

FY 2015

ANNUAL  
FINANCIAL  
REPORT



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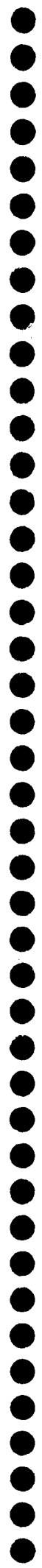




**ANNUAL  
FINANCIAL REPORT**

**TEXAS STATE TECHNICAL COLLEGE**

**FISCAL YEAR ENDED AUGUST 31, 2015**



**Texas State Technical College  
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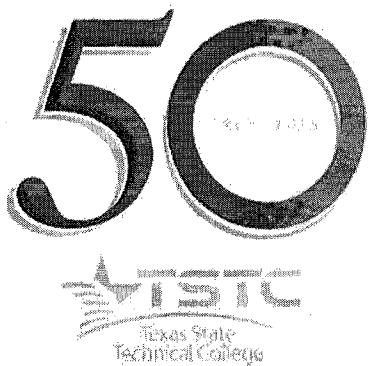
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Office of the Chancellor  
254.867.4891  
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November 20, 2015

Honorable Greg Abbott, Governor  
Honorable Glenn Hegar, Texas Comptroller  
Mary Camp, Director, Legislative Reference Library  
John Keel, CPA, State Auditor  
Ursula Parks, Director, Legislative Budget Board

Ladies and Gentlemen:

We are pleased to submit the Annual Financial Report of Texas State Technical College for the year ended August 31, 2015, in compliance with Texas Government Code §2101.011 and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

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

If you have any questions, please contact 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,

Michael L. Reeser  
Chancellor

**TEXAS STATE TECHNICAL COLLEGE**

**ORGANIZATIONAL DATA**  
**For the Fiscal Year Ended August 31, 2015**

**Board of Regents**

**Officers**

Ellis M. Skinner, II	Dallas, Texas	Chairman of the Board
Joe M. Gurecky	Rosenberg, Texas	Vice Chairman
Linda McKenna	Harlingen, Texas	Executive Committee
Penny Forrest	Waco, Texas	Executive Committee

**Members**

**Term Expires**  
**August 31,**

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
John Hatchel	Woodway, Texas	2017
Ellis M. Skinner	Dallas, Texas	2019
Ivan Andarza	Austin, Texas	2019
Keith Honey	Longview, Texas	2019

**Key Officers**

Michael L. Reeser	Chancellor and CEO
Dr. Elton E. Stuckly Jr.	Executive Vice Chancellor & Chief Operations Officer
Roger Miller	Senior Vice Chancellor & Chief Government Affairs Officer
Gail Lawrence	Senior Vice Chancellor & Chief Culture Officer
Jonathan Hoekstra	Vice Chancellor & Chief Financial Officer
Randy Wooten	Vice Chancellor & Chief Execution Officer
Rick Herrera	Vice Chancellor & Chief Technology Officer
Michael Bettersworth	Vice Chancellor & Chief Policy Officer
Jeff Kilgore	Vice Chancellor & Chief Marketing Officer
Dr. Gary Hendricks	Vice Chancellor & Chief Business Intelligence Officer

UNAUDITED

TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Statement of Net Position  
 August 31, 2015

	<u>TOTAL</u>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	
Cash on Hand	\$ 31,956.00
Cash in Bank	13,868,576.40
Cash in State Treasury	20,421,845.83
Short-term Investments	4,722,124.58
Restricted	
Cash and Cash Equivalents	
Cash on Hand	5.00
Cash in Bank	3,400,201.70
Short-term Investments	170,541.37
Legislative Appropriations	9,665,165.56
Accounts Receivable, Net	11,260,653.83
Federal Receivables	7,280,720.75
Accrued Interest Receivable	12,938.32
Due From Other Agencies-State	314,087.85
Due From Other Agencies-Federal	720,306.03
Consumable Inventories	897,012.66
Merchandise Inventories	2,050,406.68
Total Current Assets	<u>74,816,542.56</u>
Non-Current Assets:	
Restricted	
Cash in Bank	109,884.66
Short-term Investments	461,123.09
Accrued Interest Receivable	160.99
Capital Assets, Non-Depreciable or Non-Amortizable	
Land and Land Improvements	15,747,519.13
Other Capital Assets	60,000.00
Construction in Progress	9,427,630.43
Capital Assets, Depreciable or Amortizable	
Buildings and Building Improvements	191,792,052.17
Less Accumulated Depreciation	(99,141,063.06)
Infrastructure	17,313,943.98
Less Accumulated Depreciation	(7,215,283.93)
Facilities and Other Improvements	6,221,929.40
Less Accumulated Depreciation	(3,847,289.24)
Furniture and Equipment	42,401,957.60
Less Accumulated Depreciation	(31,772,562.68)
Vehicles, Boats, and Aircraft	11,315,557.42
Less Accumulated Depreciation	(7,911,556.09)
Other Capital Assets	12,850,100.27
Less Accumulated Depreciation	(2,714,767.65)
Computer Software	1,396,750.13
Less Accumulated Amortization	(1,284,257.38)
Total Non-Current Assets	<u>155,211,829.24</u>
TOTAL ASSETS	<u>\$ 230,028,371.80</u>



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TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Statement of Net Position  
 August 31, 2015

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	TOTAL
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension	\$ 2,241,374.50
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 2,241,374.50</b>
<b>LIABILITIES</b>	
<b>Current Liabilities:</b>	
Accounts Payable	\$ 4,476,648.36
Payroll Payables	6,866,220.21
Federal Payables	174,024.17
Interfund Payable (LoanStar Loan Program)	682,689.86
Unearned Revenue	14,803,207.19
Employees' Compensable Leave	739,199.37
Capital Lease Obligations	596,483.72
Deposits Payable	2,008,935.81
Notes and Loans Payable	120,000.00
Revenue Bonds Payable, Net	2,914,220.07
Accrued Interest Payable-Bonds	211,178.22
Funds Held for Others	3,700,627.73
Other Current Liabilities	32,726.67
<b>Total Current Liabilities</b>	<b>37,326,161.38</b>
<b>Non-Current Liabilities:</b>	
Employees' Compensable Leave	4,597,980.23
Interfund Payable (LoanStar Loan Program)	5,634,664.31
Capital Lease Obligations	2,558,879.12
Notes and Loans Payable	1,600,000.00
Revenue Bonds Payable, Net	54,105,289.29
Net Pension Liability	12,676,121.90
<b>Total Non-Current Liabilities</b>	<b>81,172,934.85</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 118,499,096.23</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension	\$ 3,874,659.02
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 3,874,659.02</b>
<b>NET POSITION</b>	
Invested in Capital Assets, Net of Related Debt	\$ 88,153,920.75
<b>Restricted for:</b>	
Capital Projects	88,861.50
Other	1,209,380.34
True and Other Endowments	
Non-Expendable	571,168.74
Unrestricted	19,872,659.72
<b>TOTAL NET POSITION</b>	<b>\$ 109,895,991.05</b>

UNAUDITED

TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Statement of Revenues, Expenses, and Changes in Net Position  
 For The Fiscal Year Ended August 31, 2015

