

NEW ISSUE - BOOK-ENTRY ONLY

RATINGS: Moody's - "Aaa"  
 Fitch- "AAA"  
 (See "RATINGS" and "BOND INSURANCE" herein)



**\$7,000,000**

**BOARD OF REGENTS OF STEPHEN F. AUSTIN STATE UNIVERSITY REVENUE FINANCING SYSTEM,  
 TEXAS PUBLIC FINANCE AUTHORITY  
 REVENUE BONDS, SERIES 2000**

Dated Date: March 1, 2000

Due: October 15, as shown herein

The bonds described herein (the "Bonds") are issued by the Texas Public Finance Authority (the "Authority") on behalf of the Board of Regents of Stephen F. Austin State University (the "University"). The Bonds are payable from and secured by a lien on "Pledged Revenues" (as defined herein) of the University. **THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE BOARD, THE AUTHORITY, THE UNIVERSITY OR ANY PART THEREOF, THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION OF THE STATE. NEITHER THE BOARD NOR THE AUTHORITY HAS ANY TAXING POWER, AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED AS SECURITY FOR THE BONDS. THE BREACH OF ANY COVENANT, AGREEMENT, OR OBLIGATION CONTAINED IN THE RESOLUTION WILL NOT IMPOSE OR RESULT IN GENERAL LIABILITY ON OR A CHARGE AGAINST THE GENERAL CREDIT OF THE BOARD, THE AUTHORITY, OR THE UNIVERSITY. THE OWNERS OF THE BONDS WILL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF THE BONDS FROM ANY SOURCE OTHER THAN PLEDGED REVENUES. SEE "SECURITY FOR THE BONDS."**

The proceeds from the sale of the Bonds, together with other available funds, will be used for paying for the cost of improvements on the University campus, and of issuing the Bonds. See "PLAN OF FINANCING."

Interest on the Bonds will accrue from the dated date, and is payable on October 15, 2000 and each April 15 and October 15 thereafter, calculated on the basis of a 360-day year composed of twelve 30-day months. The Bonds are initially issuable only to Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") pursuant to the book-entry-only system described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the purchasers thereof. Interest on and principal of the Bonds will be payable by Regions Bank - Little Rock, Little Rock, Arkansas, the initial Paying Agent/Registrar, to Cede & Co., which will make distribution of the amounts so paid to the beneficial owners of the Bonds. See "DESCRIPTION OF THE BONDS-Book-Entry Only System."



The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by FINANCIAL SECURITY ASSURANCE INC. See "BOND INSURANCE."

Due	Maturing	Interest		CUSIP
October 15	Amount	Rate	Yield	Prefix
2003	\$1,000,000	5.125%	4.800%	858620
2004	1,000,000	5.125%	4.900%	
2005	1,000,000	5.125%	5.000%	
2006	1,000,000	5.250%	5.080%	
2007	1,000,000	5.250%	5.130%	
2008	1,000,000	5.250%	5.180%	
2009	1,000,000	5.375%	5.230%	

**(plus accrued interest from March 1, 2000)**

The Bonds are not subject to redemption prior to maturity. See "THE BONDS - Redemption."

*The Bonds are offered when, as and if issued, subject to approval of legality by the Attorney General of the State of Texas and the opinion of McCall, Parkhurst & Horton L.L.P., Austin, Texas, Bond Counsel, as to the validity of the issuance of the Bonds under the Constitution and the laws of the State of Texas and to the effect that, assuming continuing compliance by the Authority and the Board with certain requirements contained in the Resolution of the Authority and the Board authorizing the Bonds and subject to certain matters discussed under "TAX MATTERS" herein, interest on the Bonds will be excludable from the gross income of the owners thereof for federal income tax purposes and will not be included in computing the alternative minimum taxable income of owners thereof who are individuals or, except as herein described, corporations. See "TAX MATTERS" herein. The Bonds are expected to be available for delivery through DTC on or about March 29, 2000.*

**TEXAS PUBLIC FINANCE AUTHORITY**

**Board of Directors**

Daniel H. Branch, Chairman  
Daniel T. Serna, Vice Chairman  
Cynthia L. Meyer, Secretary

Helen Huey, Member  
John C. Kerr, Member  
H.L. Bert Mijares, Jr., Member

**Certain Appointed Officers**

Kimberly K. Edwards, Executive Director

Judith Porras, General Counsel

**STEPHEN F. AUSTIN STATE UNIVERSITY**

**Board of Regents**

<b><u>Name</u></b>	<b><u>Residence</u></b>	<b><u>Term Expiration</u></b>
Jimmy W. Murphy, Chair	Houston	January 31, 2001
R. A. Brookshire, Vice Chair	Lufkin	January 31, 2001
Pattye Greer, Secretary	Nacogdoches	January 31, 2001
Penny H. Butler	Houston	January 31, 2003
Michael W. Enoch	Mont Belvieu	January 31, 2003
Susan Roberds	Dallas	January 31, 2003
Gary Lopez	Dallas	January 31, 2005
Lyn Stevens	Beaumont	January 31, 2005
Mike Wilhite	Henderson	January 31, 2005

**Certain Appointed Officials**

<b><u>Name</u></b>	<b><u>Title</u></b>	<b><u>Length of Service</u></b>
Dr. Roland K. Smith	Interim President and Vice President for Business Affairs	5 Years
Dora Fuselier	Controller	1 Year
R. Yvette Clark	General Counsel	8 Years

**Consultants**

**Co-Financial Advisor**  
First Southwest Company  
Houston, Texas  
and  
Walton Johnson & Company  
Dallas, Texas

**Bond Counsel**  
McCall, Parkhurst & Horton L.L.P.  
Austin, Texas

For additional information regarding Stephen F. Austin State University, please contact:

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(409) 468-2203

Mr. Michael G. Bartolotta  
Senior Vice President  
First Southwest Company  
333 Clay Street, Suite 4000  
Houston, Texas 77002  
(713) 654-8641

*This Official Statement does not constitute an offer to sell Bonds in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction. No dealer, salesman, or any other person has been authorized to give any information or make any representation, other than those contained herein, in connection with the offering of these Bonds, and if given or made, such information or representation must not be relied upon. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the University since the date hereof.*

CUSIP numbers have been assigned to this issue by the CUSIP Service Bureau for the convenience of the owners of the Bonds. Neither the Authority, the University nor the Financial Advisor shall be responsible for the selection or the correctness of the CUSIP number prefix as shown on the cover of this Official Statement.

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**OFFICIAL STATEMENT**  
**relating to**  
**\$7,000,000**  
**BOARD OF REGENTS OF STEPHEN F. AUSTIN STATE UNIVERSITY REVENUE FINANCING SYSTEM,**  
**TEXAS PUBLIC FINANCE AUTHORITY**  
**REVENUE BONDS, SERIES 2000**

**INTRODUCTION**

The purpose of this Official Statement, which includes the cover page and the Appendices hereto, is to provide certain information regarding the issuance by the Texas Public Finance Authority (the "Authority"), on behalf of the Board of Regents (the "Board") of Stephen F. Austin State University (the "University"), of a series of its bonds, entitled "Board of Regents of Stephen F. Austin State University Revenue Financing System, Texas Public Finance Authority Revenue Bonds, Series 2000" (the "Bonds"). Capitalized terms used in this Official Statement have the same meanings assigned to such terms in APPENDIX A, except as otherwise indicated herein.

The University was established pursuant to the provisions of the Constitution and the laws of the State of Texas (the "State") as an institution of higher education. For the 1999 Fall Semester the University had a total enrollment of approximately 11,900 students. The 1999-2000 budget of the University is approximately \$116,000,000. The Board is the governing body of the University and its members are officers of the State, appointed by the Governor with the advice and consent of the State Senate. For a general description of the University, see "STEPHEN F. AUSTIN STATE UNIVERSITY."

