2013	1,100,000.00	1,258,050.00
	2014	1,150,000.00	1,225,050.00
	2015	1,200,000.00	1,190,550.00
	2016	1,255,000.00	1,142,550.00
	2017-2021	7,165,000.00	4,884,950.00
	2022-2026	8,930,000.00	3,267,656.26
	2027-2030	8,700,000.00	1,101,075.00
Total		<u>\$ 30,550,000.00</u>	<u>\$ 15,359,431.26</u>

TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Schedule 2D - Analysis of Funds Available for Debt Service  
For the Fiscal Year Ended August 31, 2011

**Business-Type Activities**

Description of Issue	Application of Funds	
	Principal	Interest
<b>General Obligation Bonds</b>		
Constitutional Appropriation Bonds		
Series 2005	\$ 1,565,000.00	\$ 357,600.00
Total	\$ 1,565,000.00	\$ 357,600.00

Description of Issue	Pledged and Other Sources and Related Expenditures for FY 2011			
	Net Available for Debt Service			
	Total Pledged and Other Sources	Operating Expenses/ Expenditures and Capital Outlay	Debt Service	
			Principal	Interest
<b>Revenue Bonds</b>				
Revenue Financing System Bonds, Series 2002	\$ 54,780,741.74	\$ (A)	\$ 490,000.00	\$ 331,667.50
Revenue Financing System Bonds, Series 2008	(B)	(B)	145,000.00	127,887.50
Revenue Financing System Bonds, Taxable Series 2008A	(B)	(B)	71,428.57	8,214.28
Revenue Financing System Bonds, Series 2009	(B)	(B)	1,005,000.00	1,319,700.00
Total	\$ 54,780,741.74	\$ 0.00	\$ 1,711,428.57	\$ 1,787,469.28

(A) Expenditures associated with pledged sources totaled \$46,124,678.57. (Footnote disclosure for Gross Revenue Pledges only.)

(B) The Revenue Financing System Bonds, Series 2008, Revenue Financing System Bonds, Taxable Series 2008A, and Revenue Financing System Bonds, Series 2009, were issued as parity obligations with the Revenue Financing System Bonds, Series 2002. As such, the Series 2008, Taxable Series 2008A, and Series 2009 issues have an equal claim to the pledged sources reported above for the Series 2002 issue and share the same expenditures that are associated with the pledged sources disclosed in footnote (A) above.

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TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Schedule 3  
 Reconciliation of Cash in State Treasury  
August 31, 2011

Cash in State Treasury	Unrestricted	Restricted	Current Year Total
Local Revenue Fund 0237	\$ 13,031,713.93	\$	\$ 13,031,713.93
Departmental Suspense Fund Fund 0900			
Total Cash in State Treasury (Stmnt of Net. Assets)	\$ 13,031,713.93	\$	\$ 13,031,713.93