	TOTAL
<b>OPERATING REVENUES:</b>	
Sales of Goods and Services:	
Tuition and Fees	\$ 8,946,492.08
Tuition and Fees - Pledged	33,835,357.63
Discounts and Allowances	(21,090,444.98)
Auxiliary Enterprises	806,334.63
Auxiliary Enterprises - Pledged	12,546,050.57
Discounts and Allowances	(3,978,905.03)
Other Sales of Goods and Services - Pledged	6,346,291.08
Interest and Investment Income	3,499.98
Interest and Investment Income - Pledged	47,494.01
Federal Revenue	2,360,908.82
Federal Pass-Through Revenue	2,480,144.32
State Grant Pass-Through Revenue	6,504,790.11
Other Contracts and Grants	1,823,443.18
Total Operating Revenues	50,631,456.40
<b>OPERATING EXPENSES:</b>	
Instruction	58,104,215.97
Research	326,627.55
Public Service	26,286.45
Academic Support	14,351,108.80
Student Services	17,421,669.08
Institutional Support	22,030,961.70
Operations and Maintenance of Plant	12,812,540.42
Scholarships and Fellowships	10,816,893.05
Auxiliary Enterprises	11,795,871.47
Depreciation and Amortization	10,593,338.50
Total Operating Expenses	158,279,512.99
Operating Income (Loss)	(107,648,056.59)
<b>NONOPERATING REVENUES (EXPENSES):</b>	
Legislative Appropriation Revenue	75,982,013.28
Gifts	656,536.00
Contracts and Grants - Pledged	1,071,342.00
Investment Income	8,044.57
Investment Income - Pledged	143,837.18
Federal Revenue	21,754,835.17
Disposal of Plant Facilities	(52,063.98)
Interest Expense and Fiscal Charges	(2,842,804.84)
Settlement of Claims	263,537.72
Other Nonoperating Revenues	14,835.12
Other Nonoperating (Expenses)	(1,970,438.98)
Total Nonoperating Revenues (Expenses)	95,029,673.24
Income (Loss) Before Other Revenues, Expenses, Gains/(Losses), and Transfers	(12,618,383.35)

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TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Statement of Revenues, Expenses, and Changes in Net Position  
 For The Fiscal Year Ended August 31, 2015

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	<u>TOTAL</u>
OTHER REVENUES, EXPENSES, GAINS (LOSSES) AND TRANSFERS:	
Capital Contributions	4,083,651.41
Capital Appropriations (HEAF)	5,775,000.00
Gifts and Sponsored Programs for Capital Acquisitions	2,032,529.00
Transfers from Other State Agencies	866,992.02
Transfers to Other State Agencies	(1,205,878.69)
Legislative Appropriation Lapses	(3.00)
Total Other Revenues, Expenses, Gains/(Losses) and Transfers	<u>11,552,290.74</u>
CHANGE IN NET POSITION	<u>(1,066,092.61)</u>
Net Position - September 1, 2014	125,317,947.66
Restatements	(14,355,864.00)
Net Position - September 1, 2014 - As Restated	<u>110,962,083.66</u>
NET POSITION - August 31, 2015	\$ <u><u>109,895,991.05</u></u>

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TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Matrix of Operating Expenses  
 Reported by Function  
 For the Fiscal Year Ended August 31, 2015

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services	Institutional Support
Cost of Goods Sold	\$ 3,640.70	\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,919.20	\$ 11,167.97
Salaries and Wages	34,481,728.83	143,160.00	6,663.00	8,816,184.72	9,660,612.38	12,348,038.61
Payroll Related Costs	13,317,847.35	26,166.95	1,301.48	3,087,867.05	3,704,516.17	4,460,951.94
Professional Fees and Services	131,749.28	125,385.83	0.00	280,889.80	197,085.94	628,864.70
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	293,779.15	6,375.76	0.00	180,685.63	256,726.51	316,452.80
Materials and Supplies	6,203,563.94	5,157.58	7,543.26	953,940.27	1,049,797.95	1,803,226.17
Communications and Utilities	289,068.36	0.00	0.00	178,246.99	268,806.11	604,650.06
Repairs and Maintenance	343,489.19	449.99	0.00	428,099.62	53,337.08	852,935.23
Rentals and Leases	520,015.96	17.00	0.00	236,678.19	208,944.18	276,991.18
Printing and Reproduction	7,927.69	32.00	0.00	(5,809.71)	14,552.50	21,875.21
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	193.10	0.44	0.00	143.94	240.52	358.56
Scholarships	75,301.93	0.00	0.00	(37,960.00)	267,324.04	0.00
Less Tuition Discounting	0.00	0.00	0.00	0.00	0.00	0.00
Claims and Judgments	0.00	0.00	0.00	0.00	0.00	0.00
Other Operating Expenses	2,435,910.49	19,882.00	10,778.71	232,142.30	1,737,806.50	705,449.27
Capital	1,123,782.88	0.00	0.00	302,619.91	5,596.50	201,468.20
Less Capital Additions	(1,123,782.88)	0.00	0.00	(302,619.91)	(5,596.50)	(201,468.20)
<b>Total Operating Expenses</b>	<b>\$ 58,104,215.97</b>	<b>\$ 326,627.55</b>	<b>\$ 26,286.45</b>	<b>\$ 14,351,108.80</b>	<b>\$ 17,421,669.08</b>	<b>\$ 22,030,961.70</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, 2015

Operating Expenses	Operation and Maintenance of Plant	Scholarships and Fellowships	Auxiliary Enterprises	Depreciation and Amortization	Total Expenditures
Cost of Goods Sold	\$ (26,500.22)	\$ 0.00	\$ 3,659,678.00	\$ 0.00	\$ 3,649,905.65
Salaries and Wages	3,825,669.47	0.00	3,159,561.35	0.00	72,441,618.36
Payroll Related Costs	1,963,980.00	0.00	1,191,784.29	0.00	27,754,415.23
Professional Fees and Services	15,210.00	0.00	110,115.00	0.00	1,489,300.55
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	22,739.76	0.00	20,337.41	0.00	1,097,097.02
Materials and Supplies	817,725.98	0.00	1,530,997.32	0.00	12,371,952.47
Communications and Utilities	3,377,449.38	0.00	1,007,836.86	0.00	5,726,057.76
Repairs and Maintenance	590,272.08	0.00	220,134.90	0.00	2,488,718.09
Rentals and Leases	1,147,538.85	0.00	156,609.58	0.00	2,546,794.94
Printing and Reproduction	511.24	0.00	2,612.98	0.00	41,701.91
Depreciation and Amortization	0.00	0.00	0.00	10,593,338.50	10,593,338.50
Bad Debt Expense	0.00	0.00	0.00	0.00	0.00
Interest	811.85	0.00	294.97	0.00	2,043.38
Scholarships	0.00	35,886,243.06	12,941.80	0.00	36,203,850.83
Less Tuition Discounting	0.00	(25,069,350.01)	0.00	0.00	(25,069,350.01)
Claims and Judgments	0.00	0.00	0.00	0.00	0.00
Other Operating Expenses	1,077,132.03	0.00	722,967.01	0.00	6,942,068.31
Capital	410,722.82	0.00	312,582.09	0.00	2,356,772.40
Less Capital Additions	(410,722.82)	0.00	(312,582.09)	0.00	(2,356,772.40)
<b>Total Operating Expenses</b>	<b>\$ 12,812,540.42</b>	<b>\$ 10,816,893.05</b>	<b>\$ 11,795,871.47</b>	<b>\$ 10,593,338.50</b>	<b>\$ 158,279,512.99</b>