The Texas Public Finance Authority (the "Authority") is the issuer of bonds for the benefit of the University pursuant to an Act of the Texas Legislature adopted in 1997. This Official Statement contains summaries and descriptions of the Plan of Financing, the Bonds, the University, the Authority, and other related matters. All references to and descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the Vice President for Business Affairs, Stephen F. Austin State University, P.O. Box 6108, SFA Station, Nacogdoches, Texas 75962 (409) 468-2203. Copies of documents relating to the Authority may be obtained from the Executive Director, Texas Public Finance Authority, 300 West 15<sup>th</sup> Street, Suite 411, Austin, Texas 78701, (512) 463-5544.

**PLAN OF FINANCING**

**Authority for Issuance of the Bonds**

The Bonds are being issued in accordance with the general laws of the State of Texas, Chapter 55, Texas Education Code as amended, including particularly Section 55.13(c), Texas Education Code, Section 1232.101(c) of Chapter 1232, Texas Government Code ("Section 1232.101(c)"), and Chapter 1201, Texas Government Code, and additionally pursuant to a resolution (the "Resolution") adopted by both the Board and the Authority's governing body.

**Purpose**

Proceeds of the Bonds, together with other funds of the University, will be used by the University to (i) complete a fiber optic system to each student residence hall and apartment building; (ii) install fire safety equipment in high-rise student living quarters; (iii) upgrade telecommunications, electrical systems, and furniture in residence halls; and (iv) pay the costs of issuing the Bonds.

Pursuant to Section 1232.101(c), the Authority has the exclusive authority to issue bonds on behalf of the University. Further, Section 55.13(c) of the Texas Education Code provides that the Authority must exercise the authority of the Board to issue bonds on behalf of the University, and the Authority has all the rights and duties granted or assigned to and is subject to the same conditions as the Board under Chapter 55, Texas Education Code. The University submitted to the Authority, and the Authority approved, a request for financing in the amount of approximately \$7 million of the Bonds.

**THE AUTHORITY**

The Authority is a public authority and body politic and corporate created in 1984 by an act of the Texas Legislature (the "Legislature"), codified at Chapter 1232, Texas Government Code (the "Enabling Act"). The Authority (formerly known as the Texas Public Building Authority) succeeded to the ownership of all property of, and all lease and rental contracts entered

into by, the Texas Public Building Authority, and all of the obligations contracted or assumed by the Texas Public Building Authority became obligations of the Authority.

The Authority is currently governed by a board of directors (the "Authority Board") composed of six members appointed by the Governor of the State (the "Governor") with the advice and consent of the State Senate. The current members of the Authority Board, the office held by each member, the occupation of each member, and the date on which each member's term expires are as follows:

<u>Name</u>	<u>Position</u>	<u>Occupation</u>	<u>Term Expires (February 1)</u>
Daniel H. Branch	Chairman	Attorney at Law	2001
Daniel T. Serna	Vice Chairman	Certified Public Accountant	2003
Cynthia L. Meyer	Secretary	Certified Public Accountant and Business Owner	2003
Helen Huey	Member	Independent Business Consultant	2005
John C. Kerr	Member	Attorney at Law	2001
H.L. Bert Mijares, Jr.	Member	Architect	2005

The Authority employs an Executive Director (the "Executive Director") who is charged with managing the affairs of the Authority, subject to and under the direction of the Authority Board. The Executive Director is Kimberly K. Edwards.

Pursuant to constitutional amendments approved by Texas voters in November of 1987, 1989, 1991 and 1993, the State is authorized to issue general obligation bonds to finance the acquisition and the construction/renovation or improvements of facilities operated by correctional, mental health, and law enforcement agencies of the State. The Legislature has from time to time directed the Authority to issue bonds for these purposes.

Pursuant to the Enabling Act and Chapter 1401, Texas Government Code, the Authority issues general obligation and revenue bonds for designated State agencies and maintains the Master Lease Purchase Program, a revenue commercial paper program, to finance equipment acquisitions by State agencies. Under these authorities, the Authority has issued revenue bonds on behalf of the General Services Commission, the State Preservation Board, the Texas Department of Criminal Justice, the Texas Department of Health, the Texas Military Facilities Commission (formerly, the National Guard Armory Board), the Texas Parks and Wildlife Department, the Texas State Technical College System, Midwestern State University, Stephen F. Austin State University and Texas Southern University. It has also issued general obligation bonds for the Texas Department of Criminal Justice, the Texas Department of Mental Health and Mental Retardation, the Texas Department of Public Safety, the Texas Juvenile Probation Commission, the Texas National Research Laboratory Commission (the "Superconducting Super Collider Project"), the Texas Parks and Wildlife Department and the Texas Youth Commission.

In September 1997, the Authority was granted exclusive bond issuing authority for the Texas Low-Level Radioactive Waste Disposal Authority. In 1999, however, the Texas Low-Level Waste Disposal Authority was abolished and all of its duties and responsibilities were transferred to the Texas Natural Resource Conservation Commission. S.B. 7, Acts 76th Legislature, R.S. (1999), which was effective September 1, 1999, and which provides for the deregulation of electric utilities, includes a provision permitting the Authority to issue bonds on behalf of joint power municipal utilities created before November 1, 1979, for the purpose of financing stranded costs of such utilities.

Before the Authority may issue bonds for the acquisition or construction of a building, the Legislature must have authorized the specific project for which the bonds are to be issued and the estimated cost of the project or the maximum amount of bonded indebtedness that may be incurred by the issuance of bonds. The Texas Supreme Court, in *Texas Public Building Authority v. Mattox*, 686 S.W.2d 924 (1985), ruled that revenue bonds issued by the Authority do not constitute debt of the State within the meaning of the State Constitution.

### **Sunset Review**

The Texas Sunset Act (Chapter 325, Texas Government Code) provides that virtually all agencies of the State, including the Authority, are subject to periodic review by the Legislature and that each agency subject to sunset review will be abolished unless the Legislature specifically determines to continue its existence. The Authority was reviewed during the 1997 legislative session under the Texas Sunset Act, and the next scheduled review of the Authority is during the legislative session in 2009. The Enabling Act of the Authority, as amended by the Legislature in 1997, provides that if the Authority is not continued in existence, the Authority will cease to exist as of September 1, 2009; however, the Texas Sunset Act



provides that the Authority will exist until September 1 of the following year (September 1, 2010) in order to conclude its business.

In the event the Authority is abolished pursuant to the Texas Sunset Act, the Governor is required to designate an appropriate state agency to carry out the Authority's covenants contained in the Bonds and in the documents authorizing the Bonds. In such event, Bond Counsel believes that (1) the Bonds would remain valid and binding obligations, subject to all applicable terms and conditions of the laws and proceedings authorizing the Bonds, and (2) such designated agency would be obligated and authorized to carry out all such covenants and to provide payment from the sources pledged to the Bonds in accordance with the terms thereof until the Bonds are paid in full.

### **Relationship With Other State Agencies**

Under the Enabling Act, the Authority's power is limited to financing projects and does not affect the power of the Board to carry out its statutory authority, including its authority to construct buildings. The Enabling Act directs state agencies and institutions to carry out their authority regarding projects financed by the Authority as if the projects were financed by legislative appropriation. Accordingly, the Authority will not be responsible for supervising the construction and maintenance of any project of the University.

Payments on the Bonds are expected to be made solely from the University's Revenue Financing System. See "SECURITY FOR THE BONDS."

With certain exceptions, bonds issued by state agencies and institutions, including bonds issued by the Authority, must be approved by the Texas Bond Review Board prior to their issuance. The Texas Bond Review Board is composed of the Governor, the Lieutenant Governor, the Speaker of the House of Representatives and the Comptroller of Public Accounts. The Governor is the Chairman of the Texas Bond Review Board. Each member of the Texas Bond Review Board may, and frequently does, act through a designee. The issuance of the Bonds has been approved by the Texas Bond Review Board.

### **Year 2000 Issues**

The Texas Department of Information Resources ("DIR") has established a Year 2000 Project Office to implement and oversee Year 2000 compliance for all state agencies and universities. In compliance with DIR requirements, in May 1999, the Authority completed and submitted to the DIR a report on the Authority's Year 2000 readiness. A copy of the Authority's complete report may be obtained directly from the Authority, and a complete description of the State's Year 2000 efforts can be found in "APPENDIX A" published by the Comptroller of Public Accounts of the State of Texas which is filed quarterly with each Nationally Recognized Municipal Securities Information Repository and State Information Depository. To date, the Authority has not experienced any disruption in business operations during the Year 2000 transition.

## **DESCRIPTION OF THE BONDS**

### **General**

The Bonds will be issued only as fully registered bonds, without coupons, in any integral multiple of \$5,000 principal amount within a stated maturity, will be dated March 1, 2000, will accrue interest from their dated date, and will bear interest at the per annum rates shown on the cover page hereof. Interest on the Bonds is payable on April 15 and October 15 of each year, commencing October 15, 2000, and will be calculated on the basis of a 360-day year composed of twelve 30-day months. The Bonds mature on October 15, in the years and in the principal amounts set forth on the cover page hereof.

If the specified date for any payment of principal or interest on the Bonds is a Saturday, Sunday, or legal holiday or equivalent (other than a moratorium) for banking institutions generally in the city of the Designated Trust Office, as described herein, of the Paying Agent/Registrar for the Bonds, such payment may be made on the next succeeding day which is not one of the foregoing days without additional interest and with the same force and effect as if made on the specified date for such payment.

## Sources and Uses of Funds

The proceeds of the Bonds will be applied approximately as follows:

<u>Sources of Funds:</u>	
Principal Amount of the Bonds	\$7,000,000.00
Accrued Interest	28,388.89
Bid Premium	<u>5,779.97</u>
Total	\$7,034,168.86
 <u>Uses of Funds:</u>	
Deposit to Construction Fund	\$6,930,000.00
Costs of Issuance	70,000.00
Deposit to Accrued Interest Account	<u>34,168.86</u>
Total	\$7,034,168.86

## Transfer, Exchange, and Registration

In the event the Bonds are not maintained in book-entry-only form with DTC or another securities depository (see “DESCRIPTION OF THE BONDS—Book-Entry-Only System”), upon surrender for transfer of any Bond at the Designated Trust Office described herein, the Authority will execute, and the Paying Agent/Registrar, initially Regions Bank - Little Rock, Little Rock, Arkansas, will authenticate and deliver, in the name of the designated transferee, one or more new fully registered Bonds of the same stated maturity, of any authorized denominations, and of a like aggregate principal amount. At the option of the Holder, Bonds may be exchanged for other Bonds of the same stated maturity, of any authorized denominations, and of like aggregate principal amount, upon surrender of the Bonds to be exchanged at the place of payment for the Bonds. Whenever any Bonds are so surrendered for exchange, the Authority will execute, and the Paying Agent/Registrar will authenticate and deliver, the Bonds which the Holder of Bonds making the exchange is entitled to receive. Every Bond presented or surrendered for transfer or exchange will be duly endorsed, or accompanied by a written instrument of transfer in form satisfactory to the Authority and the Paying Agent/Registrar duly executed, by the Holder thereof or his attorney duly authorized in writing. No service charge will be made to the Holder for any registration, transfer, or exchange of Bonds, but the Authority or the Paying Agent/Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

## Record Date for Interest Payment

The regular record date (“Regular Record Date”) for the interest payable on any interest payment date means the last Business Day of the month next preceding each interest payment date.

The interest payable on, and paid or duly provided for on or within ten days after, any interest payment date will be paid to the person in whose name a Bond (or one or more predecessor Bonds evidencing the same debt) is registered at the close of business on the Regular Record Date for such interest. Any such interest not so paid or duly provided for will cease to be payable to the Person in whose name such Bond is registered on such Regular Record Date, and will be paid to the Person in whose name this Bond (or one or more Predecessor Bonds) is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent/Registrar, notice whereof being given to the Holders of the Bonds not less than 15 days prior to the Special Record Date.

## Redemption

The Bonds are not subject to redemption prior to maturity.

## Paying Agent/Registrar

The Paying Agent/Registrar may be removed from its duties at any time with or without cause by action of the Board and not less than 30 days notice to each Holder specifying the substitution of another Paying Agent/Registrar, the effective date thereof, and the address of such successor Paying Agent/Registrar, but no such removal is effective until such successor has accepted the duties of the Paying Agent/Registrar. Every Paying Agent/Registrar appointed will at all times be a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$10,000,000, subject to supervision or examination by federal or state authority, registered as a transfer agent with the Securities and Exchange

Commission, and having an office designated in the notice to Holders as the place of payment. The Designated Trust Office for the initial Paying Agent/Registrar is in Little Rock, Arkansas (the "Designated Trust Office").

### **Book-Entry-Only System**

The Depository Trust Company ("DTC"), New York, New York, will act initially as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee, do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Beneficial Owners of the Bonds may wish to take certain steps to ensure the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults, and proposed amendments to the Bond documents. Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (or other DTC nominee) will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and

corresponding detail information from the Authority or Paying Agent/Registrar on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Paying Agent/Registrar or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Paying Agent/Registrar, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Paying Agent/Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered in accordance with the Bond Resolution.

In reading this Official Statement it should be understood that while the Bonds are in book-entry-only form, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the book-entry-only system, and (ii) except as described above, notices that are to be given to registered owners under the Bond Resolution will be given only to DTC.

Information concerning DTC and the book-entry-only system has been obtained from DTC and is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Authority or the Initial Purchaser.

#### Defeasance

The Resolution provides for defeasance of the Bonds under certain circumstances. See "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION - Defeasance."

#### Debt Service Schedule

Fiscal Year	Prior Encumbered Obligations	The Bonds			Total Debt Service
		Principal	Interest	Total	
2000	\$3,616,803				\$3,616,803
2001	3,670,135		\$409,611	\$409,611	4,079,746
2002	3,570,261		365,000	365,000	3,935,261
2003	3,343,914		365,000	365,000	3,708,914
2004	1,848,608	\$1,000,000	339,375	1,339,375	3,187,983
2005	1,865,465	1,000,000	288,125	1,288,125	3,153,590
2006	1,277,239	1,000,000	236,875	1,236,875	2,514,114
2007	678,980	1,000,000	185,000	1,185,000	1,863,980
2008	673,031	1,000,000	132,500	1,132,500	1,805,531
2009	656,448	1,000,000	80,000	1,080,000	1,736,448
2010	668,525	1,000,000	26,875	1,026,875	1,695,400
2011	663,789				663,789
2012	648,001				648,001
2013	675,003				675,003
2014	466,484				466,484
2015	468,688				468,688
2016	464,750				464,750
2017	464,750				464,750
2018	468,625				468,625
2019	466,375				466,375
<b>Total:</b>	<b>\$26,655,874</b>	<b>\$7,000,000</b>	<b>\$2,428,361</b>	<b>\$9,428,361</b>	<b>\$36,084,235</b>