UNAUDITED

TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Statement of Cash Flows  
 For the Fiscal Year Ended August 31, 2015

	<u>TOTAL</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Proceeds from Tuition and Fees	\$ 19,046,103.14
Proceeds from Customers (Other Sales and Services)	7,147,304.40
Proceeds from Grants and Contracts	14,706,241.99
Proceeds from Auxiliaries	9,156,847.47
Payments to Suppliers for Goods and Services	(33,945,095.17)
Payments to Employees for Salaries and Wages	(72,482,090.09)
Payments to Employees for Benefits	(26,800,517.46)
Payments for Other Expenses	<u>(10,869,386.21)</u>
Net Cash Provided (Used) by Operating Activities	<u>(94,040,591.93)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Proceeds from State Appropriations	85,516,121.89
Proceeds from Grants and Contracts	21,754,835.17
Proceeds from Transfers from Other State Agencies	58,384.00
Proceeds from Other Revenues	14,835.12
Payments for Other Uses	<u>(1,970,438.98)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>105,373,737.20</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from Grants and Contracts	1,071,342.00
Proceeds from Capital Grants and Contracts	2,032,529.00
Proceeds from Debt Issuance	1,800,000.00
Proceeds from Other Financing Activities	263,537.72
Payments for Additions to Capital Assets	(9,281,846.62)
Payments of Principal on Debt Issuance	(5,285,725.24)
Payments of Interest on Debt Issuance	(2,958,057.02)
Payments of Principal on Interfund Payables (LoanStar Loan Program)	(665,708.73)
Payments of Transfers to Other State Agencies for Debt Retirement	<u>(1,205,878.69)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(14,229,807.58)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from Sales of Investments	1,539,180.99
Proceeds from Interest and Investment Income	203,431.60
Payments to Acquire Investments	<u>(19,070.72)</u>
Net Cash Provided (Used) by Investing Activities	<u>1,723,541.87</u>

## UNAUDITED

## TEXAS STATE TECHNICAL COLLEGE

(Agency 719)

## Statement of Cash Flows

For the Fiscal Year Ended August 31, 2015

Increase (Decrease) in Cash and Cash Equivalents	\$	(1,173,120.44)
Cash and Cash Equivalents, September 1, 2014		<u>39,005,590.03</u>
Cash and Cash Equivalents, August 31, 2015	\$	<u><u>37,832,469.59</u></u>

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

Operating Income (Loss)	\$	(107,648,056.59)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Amortization and Depreciation		10,593,338.50
Operating Income and Cash Flow Categories Classification Differences		
Interest and Investment Income from Operating Activities		(50,993.99)
Operating Expenses Associated with Non Cash Acquisitions		987,162.11
Operating Expenses Associated with GASB 68 Net Pension Expenses		(49,763.21)
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables		113,403.09
(Increase) Decrease in Inventories		196,141.99
(Increase) Decrease in Due from Other Agencies		(516,932.19)
Increase (Decrease) in Payables		904,461.02
Increase (Decrease) in Deposits Payable		862,173.43
Increase (Decrease) in Unearned Revenues		(984,182.81)
Increase (Decrease) in Funds Held for Others		1,357,399.44
Increase (Decrease) in Employees' Compensable Leave		188,872.02
Increase (Decrease) in Other Liabilities		<u>6,385.26</u>
Total Adjustments		<u>13,607,464.66</u>
Net Cash Provided (Used) by Operating Activities	\$	<u><u>(94,040,591.93)</u></u>
NON CASH TRANSACTIONS		
Donations of Capital Assets	\$	4,083,651.41
Borrowing Under Capital Lease Purchases		172,006.33
Other Additions to Capital Assets		477,981.91
Disposal of Plant Facilities		(52,063.98)
Restatement to Beginning Capital Assets Balance		<u>3,505.63</u>
Total Non Cash Transactions	\$	<u><u>4,685,081.30</u></u>

**TEXAS STATE TECHNICAL COLLEGE**  
 (Agency 719)  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Year Ended August 31, 2015*

<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 has historically included four separately accredited colleges including TSTC Harlingen, TSTC Marshall, TSTC Waco, and TSTC West Texas. In June 2015, the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) approved the merger of the four colleges into a single, statewide college. This new, statewide college operates in 11 locations throughout the State of Texas. 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.

**Component Units**

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

**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.

**TEXAS STATE TECHNICAL COLLEGE**  
 (Agency 719)  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Year Ended August 31, 2015*

Proprietary funds are accounted for on the full accrual basis of accounting. Under the full 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. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation and amortization 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 Position**

#### 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.

##### Short-term Investments

Short-term investments consist of certificates of deposits purchased from banks whose maturities do not exceed one year from date of purchase and investments in TexPool, an authorized AAAM rated government investment pool. The certificates of deposit are valued at cost. The fair value of the funds invested in TexPool is measured at the net asset value per share provided by the pool. The College may withdraw the funds from TexPool on demand.

##### Accounts Receivable

Accounts receivable represent amounts owed to the College from private persons or organizations for goods and services furnished. These consist primarily of amounts owed by students for tuition and fees and by private organizations for grants and contracts.

##### Restricted Assets

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

##### Inventories

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

##### Capital Assets

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

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**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.

Unearned Revenues

Unearned revenues represent tuition and fees inflows as of the end of the fiscal year which will not be earned until the subsequent fiscal year.

Employees' Compensable Leave Balances

Employees' compensable leave balances represent the liability that becomes "due" upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or non-current in the statement of net position. 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 position.

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 position. 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 position. The bonds are reported at par, net of unamortized premiums, discounts, issuance costs and gains/ (losses) on bond refunding activities.

Funds Held for Others

Funds held for others represent assets held by the College on behalf of others in purely custodial capacity, including funds owned by various student organizations and temporary holdings of student loan funds prior to disbursing to the students.

**Net Position**

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Net position is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the proprietary fund statements.

Net Investment in Capital Assets

Net Investment in capital assets consists of capital assets, net of accumulated depreciation/amortization 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 Position

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



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Unrestricted Net Position

Unrestricted net position consists of net resources that do not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management but can be removed or modified.

**Interfund Activities and Balances**

The College has the following types of transactions among funds:

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

The composition of Texas State Technical College's Interfund activities and balances is presented in Note 12.

**Revenues and Expenses**

Operating revenues include activities such as tuition and fees, net of discounts and allowances; sales and services of auxiliary enterprises; most federal, state, and local grants and contracts; and interest income earned from operating activities. Operating revenues are classified as pledged to the extent that they are pledged as security for the College's bonded debt service. Non-pledged revenues consist of revenues that are not lawfully available to the College to be used for payments on bonded debt service. Operating expenses include salaries and wages, payroll related costs, materials and supplies, depreciation and amortization and scholarships. Non-operating revenues include activities such as State appropriations, federal student financial aid, insurance recoveries on property claims, and investment income. Non-operating expenses include activities such as interest expense on capital asset financing and expenses on capital assets not meeting the capitalization thresholds set by the State.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the college addresses each situation on a case-by-case basis prior to determining the resources to be used to satisfy the obligation. Generally, the College's policy is to first apply the expense towards restricted resources and then towards unrestricted resources.