## SECURITY FOR THE BONDS

### The Revenue Financing System

The Resolution confirms the creation in 1998 of the Stephen F. Austin State University Revenue Financing System (the "Revenue Financing System"). The Revenue Financing System was established to provide a financing structure for revenue supported indebtedness of the University and any research and service agencies or other components of the University which may thereunder be included, by Board action, as participants in the Revenue Financing System ("Participants"). The Revenue Financing System is intended to facilitate the assembling of all of the University's revenue-supported debt capacity into a single financing program in order to provide a cost-effective debt program to Participants and to maximize the financing options available to the Board. Presently, only the University is a Participant. The Resolution provides that once a university or agency becomes a Participant, its Revenue Funds become part of the Pledged Revenues; provided, however, that, if at the time an entity becomes a Participant it has outstanding obligations secured by any or all of its Revenue Funds, such obligations will constitute Prior Encumbered Obligations under the Resolution and the pledge of such sources as Pledged Revenues will be subject and subordinate to such outstanding Prior Encumbered Obligations. Thereafter, the Board may issue bonds, notes, commercial paper, contracts, or other evidences of indebtedness, including credit agreements on behalf of such institution on a parity, as to payment and security, with the Outstanding Parity Obligations, subject only to the outstanding Prior Encumbered Obligations, if any, with respect to such Participant. Upon becoming a Participant, an entity may no longer issue obligations having a lien on Pledged Revenues prior to the lien on the Outstanding Parity Obligations. Generally, Prior Encumbered Obligations are those bonds or other obligations issued on behalf of a Participant which were outstanding on the date such entity became a Participant in the Revenue Financing System. Presently there are Prior Encumbered Obligations outstanding as described in Table 5 below. See "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION."

### Pledge Under Resolution

The Bonds and any additional obligations issued on a parity with the Bonds (referred to herein collectively as "Parity Obligations") are special obligations of the Board equally and ratably secured solely by and payable solely from a pledge of and lien on the Pledged Revenues as described below.

The Resolution presently provides that the Pledged Revenues consist of, subject to the provisions of the Prior Encumbered Obligations, the Revenue Funds, including all of the revenues, funds, and balances now or hereafter lawfully available to the Board and derived from or attributable to any Participant of the Revenue Financing System which are lawfully available to the Board for the payment of Parity Obligations. Revenue Funds include the revenues, incomes, receipts, rentals, rates, charges, fees, grants, and tuition levied or collected from any public or private source by the Participants, including interest or other income from those funds, derived by the Board from the operations of each of the Participants. Revenue Funds do not include, with respect to each series or issue of Parity Obligations, any tuition, rentals, fees, or other charges attributable to any student in a category which, at the time of the adoption by the Board of a resolution relating to such Parity Obligations, is exempt by law or by the Board from paying such tuition, rentals, fees, or other charges; provided, however, that the following will not be included in Pledged Revenues unless and to the extent set forth in a Resolution authorizing the issuance of Parity Obligations; (a) amounts received on behalf of any Participant under Article 7, Section 17 of the Constitution of the State of Texas, including the income therefrom and any fund balances relating thereto (see "SELECTED FINANCIAL INFORMATION - Financing Programs - *Higher Education Assistance Fund Bonds*") and (b) except to the extent so specifically appropriated, general revenue funds appropriated to the Board by the Legislature of the State of Texas (the "Texas Legislature") (see "SELECTED FINANCIAL INFORMATION - Unrestricted Current Funds Revenues, - TABLE 3 - Percent of Total Sources of Unrestricted Current Funds Revenues, and - *Government Appropriations*"). All legally available funds of the University, including unrestricted fund and reserve balances, are pledged to the payment of the Parity Obligations. A more detailed description of the types of revenues and expenditures of the Revenue Financing System and their availability to the Board for various purposes may be found under "TABLE 1 - Pledged Revenues" and "SELECTED FINANCIAL INFORMATION" (see also "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION."

The Board has covenanted in the Resolution that in each Fiscal Year it will use its reasonable efforts to collect revenues sufficient to meet all financial obligations of the Board relating to the Revenue Financing System including all deposits or payments due on or with respect to outstanding Parity Obligations for such Fiscal Year. The Board has also covenanted in the Resolution that it will not incur any debt secured by Pledged Revenues unless such debt constitutes a Parity Obligation or is junior and subordinate to the Parity Obligations. The Board intends to issue most of its revenue-supported debt obligations which benefit components of the University as Parity Obligations under the Resolution.

THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE BOARD, THE AUTHORITY, THE UNIVERSITY OR ANY PART THEREOF, THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION OF THE STATE. NEITHER THE BOARD NOR THE AUTHORITY HAS ANY TAXING POWER, AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED AS SECURITY FOR THE BONDS. THE BREACH OF ANY COVENANT, AGREEMENT, OR OBLIGATION CONTAINED IN THE RESOLUTION WILL NOT IMPOSE OR RESULT IN GENERAL LIABILITY ON OR A CHARGE AGAINST THE GENERAL CREDIT OF THE BOARD, THE AUTHORITY, OR THE UNIVERSITY. THE OWNERS OF THE BONDS WILL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF THE BONDS FROM ANY SOURCE OTHER THAN PLEDGED REVENUES. SEE “SECURITY FOR THE BONDS.”

**TABLE 1 - Pledged Revenues**

The following table contains a summary of the Pledged Revenues for the Fiscal Year 1999, including pledged unappropriated fund balances available at the beginning of each year. The Pledged Revenues consist of Unrestricted Current Funds Revenues but do not include: remissions, governmental appropriations and gifts, grants and contracts within the Educational and General Fund Group; Higher Education Assistance Funds; and student service fees and private gifts in the Auxiliary Fund Group, as such terms are used in “APPENDIX B - FINANCIAL REPORTS.” See “SELECTED FINANCIAL INFORMATION” and “SECURITY FOR THE BONDS.”

Available Pledged Revenues Not Including Fund Balances	\$55,313,208
Pledged Unappropriated Funds and Reserve Balances	<u>5,705,417</u>
Total Pledged Revenues	<u>\$61,018,625</u>

Prior to 1997, certain of the Pledged Revenues were characterized as the “building use fee” of the University. In 1997, the Texas Legislature passed legislation that characterized the “building use fee” as “tuition.”

Maximum annual debt service over the life of the Prior Encumbered Obligations and the Bonds is \$4,079,746.

**Additional Obligations**

The Bonds are Parity Obligations and are on a parity with the Series 1998 Bonds. The Board anticipates seeking the issuance of additional obligations to provide funds for new construction, renovation of existing facilities, and acquisition of equipment. See “SELECTED FINANCIAL INFORMATION—Future Capital Improvement Needs and Projected Debt Issuance.”

*Parity Obligations*

The Board reserves the right to issue or incur, or request that the Authority, on its behalf, issue or incur additional Parity Obligations for any purpose authorized by law pursuant to the provisions of the Resolution. The Board or the Authority acting on behalf of the Board may incur, assume, or guarantee, or cause to be incurred, assumed or guaranteed, or otherwise become liable with respect to any Parity Obligations if (i) the Board will have determined (A) that it will have sufficient funds to meet the financial obligations of the University, including sufficient Pledged Revenues to satisfy the annual debt service requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System and (B) the Participant or Participants for whom the Parity Obligations are being issued or incurred possess the financial capacity to satisfy their respective Direct Obligations, after taking into account the then proposed additional Parity Obligations, and (ii) a Designated Financial Officer delivers to the Board and the Authority a certificate stating that, to the best of his or her knowledge, the Board is in compliance with all covenants contained in the Resolution and any resolution adopted authorizing the issuance of Parity Obligations, and is not in default in the performance and observance of any of the terms, provisions, and conditions thereof. See “SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” and “SELECTED FINANCIAL INFORMATION—Future Capital Improvement Needs and Projected Debt Issuance.”

*Nonrecourse Debt and Subordinate Debt*

Nonrecourse Debt and Subordinated Debt may be incurred by the Board, or the Authority on behalf of the Board, without limitation.

## STEPHEN F. AUSTIN STATE UNIVERSITY

### General Description

The University was created by the 36<sup>th</sup> Texas Legislature in 1921. From its inception as primarily a college for teacher training, the University's scope has been greatly expanded to that of a regional university.

The University is located in Nacogdoches, Texas, the county seat of Nacogdoches County. Nacogdoches, one of the oldest cities in Texas, was originally established in 1716 as the site of the Guadalupe de Nacogdoches Mission. Today it is a city of approximately 30,000 people with an economy based on lumbering, agriculture, poultry production, fertilizer and feed producing plants, and wood processing, as well as general commerce.

The main campus includes approximately 400 acres, part of the original homestead of Thomas J. Rusk, an early Texas patriot and United States Senator. In addition, the University maintains a university farm of 410 acres for beef production; a second university farm of 200 acres for dairying and poultry; an experimental forest in southwestern Nacogdoches County; and a forestry field station near Lake Sam Rayburn. The main campus hosts 25 major instructional buildings, 17 dormitories, and 399 student apartments, representing an investment of approximately \$105 million. Besides the central library housing a large general collection, the University operates a Forestry Library which, in addition to a general forestry collection, contains a highly regarded Forest History Collection of over 500,000 items. Other facilities of special interest at the University include the Soils Testing Laboratory, the Forestry Research Laboratory and the Seed Testing Laboratory. At August 31, 1999, the book value of all University plant fund assets was over \$208 million.

### Curriculum

The University is a fully state-supported coeducational institution of higher learning. It is organized into seven separate schools that include the Schools of Applied Arts and Sciences, Business, Education, Fine Arts, Forestry, Liberal Arts, and Sciences and Mathematics. These schools currently offer 13 different baccalaureate degrees in over 70 subject areas. In addition, the Graduate School confers Masters degrees in Fine Arts, Arts, Business Administration, Education, Forestry, and Science in 33 separate areas, and the Doctor of Forestry and Doctor of Education degrees.

### Freshman Statistics

	<u>Fall Semester Enrollment</u>				
	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Men	907	927	951	839	755
Women	<u>1,350</u>	<u>1,426</u>	<u>1,429</u>	<u>1,205</u>	<u>1,022</u>
Total	<u>2,257</u>	<u>2,353</u>	<u>2,380</u>	<u>2,044</u>	<u>1,777</u>
% change	-4.08%	-1.13%	16.44%	15.03%	-12.60%

**TABLE 2 – Enrollment Data**

	<u>Headcount by Semester</u>			
<u>Type of Student</u>	<u>Summer I</u>	<u>Summer II</u>	<u>Fall</u>	<u>Spring</u>
	<u>1999</u>	<u>1999</u>	<u>1999*</u>	<u>2000*</u>
Texas Resident	4,657	4,306	11,661	10,546
Out of State	79	67	208	192
Foreign	22	18	50	52
High School Scholarship	4	3	24	22
Hazelwood Act	29	29	37	29
St. Commission Blind/Deaf	14	18	35	31
Orphaned Children of Public Employees			<u>4</u>	<u>4</u>
Other	<u>15</u>	<u>47</u>	<u>141</u>	<u>137</u>
Total	<u>4,820</u>	<u>4,488</u>	<u>12,160</u>	<u>11,013</u>

\* As estimated by the University. Preliminary and subject to change.

**Fall Enrollment Trend Data**

<u>Fiscal Year</u>	<u>Students</u>	<u>Semester Hours</u>
2000	11,919	150,767
1999	12,132	153,555
1998	12,041	152,503
1997	11,690	147,577
1996	11,758	147,842
1995	12,206	153,533
1994	12,493	159,649
1993	12,687	162,639
1992	12,815	163,916
1991	12,786	164,149
1990	12,574	162,257
1989	12,111	156,607
1988	12,138	157,811
1987	12,435	161,058

**Degrees Awarded by School and Percent of Total**

	<u>1999</u>		<u>1998</u>		<u>1997</u>		<u>1996</u>		<u>1995</u>	
Applied Arts & Sciences	275	15.21%	259	14.30%	304	16.70%	286	15.45%	305	15.11%
Business	354	19.58%	398	21.98%	385	21.15%	442	23.88%	452	22.39%
Education	710	39.27%	690	38.10%	647	35.55%	648	35.01%	704	34.87%
Fine Arts	68	3.76%	61	3.37%	76	4.18%	79	4.27%	99	4.90%
Forestry	64	3.54%	83	4.58%	66	3.63%	62	3.35%	62	3.07%
Liberal Arts	179	9.90%	175	9.66%	169	9.29%	179	9.67%	211	10.45%
Sciences & Mathematics	<u>158</u>	<u>8.74%</u>	<u>145</u>	<u>8.00%</u>	<u>173</u>	<u>9.51%</u>	<u>155</u>	<u>8.37%</u>	<u>186</u>	<u>9.21%</u>
Total	<u>1,808</u>	<u>100.00%</u>	<u>1,811</u>	<u>100.00%</u>	<u>1,820</u>	<u>100.00%</u>	<u>1,851</u>	<u>100.00%</u>	<u>2,019</u>	<u>100.00%</u>

**Faculty Profile**

The minimum degree requirement for a faculty member above the rank of teaching assistant at the University is a Master's degree (or equivalent). During the fall semester, 1999, the University employed 412 full-time instructional faculty and approximately 208 part-time faculty.

The full-time faculty hold academic rank and tenure. The following data apply to the full-time faculty:

<u>Academic Credentials</u>	<u>Number</u>	<u>Academic Rank</u>	<u>Number</u>	<u>Percent Tenure</u>
Doctor	309	Professors	128	98%
		Associate Professors	86	82%
		Assistant Professors	133	23%
Master's Degree (or equivalent)	99	Instructors	28	4%
Other	<u>4</u>	Lecturers	<u>37</u>	<u>0%</u>
Total	<u>412</u>	Total	<u>412</u>	<u>55%</u>

**Deposits and Investments**

The University invests its funds under authority of provisions of the Texas Education Code, the Texas Property Code and the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "PFIA"). At August 31, 1999, the carrying amount of the University's deposits was \$10,954,621 and total bank balances equaled \$11,618,614. Bank balances of \$427,527 (Category 1) were covered by federal depository insurance and \$11,190,787 was covered by collateral pledged in the University's name. The collateral was held in the safekeeping departments of unrelated banks that act as the pledging bank's agents. Cash and Temporary Investments as reported on the Balance Sheet contained in APPENDIX B, consist of the items reported below:



*Cash and Temporary Investments*

Bank Deposits:	
Demand Deposits	\$10,557,963
Sweep Accounts	<u>396,658</u>
Total Bank Deposits	10,954,621
Cash and Cash Equivalents:	
Petty Cash on Hand	192,060
Local Funds in State Treasury	<u>13,390,371</u>
Total Cash and Cash Equivalents	<u>13,582,431</u>
Total Cash and Deposits	<u>\$24,537,052</u>

To comply with the reporting requirements of GASB Statement No. 3, the University's investments are categorized in the tabulation titled "Investment Categories" to give an indication of credit risk assumed by the University at year end.