Financial aid to students is reported in the financial statements as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid ( student loans, funds provided to students as awarded by third parties, and Federal Direct Lending) is accounted for as third party payments (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expense or scholarships allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on an entity-wide basis by allocating cash payments to students, excluding payments for services, on the ratio of total aid to the aid not considered to be third party aid.

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**Note 2: Capital Assets**

A summary of changes in capital assets for the year ended August 31, 2015 is presented below:

	PRIMARY GOVERNMENT							Balance 8/31/15
	Balance 9/1/14	Adjustments	Reclassifications			Additions	Deletions	
			Completed CIP	Inc- Int'agy Trans	Dec- Int'agy Trans			
<b>BUSINESS-TYPE ACTIVITIES</b>								
<b>Non-Depreciable or Non-Amortizable Assets</b>								
Land and Land Improvements	11,862,672.13					3,887,247.00	(2,400.00)	15,747,519.13
Infrastructure								0.00
Construction in Progress	7,609,847.13		(4,753,942.07)			6,571,725.37		9,427,630.43
Other Tangible Capital Assets	60,000.00							60,000.00
Land Use Rights								0.00
Other Intangible Capital Assets								0.00
<b>Total Non-Depreciable or Non-Amortizable Assets</b>	<b>19,532,519.26</b>	<b>0.00</b>	<b>(4,753,942.07)</b>	<b>0.00</b>	<b>0.00</b>	<b>10,458,972.37</b>	<b>(2,400.00)</b>	<b>25,235,149.56</b>
<b>Depreciable Assets</b>								
Buildings & Bldg. Improvements	186,347,467.82		4,753,942.07			690,642.28		191,792,052.17
Infrastructure	17,313,943.98							17,313,943.98
Facilities & Other Improvements	6,221,929.40							6,221,929.40
Furniture and Equipment	41,364,895.87	28,223.05				1,879,523.65	(870,684.97)	42,401,957.60
Vehicle, Boats & Aircraft	10,490,334.43	15,784.00				934,439.46	(125,000.47)	11,315,557.42
Other Capital Assets	12,882,451.39					51,908.51	(84,259.63)	12,850,100.27
<b>Total Depreciable Assets at Historical Costs</b>	<b>274,621,022.89</b>	<b>44,007.05</b>	<b>4,753,942.07</b>	<b>0.00</b>	<b>0.00</b>	<b>3,556,513.90</b>	<b>(1,079,945.07)</b>	<b>281,895,540.84</b>
<b>Less Accumulated Depreciation for:</b>								
Buildings & Bldg. Improvements	(93,205,715.30)					(5,935,347.76)		(99,141,063.06)
Infrastructure	(6,686,299.93)					(528,984.00)		(7,215,283.93)
Facilities & Other Improvements	(3,693,529.64)					(153,759.60)		(3,847,289.24)
Furniture and Equipment	(29,896,307.84)	(24,917.42)				(2,719,440.32)	868,102.90	(31,772,562.68)
Vehicle, Boats & Aircraft	(7,227,900.42)	(15,784.00)				(746,532.38)	78,660.71	(7,911,556.09)
Other Capital Assets	(2,421,523.69)					(376,761.44)	83,517.48	(2,714,767.65)
<b>Total Accumulated Depreciation</b>	<b>(143,131,276.82)</b>	<b>(40,701.42)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(10,460,825.50)</b>	<b>1,030,281.09</b>	<b>(152,602,522.65)</b>
<b>Depreciable Assets, Net</b>	<b>131,489,746.07</b>	<b>3,305.63</b>	<b>4,753,942.07</b>	<b>0.00</b>	<b>0.00</b>	<b>(6,904,311.60)</b>	<b>(49,663.98)</b>	<b>129,293,018.19</b>

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PRIMARY GOVERNMENT								
Reclassifications								
	Balance 9/1/14	Adjustments	Completed CIP	Inc- Int'agy Trans	Dec- Int'agy Trans	Additions	Deletions	Balance 8/31/15
<b>Amortizable Assets-Intangible</b>								
Land Use Rights								0.00
Computer Software	1,426,750.13						(30,000.00)	1,396,750.13
Other Capital Intangible Assts								0.00
<b>Total Amortizable Assets - Intangible</b>	1,426,750.13	0.00	0.00	0.00	0.00	0.00	(30,000.00)	1,396,750.13
<b>Less Accumulated Amortization for:</b>								
Land Use Rights								0.00
Computer Software	(1,181,744.38)					(132,513.00)	30,000.00	(1,284,257.38)
Other Intangible Capital Assets								0.00
<b>Total Accumulated Amortization</b>	(1,181,744.38)	0.00	0.00	0.00	0.00	(132,513.00)	30,000.00	(1,284,257.38)
<b>Amortizable Assets – Intangible, Net</b>	245,005.75	0.00	0.00	0.00	0.00	(132,513.00)	0.00	112,492.75
<b>Business-Type Activities Capital Assets, Net</b>	151,267,271.08	3,305.63	0.00	0.00	0.00	3,422,147.77	(52,063.98)	154,640,660.50

(A)

(A)

(A) During FY 2015 a total of \$20,865.86 of adjustments pertaining to depreciation expense/accumulated depreciation for library book deletions has been reported in the "Additions" column above for Other Capital Assets. This differs from the "Capital Assets Note 2" generated by the State Property Accounting (SPA) where this was reported in the "Adjustments" column only.

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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 Uniform Prudent Management of Institutional Funds Act (Tex. Property Code Sec. 163.001) 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, 2015, the carrying amount of deposits was \$22,732,447.61 as presented below.

<b>Business-Type Activities</b>	
CASH IN BANK – CARRYING AMOUNT	22,732,447.61
Less: Certificates of Deposit included in carrying amount and reported as Current Short-term Investments	4,722,123.58
Less: Certificates of Deposit included in carrying amount and reported as Current Restricted Short-term Investments	170,538.18
Less: Certificates of Deposit included in carrying amount and reported as Non-Current Restricted Short-term Investments	461,123.09
Total Cash in Bank per AFR	17,378,662.76

Proprietary Funds Current Assets Cash in Bank	13,868,576.40
Proprietary Funds Current Assets Restricted Cash in Bank	3,400,201.70
Proprietary Funds Non-Current Assets Restricted Cash in Bank	109,884.66
Cash in Bank per AFR	17,378,662.76

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

As of August 31, 2015, the total bank balance was as follows:

<b>Business-Type Activities</b>	23,187,447.44
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As of August 31, 2015, the fair value of investments is as presented below.

Business-Type Activities	Fair Value
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)	4.19
Commercial Paper	
Real Estate	
Derivatives	
Alternative Investments	
Misc. (Political subdivision, bankers' acceptance, negotiable CD)	
Total Investments	4.19
<b>Reconciliation of Investments per Exhibits – Business – Type Activities</b>	
Proprietary Funds Current Assets Short-term Investments	1.00
Proprietary Funds Current Assets Restricted Short-term Investments	3.19
Add: Certificates of Deposit disclosed as deposits but reported as Current Short-term Investments	4,722,123.58
Add: Certificates of Deposit disclosed as deposits but reported as Current Restricted Short-term Investments	170,538.18
Add: Certificates of Deposit disclosed as deposits but reported as Non-Current Restricted Short-term Investments	461,123.09
Investments per Exhibits	5,353,789.04



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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, 2015, the following changes occurred in liabilities.

Business-Type Activities	Balance 09-01-14	Additions	Reductions	Restatement/ Adjustment	Balance 08-31-15	Amounts Due Within One Year	Amounts Due Thereafter
Claims and Judgments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Employees' Compensable Leave	5,148,307.58	3,875,874.68	3,687,002.66	0.00	5,337,179.60	739,199.37	4,597,980.23
General Obligation Bonds Payable	1,840,000.00	0.00	1,840,000.00	0.00	0.00	0.00	0.00
Revenue Bonds Payable	59,808,729.43	0.00	2,691,428.57	(97,791.50)	57,019,509.36	2,914,220.07	54,105,289.29
Capital Lease Obligations	3,657,653.18	172,006.33	674,296.67	0.00	3,155,362.84	596,483.72	2,558,879.12
Notes and Loans Payable	0.00	1,800,000.00	80,000.00	0.00	1,720,000.00	120,000.00	1,600,000.00
<b>Total Business-Type Activities</b>	<b>70,454,690.19</b>	<b>5,847,881.01</b>	<b>8,972,727.90</b>	<b>(97,791.50)</b>	<b>67,232,051.80</b>	<b>4,369,903.16</b>	<b>62,862,148.64</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 Position. 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, 2015, the accrued liability totaled \$5,337,179.60.

The College made lump sum payments totaling \$621,879.09 for accrued vacation and/or compensatory time to employees who separated from state service during fiscal year ending August 31, 2015.

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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.

**Notes and Loans Payable**

Notes and loans payable consists of an amount used to finance a portion of the renovation costs of the 11-1 hangar at the TSTC Waco airport. The debt service requirements for notes and loans payable are as follows:

**Business Type Activities**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	120,000.00	52,146.68	172,146.68
2017	120,000.00	48,319.88	168,319.88
2018	120,000.00	44,597.78	164,597.78
2019	120,000.00	40,841.78	160,841.78
2020	120,000.00	37,112.45	157,112.45
2021-2025	600,000.00	129,162.31	729,162.31
2026-2030	520,000.00	35,926.82	555,926.82
Total	1,720,000.00	388,107.70	2,108,107.70

The above loan has a variable interest rate which equaled 3.13 percent at August 31, 2015. The rate charged is 3.00 percent plus LIBOR.

<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:

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**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 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

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- \$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.

**Revenue Financing System Improvement and Refunding Bonds, Series 2011**

- To refund \$6,355,000.00 of outstanding Series 2002 Revenue Bonds; to finance the costs of acquiring, purchasing, constructing, improving, enlarging and equipping the property and facilities within the System; and paying the costs of issuing the bonds.
- Issued 09-14-2011
- \$26,015,000.00, all authorized bonds have been issued
- Source of revenues for debt service- General Revenue Funds specifically appropriated for debt service and all legally available non-General Revenue Funds of the System.

**Revenue Financing System Bonds, Series 2011A**

- To finance the costs of acquiring, purchasing, constructing, improving, enlarging and equipping the property and facilities within the System and paying the costs of issuing the bonds.
- Issued 12-15-2011
- \$5,160,000.00, all authorized bonds have been issued
- Source of revenues for debt service- all legally available non-General Revenue Funds of the System.

**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:

	Government Activities	Business-Type Activities	Component Units
Pledged Revenue Required for Future Principal and Interest on Existing Revenue Bonds (1)		80,596,112.65	
Term of Commitment Year Ending 08/31 (2)		2036	
Percentage of Revenue Pledged (3)		100.0%	
Current Year Pledged Revenue		55,046,011.47	
Current Year Principal and Interest Paid		5,313,841.97	

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.

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**Note 7: Derivative Instruments**

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	2,557,589.64

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

Year Ended Aug. 31,	
2016	613,200.00
2017	613,200.00
2018	613,200.00
2019	613,200.00
2020	613,200.00
2021-2025	3,066,000.00
2026-2030	3,066,000.00
2031-2032	<u>817,600.00</u>
Total Minimum Future Lease Rental Payments	<u>10,015,600.00</u>

**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, 2015 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	(2,204,099.48)	5,078,235.10
Furniture and Equipment	205,732.65	(62,054.77)	143,677.88
Vehicles, Boats, Aircraft	191,555.81	(9,913.61)	181,642.20
<b>Totals</b>	<b>7,690,385.54</b>	<b>(2,276,067.86)</b>	<b>5,414,317.68</b>

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

**TEXAS STATE TECHNICAL COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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Future minimum lease payments	Business-Type Activities		
	Principal	Interest	Total
2016	596,483.72	94,745.43	691,229.15
2017	476,127.71	76,899.73	553,027.44
2018	490,757.57	59,573.90	550,331.47
2019	448,463.64	42,741.36	491,205.00
2020	410,957.56	27,787.63	438,745.19
2021- 2025	732,572.64	32,857.83	765,430.47
2026 - 2030	0.00	0.00	0.00
2031-2035	0.00	0.00	0.00
Total Minimum Lease Payments	3,155,362.84	334,605.88	3,489,968.72
Less: Amount Representing Interest at Various Rates			334,605.88
Present Value of Net Minimum Lease Payments			3,155,362.84

**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, 2015 are:

		<u>Year ended August 31, 2015</u>
Member Contributions		1,174,056.54
Employer Contributions		1,280,472.57
Total		<u>2,454,529.11</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

The College experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer, and as a result of various grants and contract activities. Receipt of interagency receivables and repayment of

**TEXAS STATE TECHNICAL COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Year Ended August 31, 2015*

interagency payables will normally occur within one year from the date of the financial statements except for the loan from the State Energy Conservation Office for which repayment of the principal and interest will be completed over a period not to exceed 11.75 years. The grant and contract activities are recognized as revenues or expenses on the financial statements.

Individual balances and activity at August 31, 2015 follows:

<i>Current Portion</i>	<b>Current Interfund Receivable</b>	<b>Current Interfund Payable</b>	<b>Purpose</b>
GENERAL(01) (Agency 907, D23 Fund 2370)	0.00	682,689.86	See Below
<b>Total Current Interfund Receivable/Payable</b>	0.00	682,689.86	

<i>Non-Current Portion</i>	<b>Non-Current Interfund Receivable</b>	<b>Non-Current Interfund Payable</b>	<b>Purpose</b>
GENERAL(01) (Agency 907, D23 Fund 2370)	0.00	5,634,664.31	See Below
<b>Total Non-Current Interfund Receivable/Payable</b>	0.00	5,634,664.31	

	<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)	39,716.08		State Pass Through
(Agency 781, D23 Fund 0001)	215,987.77		State Pass Through
(Agency 902, D23 Fund 0210)	58,384.00		State Pass Through
<b>Federal Pass Throughs</b>			
(Agency 320, D23 Fund 5026)	26,081.03		Federal Pass Through
(Agency 732, D23 Fund 7999)	2,130.00		Federal Pass Through
(Agency 781, D23 Fund 0001)	692,095.00		Federal Pass Through
<b>Total Due From/To Other Agencies</b>	1,034,393.88		

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 State Energy Conservation Office at August 31, 2015, 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**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Year Ended August 31, 2015*

**Note 14: Adjustments to Net Position**

During fiscal year 2015, the correction of a prior period capital asset balance and the implementation of GASB Statement No. 68 required the restatement of the amounts in net position as shown.