Credit risk is the risk that another party to a deposit or investment transaction will not fulfill its obligations. Credit risk is not to be confused with market risk, which is the risk that the market value of an investment, collateral protecting a deposit, or securities underlying a repurchase agreement will decline.

The following categories of credit risk are included:

- Category 1:** Investments that are insured or registered or for which the securities are held by the institution or its agent in the institution's name.
- Category 2:** Uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or institution in the institution's name.
- Category 3:** Uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the institution's name.

*Investment Categories*

<u>Type of Security</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Reported Value</u>
Corporate Stocks	\$13,456,490	\$-0-	\$-0-	\$13,456,490
Mortgage-Backed	4,699,101	-0-	-0-	4,699,101
U.S. Treasury Bills	<u>10,075</u>	<u>-0-</u>	<u>-0-</u>	<u>10,075</u>
TOTAL	<u>\$18,165,666</u>	<u>\$-0-</u>	<u>\$-0-</u>	\$18,165,666

Uncategorized Investments

Sweep Accounts	10,507,534
TexPool	1,244,733
Money Market/Money Funds	<u>7,493,711</u>
	<u>\$37,411,644</u>
Total Cash & Deposits	\$24,537,052
Total Investments	<u>37,411,644</u>
TOTAL DEPOSITS AND INVESTMENTS	<u>\$61,948,696</u>
Cash and Temporary Investments	\$43,783,030
Investments	<u>18,165,666</u>
TOTAL DEPOSITS AND INVESTMENTS	<u>\$61,948,696</u>

**Endowments**

As of August 31, 1999, the University's endowment funds consisted of the University Endowment Fund and the University Quasi-Endowment Fund. A portion of the earnings from the Endowment Fund are allocated directly to individual endowed department chairs, professorships, scholarships, and other endowed accounts attributed to various departments or employees of the University. Earnings from the Quasi-Endowment Fund are not reserved nor allocated to specific endowments.

## **Insurance**

The University's insurance covers automobiles, property (including its residence halls), boilers and machinery, equipment, crime, general liability, and directors' and officers' liability. The University does not carry insurance on its state-owned buildings; however, the State is self-insured against any loss on such buildings. The cost of the University's insurance premiums for Fiscal Year 1999 was approximately \$158,000.

## **Retirement Plans**

The State of Texas has joint contributory retirement plans for substantially all of its employees. One of the primary plans in which the University participates is administered by the Teacher Retirement System of Texas. The contributory percentages of participant salaries currently provided by the State and by each participant are 6.0% and 6.4%, respectively, of annual compensation.

The Teacher Retirement System of Texas does not separately account for each of its component governmental agencies, since the Retirement System itself bears sole responsibility for retirement commitments beyond contributions fixed by the State Legislature. According to an independent actuarial evaluation as of August 31, 1999, the present value of the Retirement System's actual and project liabilities, including projected benefits payable to its retired and active members and their beneficiaries, was in excess of the assets of the Retirement System. However, the actuary projected that such assets, augmented by projected future contributions and earnings, would be sufficient to amortize the unfunded difference over a period of 6 years assuming payroll growth of 4%. Further information regarding actuarial assumptions and conclusions, together with audited financial statement is included in the Retirement System's annual report.

The State has also established an Optional Retirement Program (the "ORP") for institutions of higher education. Participation in the ORP is in lieu of participation in the Teacher Retirement System. ORP provides for the purchase of annuity contracts. The contributory percentages on salaries for participants entering the program prior to September 1995 are 8.5% and 6.65% by the State and each participant, respectively. The State's contribution is comprised of 6.00% from the ORP appropriation and 2.5% from other funding sources. The 6.00% contribution is mandatory with the remainder being at the discretion of the Board. The Board has approved the additional contributions for employees of Stephen F. Austin State University. The contributory percentages on salaries for participants entering the program after August 31, 1995, are 6.00% and 6.65% by the State and each participant, respectively. Since these are individual annuity contracts, the State has no additional or unfunded liability for this program.

The retirement expense to the State for the Participants was \$1,573,522 for the Fiscal Year ended August 31, 1999. This amount represents the portion of expended appropriations made by the Texas Legislature on behalf of the University.

## **Financial Support**

As a State institution, the University receives approximately half of its operating funds from State appropriations. Other operating funds are derived from student tuition and fees and auxiliary enterprises such as dormitories and dining halls. For financial information concerning the State of Texas, reference is made to "APPENDIX A" published by the Comptroller of Public Accounts of the State of Texas which is filed quarterly with each Nationally Recognized Municipal Securities Information Repository ("NRMSIR") and State Information Depository ("SID"). See "SELECTED FINANCIAL INFORMATION – Funding for the University."

## **University Year 2000 Disclosure**

The year 2000 presents potential problems for computerized data files and computer programs. Potential problems result from computer programs that do not differentiate between the year 1900 and the year 2000 because they were written using two digits, rather than four, to define the applicable year; accordingly, the concern has been that computer systems and equipment with embedded computer hardware containing time-sensitive calculations or functions may not properly recognize the year 2000.

Prior to December 31, 1999, the University implemented a year 2000 strategy that was designed to identify, remediate and test the University's computer hardware and software and other potentially affected equipment. In addition, the University sought and received assurances from essential third-party vendors that such vendors had implemented year 2000 strategies, although the levels of assurance received by the University from third-parties have varied.

As of the date of this Official Statement, the University has experienced no significant problems with its computer hardware and software and other equipment as a result of the year 2000 issue; and the University has not been made aware of any significant year 2000 problems by any of its third party vendors. Because of the unprecedented nature of the year 2000 issue, problems related to the year 2000 issue may yet occur that would affect the University. The University intends to continue to monitor its computer hardware and software and other equipment, and that of its essential third-party vendors, for the purpose of identifying, assessing and, if possible, remediating the effects of any year 2000 problem that may become evident following the date of this Official Statement.

## SELECTED FINANCIAL INFORMATION

### Audits and Financial Reports

The State of Texas issues audited financial statements, prepared in accordance with generally accepted accounting principles for the State government as a whole. The statements are prepared by the Comptroller of Public Accounts and are audited by the State Auditor's Office. The State Auditor expresses an opinion on the financial statements of the State but does not express an opinion on the financial statements of individual component units including those of the University. The scope of the State Auditor's audit includes tests for compliance with the covenants of general obligation and revenue bond issues of the State and its component agencies and institutions. Supplementary schedules are included in the State financial statements providing for each bond issue information related to the pledged revenues and expenditures, coverage of debt service requirements, restricted account balances, and/or other relevant information that may be feasibly incorporated. The State Auditor does not express an opinion on such schedules in relation to the basic financial statements taken as a whole.

Any material compliance exceptions related to bond covenants are addressed in the overall management letter for the State audit.

Annually, not later than November 29, an unaudited financial report dated as of August 31, prepared from the books of the University, must be delivered to the Governor and the State Comptroller of Public Accounts. Each year, the State Auditor must certify the financial statements of the State as a whole, inclusive of the University, and in so doing examines the financial records at each of the University's component institutions. No outside audit in support of this detailed review is required or obtained by the University.

The financial statements of the University are prepared on a modified accrual basis consistent with principles recommended in *College and University Business Administration*, Fourth Edition (1982).

The fiscal year of the State and the University begins on September 1 of each year. The University is an agency of the State of Texas and its financial records reflect compliance with applicable State statutes and regulations. The significant accounting policies followed by the University in maintaining accounts and in the preparation of the combined primary financial reports are in accordance with Texas Comptroller of Public Accounts' Annual Financial Reporting Requirements. These requirements follow, as near as practicable, the AICPA Industry Audit Guide *Audits of Colleges and Universities, 1973*, as amended by *AICPA Statement of Position (SOP) 74-8, Financial Accounting and Reporting by Colleges and Universities*.

Attached to this Official Statement is "APPENDIX B," which is the most recent unaudited Annual Financial Report of the University (with the relevant portion of the notes to the Annual Financial Report), for the University's Fiscal Year ended August 31, 1999, excerpted from the 1999 Annual Report of the University. The University's unaudited Annual Financial Report set forth as APPENDIX B consists of the Balance Sheet as of August 31, 1999, the Statement of Changes in Fund Balances for the year ended August 31, 1999, and the Statement of Current Funds Revenues and Expenditures for the year ended August 31, 1999.

### Funding for the University

Funding for the University for the Fiscal Year ended August 31, 1999 consisted of government appropriations; tuition and student fees; gifts, grants, and scholarships; sales, services, and other sources; designated funds; and auxiliary enterprises. As shown below, the amounts and the sources of such funding vary from year to year, there is no guarantee that the source or amounts of such funding will remain the same in future years. As a State institution, the University receives approximately half of its operating funds from State appropriations. The University has no assurance that the Texas Legislature will continue to appropriate to it the general revenue funds of the State at the same levels as in previous years for tuition dedicated for educational and general purposes used to make debt service payments on the Outstanding Parity

Obligations. Future levels of State support are dependent upon the ability and willingness of the Texas Legislature to make appropriations to the University taking into consideration the availability of financial resources and other potential uses of such resources.

**Current Funds**

Current funds are funds expendable for current operating purposes. Within the current funds group, funds are segregated between unrestricted and restricted. The current funds revenues and expenditures described below are derived from the Combined Statement of Current Funds Revenues and Expenditures included in the University’s unaudited combined primary financial report for each of the fiscal years indicated. This statement, prepared under the principles of fund accounting, presents the financial activities of current funds related to the applicable reporting period and does not purport to present the results of operations or the net income or loss for the period. See “SELECTED FINANCIAL INFORMATION” and “APPENDIX B.”

**Unrestricted Current Funds Revenues**

Unrestricted funds are funds over which the Board retains full control in achieving institutional purposes. Not all unrestricted funds constitute Pledged Revenues. See “SECURITY FOR THE BONDS - Pledge Under Resolution.” The Unrestricted Current Funds Revenues described below are derived from the unaudited combined primary financial report of the University for each of the fiscal years in the five year period ended August 31, 1999. See “FINANCIAL MANAGEMENT” and “APPENDIX B.” Unrestricted Current Funds Revenues are categorized by source. Each category of Unrestricted Current Funds Revenues presented below as a percent of total sources of such revenues is as follows:

**TABLE 3 - Percent of Total Sources of Unrestricted Current Funds Revenues**

	<u>Fiscal Year Ended August 31</u>				
	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
<b>CURRENT INCOME</b>					
Tuition and Fees	29.55%	26.79%	29.72%	22.47%	22.06%
State Appropriations	44.01%	44.90%	47.07%	52.00%	49.27%
Gifts, Grants, and Contracts	0.40%	0.32%	0.45%	0.31%	0.27%
Endowment/Investment/Interest Income	1.26%	2.45%	1.24%	0.36%	0.78%
Sales and Service	24.76%	25.53%	21.52%	24.87%	27.62%
Other Sources	<u>0.02%</u>	<u>0.00%</u>	<u>0.01%</u>	<u>-0.01%</u>	<u>0.01%</u>
Total Unrestricted Current Funds Revenues	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Unaudited Annual Financial Report - Combined Exhibit C - Statement of Current Funds Revenues and Expenditures.

Current funds revenues of the designated service departments are not reflected in the information in Table 3 because such revenues are reported as a credit against institutional support expenditures in “APPENDIX B” in accordance with financial reporting requirements. The amount of such excluded Unrestricted Current Funds Revenues for Fiscal Year 1999 was \$2,513,852, which amount was approximately 15% of Unrestricted Current Funds Revenues for such fiscal year. The amount of such excluded Unrestricted Current Funds Revenues was approximately 17% of the Unrestricted Current Funds Revenues in Fiscal Years 1998 through 1995.

*Tuition and Fees*

The University charges tuition and fees as set by the Texas Legislature and the Board under Chapters 54 and 55 of the Texas Education Code which permits (i) undergraduate tuition applicable to state residents to be charged up to \$76 per semester credit hour for the 1999-2000 academic year, and up to \$80 per semester credit hour for the 2000-2001 academic year and thereafter; and (ii) tuition of a nonresident student at a general academic teaching institution or medical and dental unit to be increased to an amount equal to the average of the nonresident undergraduate tuition charged to a resident of Texas at a public state university in each of the five most populous states other than Texas (the amount of which would be computed by the Coordinating Board for each academic year). In 1997, the Texas Legislature redesignated the “building use fee” previously authorized by Section 55.16, Texas Education Code as “tuition,” and of the per semester credit hour amounts referenced above, up to \$38 per semester credit hour for the 1999-2000 academic year, and up to \$40 per semester credit hour for the 2000-2001 academic year and each academic year thereafter may be charged and pledged as a Revenue Fund. For the academic year 1999-2000, the Coordinating Board has computed \$254 per semester credit hour for nonresident

undergraduate tuition. As stated above, unless it is necessary to meet a debt service obligation, the amount of the tuition pledged under the Resolution as a Revenue Fund and charged in any academic year may not exceed the amount of tuition to be charged in that academic year.

Amendments to the provisions of the Education Code were enacted in 1997 which allow the Board to set the tuition and any other necessary fees, rentals, rates, or other Revenue Funds of the Board at the level necessary, without limit, to enable the Board to meet its obligations with respect to the payment of debt service on the Parity Obligations. Thus, notwithstanding the limitations outlined above, the rate of the tuition pledged as a Revenue Fund actually imposed to secure the Parity Obligations will not be limited by law or the Resolution, to the extent it is necessary to raise such rates if there are not sufficient Pledged Revenues to pay debt service on Parity Obligations.

The tuition to be charged to the University’s students for the 1999-2000 academic year are (i) \$38 per semester hour for undergraduate resident students, (ii) \$68 per semester hour for undergraduate students from Louisiana, and (iii) \$254 per semester hour for other non-resident undergraduate students.

The amount of “redesignated tuition” (the former “building use fee”) charged by the Board currently equals \$24 per semester hour. The following table sets forth the total of tuition and fees (net of refunds) collected during each of the five most recent Fiscal Years at the University.

Tuition and Fees

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$31,415,343	\$27,619,730	\$27,139,088	\$19,627,873	\$18,328,143

*Government Appropriations*

The University receives support annually from the State through annual general revenue fund appropriations made by the Texas Legislature. For the most recent year ended August 31, 1999, 44% of current funds revenues were from state appropriations.

State Appropriations

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$46,793,608	\$46,285,199	\$42,976,260	\$45,421,692	\$40,923,137

*Gifts, Grants, and Contracts*

The University receives federal, state, and local grants and contracts for research which incorporate an overhead component for use in defraying operating expenses. This overhead component is treated as Unrestricted Current Funds Revenues while the balance of the grant or contract is treated as restricted current funds revenues. Indirect cost recovery rates used in calculating the overhead component are negotiated periodically with the appropriate governmental agency for each component institution. In addition, unrestricted gifts are received by each institution.

Gifts, Grants, and Contracts

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$429,092	331,696	\$408,997	\$274,002	\$225,047

*Endowment, Investment, and Other Interest Income*

The University generates interest from the investment of cash under an investment policy adopted by the Board in accordance with State law. Endowment, investment, and other interest income are received on both a restricted and unrestricted basis.