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

Net Position September 1, 2014	\$125,317,947.66
Restatements:	
Correction of Prior Year Capital Asset Balance	3,305.63
Implementation of GASB Statement No. 68	<u>(14,359,169.63)</u>
Net Position September 1, 2014 as Restated	<u>\$110,962,083.66</u>

**Note 15: Contingencies and Commitments**

At August 31, 2015, two 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, such liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the College.

**Note 16: Subsequent Events**

Texas State Technical College has no subsequent events to report.

**Note 17: Risk Management**

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

TSTC assumes substantially all risks associated with tort and liability claims due to the performance of its duties. Currently, TSTC has purchased worker's compensation, auto, property, boiler & machinery, crime, director's & officer's liability, aircraft liability and inland marine insurance.

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 2014 and 2015 were:

	Beginning Balance	Increases	Decreases	Ending Balance
2014	0.00	0.00	0.00	0.00
2015	0.00	0.00	0.00	0.00



**TEXAS STATE TECHNICAL COLLEGE**  
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**Note 18: Management Discussion and Analysis**

The TSTC Foundation is a non-profit organization with the sole purpose of supporting the educational and other activities of Texas State Technical College. The TSTC Foundation remitted gifts of \$427,900.00 during the year ended August 31, 2015. The TSTC Foundation is controlled by a separate board of directors and is not considered a component unit of the College. Neither the balance nor the transactions of this organization's fund are reflected in the financial statements during the year ended August 31, 2015.

**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 Position
True Endowments	0.00	Restricted for Expendable
Term Endowments	0.00	Restricted for Expendable
Total	0.00	

The College is subject to the Uniform Prudent Management of Institutional Funds Act, Chapter 163 of the Texas Property Code. This act provides guidance and authority for the management and investment of charitable funds and for endowment spending by institutions organized for a charitable purpose, including educational purposes. The legal authority for the College to accept gifts, including endowments, is found in Chapter 135 of the Texas Education Code. The College's policy for authorizing and spending endowment earnings is addressed in System Operating Standard No. FA.3.1, Acceptance of Gifts and Bequests.

At August 31, 2015, the College had \$571,168.74 of donor restricted endowments which were classified as Non-Expendable True Endowments. These endowment funds are invested in cash accounts or certificates of deposit. Per donor restrictions, the investment income earned on these endowments is to be used for scholarship purposes.

**Note 23: Extraordinary and Special Items**

Not Applicable

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

Not Applicable.

**Note 25: Termination Benefits**

Not Applicable.

**TEXAS STATE TECHNICAL COLLEGE**  
 (Agency 719)  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Year Ended August 31, 2015*

**Note 26: Segment Information**

Not Applicable.

**Note 27: Service Concession Arrangements**

Not Applicable.

**Note 28: Deferred Outflows of Resources and Deferred Inflows of Resources**

In fiscal 2015 Texas State Technical College reported deferred outflows of resources and deferred inflows of resources in connection with pensions.

August 31, 2015

Business-Type Activities	Deferred Outflows of Resources	Deferred Inflows of Resources
Pensions	\$2,241,374.50	\$3,874,659.02
Total	\$2,241,374.50	\$3,874,659.02

**Note 29: Trouble Debt Restructuring**

Not Applicable.

**Note 30: Non-Exchange Financial Guarantees**

Not Applicable.

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TEXAS STATE TECHNICAL COLLEGE (Agency 719)  
 Schedule 1A  
 For the Fiscal Year Ended August 31, 2015

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Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy Univ No	Pass-through From		Direct Program Amount	Total PT From and Direct Prog. Amount	Pass-through To			Expenditures Amount	Total PT To and Expenditure Amount
				Agencies or Universities Amount	Non-State Entities Amount			Agy Univ No	Agencies or Universities Amount	Non- State Entities Amount		
<b>U.S. Department of Agriculture</b>												
<u>Pass-Through From:</u>												
Hispanic Serving Institutions Educaiton Grants	10.223						84,269.69				84,269.69	84,269.69
<u>Pass-Through From:</u>												
Texas A&M University-Kingsville			732		84,269.69							
Totals-U.S. Department of Agriculture					84,269.69		84,269.69				84,269.69	84,269.69
<b>U.S. Department of Labor</b>												
<u>Direct Programs:</u>												
Trade Adjustment Assistance Community College and Career Training Grants	17.282						317,889.60	317,889.60			317,889.60	317,889.60
Totals-U.S. Department of Labor							317,889.60	317,889.60			317,889.60	317,889.60
<b>National Science Foundation</b>												
Education and Human Resources	47.076	Missouri State University 11052- 017			41,964.85		41,964.85				41,964.85	41,964.85
<u>Direct Programs:</u>												
Education and Human Resources	47.076						107,217.92	107,217.92			107,217.92	107,217.92
Totals-National Science Foundation					41,964.85		107,217.92	149,182.77			149,182.77	149,182.77
<b>U.S. Department of Education</b>												
Adult Education-Basic Grants to States	84.002	Brownsville Independent School District/ 2414AEL000			65,855.88		65,855.88				65,855.88	65,855.88
Twenty-First Century Community Learning Centers	84.287	La Vega ISD/ 161906			23,419.19		23,419.19				23,419.19	23,419.19
<u>Direct Programs:</u>												
Career and Technical Education-- Basic Grants to States	84.048						16,235.36	16,235.36			16,235.36	16,235.36
Migrant Education_High School Equivalency Program	84.141						432,273.46	432,273.46			432,273.46	432,273.46
Migrant Education_College Assistance Migrant Program	84.149						355,063.48	355,063.48			355,063.48	355,063.48
<u>Pass-Through From:</u>												
Career and Technical Education- Basic Grants to States	84.048						2,165,407.45				2,165,407.45	2,165,407.45
<u>Pass-Through From:</u>												
Texas Higher Education Coordinating Board			781		2,165,407.45							
Totals-U.S. Department of Education					2,165,407.45	89,275.07	803,572.30	3,058,254.82			3,058,254.82	3,058,254.82
<u>Employment Service Cluster</u>												
<b>U.S. Department of Labor</b>												
<u>Pass-Through From:</u>												
Employment Service/Wagner-Peyser Funded Activities	17.207						195,205.77				195,205.77	195,205.77
<u>Pass-Through From:</u>												
Texas Workforce Commissson			320		195,205.77							
Totals-U.S. Department of Labor					195,205.77			195,205.77			195,205.77	195,205.77

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Students Financial Assistance Cluster

**U.S. Department of Education**

Direct Programs:

Federal Supplemental Educational Opportunity Grants	84.01		342,679.42	342,679.42		342,679.42	342,679.42
Federal Work-Study Program	84.03		479,194.65	479,194.65		479,194.65	479,194.65
Federal Pell Grant Program	84.06		21,412,155.75	21,412,155.75		21,412,155.75	21,412,155.75
Federal Direct Student Loans	84.27		22,477,724.00	22,477,724.00		22,477,724.00	22,477,724.00
<b>Totals-U.S. Department of Education</b>			<b>44,711,753.82</b>	<b>44,711,753.82</b>		<b>44,711,753.82</b>	<b>44,711,753.82</b>

TANF Cluster

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

Pass-Through From:

Temporary Assistance for Needy Families	93.56			2,131.00		2,131.00	2,131.00
<i>Pass-Through From:</i>							
<i>Texas Workforce Commission</i>		320	2,131.00				
<b>Totals-U.S. Department of Health and Human Services</b>			<b>2,131.00</b>	<b>2,131.00</b>		<b>2,131.00</b>	<b>2,131.00</b>

TRIO Cluster

**U.S. Department of Education**

Direct Programs:

TRIO_Talent Search	84.04		233,434.99	233,434.99		233,434.99	233,434.99
TRIO_Upward Bound	84.05		288,359.44	288,359.44		288,359.44	288,359.44
<b>Totals-U.S. Department of Education</b>			<b>521,794.43</b>	<b>521,794.43</b>		<b>521,794.43</b>	<b>521,794.43</b>

WIA Cluster

**U.S. Department of Labor**

Pass-Through From:

WIA Dislocated Worker Formula Grants	17.28			33,130.41		33,130.41	33,130.41
<i>Pass-Through From:</i>							
<i>Texas Workforce Commission</i>		320	33,130.41				
<b>Totals-U.S. Department of Labor</b>			<b>33,130.41</b>	<b>33,130.41</b>		<b>33,130.41</b>	<b>33,130.41</b>
<b>Total Expenditures of Federal Awards</b>		<b>2,480,144.32</b>	<b>131,239.92</b>	<b>46,462,228.07</b>	<b>49,073,612.31</b>	<b>49,073,612.31</b>	<b>49,073,612.31</b>

TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Schedule 1A  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended August 31, 2015

Note 1: Non-Monetary Assistance, FY 2015  
 Not Applicable

Note 2: Reconciliation, FY 2015:

Federal Revenues -	
Federal Grants and Contracts Operating	\$ 2,360,908.82
Federal Grants and Contracts Non-operating	21,754,835.17
Total Federal Revenue	<u>24,115,743.99</u>
Federal Pass-Through Revenue from Other State Agencies -	
Federal Pass-Through Revenue Operating	2,480,144.32
Federal Pass-Through Revenue Non-operating	0.00
Total Federal Pass-Through Revenue from Other State Agencies	<u>2,480,144.32</u>
TOTAL Federal Revenue and Federal Pass-Through Revenue	<u>26,595,888.31</u>

Reconciliation Items:	
ADD	
Non-monetary Assistance	0.00
New Loans Processed:	
Federal Direct Student Loans	22,477,724.00
TOTAL Reconciliation Items	<u>22,477,724.00</u>
TOTAL Per Note 2	<u>49,073,612.31</u>
Total Pass-Through and Expenditures per Federal Schedule	<u>\$ 49,073,612.31</u>

Difference  
 Note 3a: Student Loans Processed and Administrative Costs Recovered, FY 2015 0.00

Federal Grantor/ CFDA Number/Program Name	New Loans Processed	Admin Costs	Total Loans Processed & Admin Costs	Ending Bal. of Prev. Yr. Loan
U.S. Department of Education				
84.268 Federal Direct Student Loans	\$ 22,477,724.00	0	\$ 22,477,724.00	0.00
Total	<u>\$ 22,477,724.00</u>	<u>0</u>	<u>\$ 22,477,724.00</u>	

Note 3b: Federally Funded Loans Processed and Administrative Cost Recovered, FY 2015  
 Not Applicable

Note 4: Depository Libraries for Governmental Publications, FY 2015  
 Not Applicable

Note 5: Unemployment Insurance Funds, FY 2015  
 Not Applicable

Note 6: Rebate from the Special Supplemental Food Program for Women, Infant and Children (WIC), FY 2015  
 Not Applicable

Note 7: Federal Deferred Revenue	Fed. Deferred Rev.	Increase /	Fed. Deferred Rev.
Not Applicable	<u>Sept. 1, 2014</u>	<u>(Decrease)</u>	<u>Aug. 31, 2015</u>

Note 8: Disaster Grants-Public Assistance, FY 2015  
 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, 2015

Pass Through From:

Grantor Agency	Grant ID	Grant Title	Amount
320-Texas Workforce Commission	320.0001	Apprenticeship	13,020.00
320-Texas Workforce Commission	320.0003	Skills Development	426,857.57
320-Texas Workforce Commission	320.006	Texas Fast Start II Program	307,163.39
712-Texas A&M Engineering Experimental Stat.	712.0002	Nuclear Power Institute-TSTC	50,649.33
781-Texas Higher Education Coordinating Board	781.0008	TEXAS Grant Program	481,783.00
781-Texas Higher Education Coordinating Board	781.0013	Professional Nursing Shortage Reduction Program	220,358.86
781-Texas Higher Education Coordinating Board	781.0015	Texas Education Opportunity Grant Program	2,695,196.00
781-Texas Higher Education Coordinating Board	781.0023	College Work Study Program	95,691.00
781-Texas Higher Education Coordinating Board	781.0023	College Readiness Program	6,000.00
781-Texas Higher Education Coordinating Board	781.0028	Top 10% Scholarships	8,600.00
781-Texas Higher Education Coordinating Board	781.0029	Work Study Mentorship Program	168,593.30
781-Texas Higher Education Coordinating Board	781.0040	Developmental Education Program	400,677.66
781-Texas Higher Education Coordinating Board	781.0052	T-Stem Scholarship Program	1,630,200.00
<b>Total Pass Through From Other Agencies</b>			<b><u>\$ 6,504,790.11</u></b>
(Statement of Revenue, Expenses, and Changes in Net Position)			

Pass Through To:

	0.00
<b>Total Pass Through To Other Agencies</b>	<b><u>0.00</u></b>
(Statement of Revenue, Expenses, and Changes in Net Position)	

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TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Schedule 2A - Miscellaneous Bond Information  
For the Fiscal Year Ended August 31, 2015

**Business-Type Activities**

Description of Issue	Bonds Issued to Date	Range of Interest Rates	Terms of Variable Interest Rates	Scheduled Maturities		
				First Year	Last Year	First Call Date
<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 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	31,555,000.00	3.0000%	5.0000%	2011	2030	08/01/2019
Revenue Financing System Improvement and Refunding Bonds Series 2011	26,015,000.00	3.7500%	5.0000%	2013	2036	08/01/2021
Revenue Financing System Bonds Series 2011A	<u>5,160,000.00</u>	3.0000%	4.0000%	2012	2031	08/01/2021
Total	<u>\$ 82,550,000.00</u>					



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TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Schedule 2B - Changes in Bonded Indebtedness  
 For the Fiscal Year Ended August 31, 2015

**Business-Type Activities**

<u>Description of Issue</u>	<u>Bonds Outstanding 09/01/2014</u>	<u>Bonds Issued</u>	<u>Bonds Matured or Retired</u>	<u>Bonds Refunded or Extinguished</u>	<u>Bonds Outstanding 08/31/2015</u>
<b>General Obligation Bonds</b>					
Constitutional Appropriation Bonds, Series 2005	\$ 1,840,000.00	\$	\$ 1,840,000.00	\$	\$
<b>Revenue Bonds</b>					
Revenue Financing System Bonds, Series 2008	2,055,000.00		185,000.00		1,870,000.00
Revenue Financing System Bonds, Taxable Series 2008A	571,428.58		71,428.57		500,000.01
Revenue Financing System Bonds, Series 2009	27,250,000.00		1,200,000.00		26,050,000.00
Revenue Financing System Improvement and Refunding Bonds, Series 2011	24,075,000.00		1,035,000.00		23,040,000.00
Revenue Financing System Bonds, Series 2011A	4,620,000.00		200,000.00		4,420,000.00
<b>Total</b>	<b>\$ 60,411,428.58</b>	<b>\$</b>	<b>\$ 4,531,428.57</b>	<b>\$</b>	<b>\$ 55,880,000.01</b>

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TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Schedule 2B - Changes in Bonded Indebtedness  
 For the Fiscal Year Ended August 31, 2015

**Business-Type Activities**

Description of Issue	Reconciliation			Net Bonds Outstanding 08/31/2015	Amounts Due Within One Year
	Unamortized Premium	Unamortized Discount	Adjustments		
<b>General Obligation Bonds</b>					
Constitutional Appropriation Bonds, Series 2005	\$	\$	\$	\$	
<b>Revenue Bonds</b>					
Revenue Financing System Bonds, Series 2008				1,870,000.00	195,000.00
Revenue Financing System Bonds, Taxable Series 2008A				500,000.01	71,428.57
Revenue Financing System Bonds, Series 2009				26,050,000.00	1,255,000.00
Revenue Financing System Improvement and Refunding Bonds, Series 2011	1,139,509.35			24,179,509.35	1,187,791.50
Revenue Financing System Bonds, Series 2011A				4,420,000.00	205,000.00
<b>Total</b>	<b>\$ 1,139,509.35</b>	<b>\$</b>	<b>\$</b>	<b>\$ 57,019,509.36</b>	<b>2,914,220.07</b>

TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Schedule 2C - Debt Service Requirements  
For the Fiscal Year Ended August 31, 2015

**Business-Type Activities**

<u>Description of Issue</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>
<b>Revenue Bonds</b>			
<b>Revenue Financing System Bonds</b>			
Series 2008	2016	\$ 195,000.00	\$ 86,387.50
	2017	205,000.00	76,637.50
	2018	220,000.00	66,387.50
	2019	225,000.00	55,387.50
	2020	240,000.00	45,825.00
	2021-2023	<u>785,000.00</u>	<u>71,775.00</u>
Total		<u>\$ 1,870,000.00</u>	<u>\$ 402,400.00</u>
<b>Revenue Financing System Bonds</b>			
<b>Taxable Series 2008A</b>			
	2016	\$ 71,428.57	\$ 4,642.86
	2017	71,428.57	3,928.57
	2018	71,428.57	3,214.28
	2019	71,428.57	2,500.00
	2020	71,428.57	1,785.72
	2021-2022	<u>142,857.16</u>	<u>1,428.57</u>
Total		<u>\$ 500,000.01</u>	<u>\$ 17,500.00</u>
<b>Revenue Financing System Bonds</b>			
<b>Series 2009</b>			
	2016	\$ 1,255,000.00	\$ 1,142,550.00
	2017	1,310,000.00	1,092,350.00
	2018	1,370,000.00	1,039,950.00
	2019	1,430,000.00	985,150.00
	2020	1,495,000.00	913,650.00
	2021-2025	8,545,000.00	3,614,018.76
	2026-2030	<u>10,645,000.00</u>	<u>1,608,562.50</u>
		<u>\$ 26,050,000.00</u>	<u>\$ 10,396,231.26</u>

TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Schedule 2C - Debt Service Requirements  
For the Fiscal Year Ended August 31, 2015

**Business-Type Activities**

<u>Description of Issue</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>
<b>Revenue Bonds</b>			
Revenue Financing System			
Improvement and Refunding Bonds			
Series 2011			
	2016	\$ 1,090,000.00	\$ 1,119,331.26
	2017	1,140,000.00	1,064,831.26
	2018	1,195,000.00	1,007,831.26
	2019	1,255,000.00	948,081.26
	2020	1,315,000.00	885,331.26
	2021-2025	5,170,000.00	3,516,956.30
	2026-2030	4,625,000.00	2,520,106.26
	2031-2035	5,890,000.00	1,252,250.00
	2036	1,360,000.00	68,000.00
		\$ 23,040,000.00	\$ 12,382,718.86
Revenue Financing System Bonds			
Series 2011A			
	2016	\$ 205,000.00	\$ 153,787.50
	2017	215,000.00	147,637.50
	2018	220,000.00	141,187.50
	2019	225,000.00	134,587.50
	2020	235,000.00	127,837.50
	2021-2025	1,325,000.00	525,081.26
	2026-2030	1,625,000.00	272,343.76
	2031	370,000.00	14,800.00
		\$ 4,420,000.00	\$ 1,517,262.52

TEXAS STATE TECHNICAL COLLEGE  
 (Agency 719)  
 Schedule 2D - Analysis of Funds Available for Debt Service  
 For the Fiscal Year Ended August 31, 2015

**Business-Type Activities**

Description of Issue	Application of Funds	
	Principal	Interest
<b>General Obligation Bonds</b>		
Constitutional Appropriation Bonds		
Series 2005	\$ 1,840,000.00	\$ 82,800.00
Total	\$ 1,840,000.00	\$ 82,800.00

Description of Issue	Pledged and Other Sources and Related Expenditures for FY 2015			
	Net Available for Debt Service		Debt Service	
	Total Pledged and Other Sources	Operating Expenses/ Expenditures and Capital Outlay	Principal	Interest
<b>Revenue Bonds</b>				
Revenue Financing System Bonds, Series 2008	\$ 55,046,011.47	\$ (A)	\$ 185,000.00	\$ 95,637.50
Revenue Financing System Bonds, Taxable Series 2008A	(B)	(B)	71,428.57	5,357.14
Revenue Financing System Bonds, Series 2009	(B)	(B)	1,200,000.00	1,190,550.00
Revenue Financing System Improvement and Refunding Bonds, Series 2011	(B)	(B)	1,035,000.00	1,171,081.26
Revenue Financing System Bonds, Series 2011A	(B)	(B)	200,000.00	159,787.50
Total	\$ 55,046,011.47	\$ 0.00	\$ 2,691,428.57	\$ 2,622,413.40

(A) Expenditures associated with pledged sources were approximately \$52,954,728.78. (Footnote disclosure for Gross Revenue Pledges only.)

(B) The Revenue Financing System Bonds, Taxable Series 2008A, Revenue Financing System Bonds, Series 2009, Revenue Financing System Improvement and Refunding Bonds, Series 2011, and Revenue Financing System Bonds, Series 2011A, were issued as parity obligations with the Revenue Financing System Bonds, Series 2008. As such, the Taxable Series 2008A, Series 2009, Series 2011, and Series 2011A issues have an equal claim to the pledged sources reported above for the Series 2008 issue and share the same expenditures that are associated with the pledged sources disclosed in footnote (A) above.

UNAUDITED

TEXAS STATE TECHNICAL COLLEGE  
(Agency 719)  
Schedule 3  
Reconciliation of Cash in State Treasury  
August 31, 2015

<u>Cash in State Treasury</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Current Year Total</u>
Local Revenue Fund 0237	\$ 20,421,845.83	\$	\$ 20,421,845.83
Departmental Suspense Fund Fund 0900			
Total Cash in State Treasury (Stmnt of Net Position)	\$ <u>20,421,845.83</u>	\$ <u></u>	\$ <u>20,421,845.83</u>







# 2015 FY

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