Endowment, Investment, and Other Interest Income

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$1,343,303	\$2,525,387	\$1,128,226	\$315,635	\$644,462

*Sales and Services*

Other educational activities and auxiliary enterprises generate revenue from sales and services that is unrestricted.

Sales and Services

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$23,806,196	\$22,784,292	\$19,649,999	\$21,719,894	\$22,940,043

*Other Sources*

All miscellaneous revenues including rents, fees, fines, sales, and other receipts not categorized above have been grouped together as “other sources.”

Other Sources

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$19,750	\$3,760	\$8,886	\$(11,523)	\$5,138

**Total Unrestricted Current Funds Revenues**

The following table presents a history of the total of all categories of Unrestricted Current Funds Revenues for each of the five most recent fiscal years:

Total Unrestricted Current Funds Revenues

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$103,807,292	\$99,550,064	\$91,311,456	\$87,347,573	\$83,065,970

**Unrestricted Current Funds Expenditures**

Unrestricted Current Funds Expenditures represent the cost incurred for goods and services used in the conduct of the University’s operations. Such expenditures include the acquisition cost of capital assets, such as equipment and library books, to the extent Unrestricted Current Funds are budgeted for and used by operating departments for such purposes. The Unrestricted Current Funds Expenditures are derived from the unaudited Financial Reports for each of the fiscal years in the five-year period ended August 31, 1999. See “APPENDIX B.” Unrestricted Current Funds Expenditures are categorized by function. Each category of Unrestricted Current Funds Expenditures and mandatory transfers, which are presented below as a percent of total expenditures by function and mandatory transfers, is as follows:

**TABLE 4 - Percent of Total Sources of Unrestricted Current Funds Expenditures**

	Fiscal Year Ended August 31				
	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Instructional and Departmental	34.77%	34.95%	35.31%	35.32%	36.26%
Research	0.80%	0.80%	1.03%	1.06%	1.13%
Public Service	1.51%	1.58%	2.17%	2.01%	1.79%
Academic Support	5.78%	5.56%	5.38%	6.18%	5.88%
Student Services	3.87%	3.94%	3.68%	3.52%	2.99%
Institutional Support	10.89%	10.14%	11.03%	8.87%	6.22%
Operation and Maintenance of Physical Plant	7.57%	8.42%	7.59%	12.55%	15.12%
Major Repairs and Rehabilitation	0.28%	1.16%	2.49%	0.88%	0.31%
Scholarships	3.92%	3.06%	1.04%	0.24%	0.35%
Auxiliary Enterprises	25.97%	25.40%	25.47%	24.87%	25.52%
Mandatory Transfers	<u>4.66%</u>	<u>4.97%</u>	<u>4.81%</u>	<u>4.51%</u>	<u>4.43%</u>
Total Unrestricted Current Funds Expenditures and Mandatory Transfers (E&G, Designated, and Pledged Auxiliary only)	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Source: Unaudited Annual Financial Report - Exhibit C - Statement of Current Funds Revenues and Expenditures

*Instruction*

This category includes expenditures for all activities that are part of the University's instructional programs. Expenditures are included for credit and non-credit courses, for academic, vocational and technical instruction, for remedial and tutorial instruction and for regular, special and extension sessions. The following table presents a history of these expenditures for each of the five most recent fiscal years:

Instruction				
<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$34,454,610	\$33,382,635	\$32,575,694	\$31,005,511	\$31,490,646

*Research*

This category includes all expenditures for research. Expenditures may be either internally or externally sponsored. The following table presents a history of these expenditures by the University for each of the five most recent fiscal years:

Research				
<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$792,744	\$765,846	\$946,789	\$931,751	\$982,062

*Public Service*

This category includes funds expended primarily for non-instructional services beneficial to individuals and groups which are not part of the University. The following table presents a history of these expenditures for each of the five most recent fiscal years:

Public Service				
<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$1,493,736	\$1,513,566	\$1,997,423	\$1,763,417	\$1,551,460

### *Academic Support*

This category includes funds expended primarily to provide support services for instruction, research, and public service. Expenditures included in this category are those supporting the operation of libraries, museums, and galleries, as well as those for academic administration, technical support, and curriculum development. The following table presents a history of these expenditures for each of the five most recent fiscal years:

#### Academic Support

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$5,723,519	\$5,311,349	\$4,960,144	\$5,425,909	\$5,108,692

### *Student Services*

This category includes funds expended for those activities whose primary purpose is to contribute to the student's emotional and physical well-being and intellectual, cultural, and social development outside the context of the formal instructional program. The following table presents a history of these expenditures for each of the five most recent fiscal years:

#### Student Services

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$3,834,728	\$3,765,668	\$3,397,692	\$3,088,099	\$2,597,837

### *Institutional Support*

This category includes expenditures of the offices of admissions and registration and for administration, planning, fiscal operations, data processing, personnel and records, and logistical activities. The following table presents a history of these expenditures for each of the five most recent fiscal years:

#### Institutional Support

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$10,787,221	\$9,682,463	\$10,175,064	\$7,787,367	\$5,404,968

### *Operations and Maintenance of Plant*

This category includes all expenditures of unrestricted current funds for the operation and maintenance of physical plant, net of amounts charged to auxiliary enterprises. The following table presents a history of these expenditures for each of the five most recent fiscal years:

#### Operations and Maintenance of Plant

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$7,501,884	\$8,042,621	\$7,003,168	\$11,018,971	\$13,127,335

### *Scholarships and Fellowships*

This category includes expenditures for scholarships and fellowships, including tuition remissions and exemptions, in the forms of grants to students resulting either from selection by the University or from an entitlement program. The following table presents a history of these expenditures for each of the five most recent fiscal years:

#### Scholarships and Fellowships

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$3,880,914	\$2,927,148	\$2,298,097	\$771,043	\$267,647



*Major Repairs and Rehabilitation*

This category includes expenditures related to major repairs, maintenance, and renovations. The distinction between major repairs and minor repairs is defined by the University. Minor repairs are classified as building maintenance. The majority of expenditures for major repairs and rehabilitation are accounted for when incurred as renewals and replacement in the Plant Funds Sub-fund Group.

Major Repairs and Rehabilitation

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$281,155	\$1,109,310	\$957,742	\$210,823	\$303,815

*Auxiliary Enterprises*

This category includes all expenditures relating to the operation of auxiliary enterprises, including expenditures for operation and maintenance of plant and institutional support. The following table presents a history of these expenditures for each of the five most recent fiscal years:

Auxiliary Enterprises

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$25,730,669	\$24,256,048	\$23,496,018	\$21,832,112	\$22,161,410

*Mandatory Transfers*

This category includes transfers from the unrestricted current funds group to other fund groups primarily for the payment of debt service on the Prior Encumbered Obligations, as well as required provisions for renewals and replacements of plant. The following table presents a history of these transfers for each of the five most recent fiscal years:

Mandatory Transfers

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$4,751,008	\$4,614,986	\$4,436,628	\$3,961,943	\$3,843,961

**Total Unrestricted Current Funds Expenditures and Mandatory Transfers**

The following table presents a history of the total of all categories of Unrestricted Current Funds Expenditures and mandatory transfers for each of the five most recent fiscal years:

Total Unrestricted Current Funds Expenditures and Mandatory Transfers

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$98,951,033	\$94,262,330	\$91,286,817	\$87,586,123	\$86,536,018

**Total Restricted Current Funds Revenues and Expenditures**

Restricted current funds revenues refer to resources that have been externally restricted and may only be utilized in accordance with the purposes stipulated by the source of such funds. Such revenues include, among others, grants and contracts from governmental and private sources (other than the overhead component which is treated as unrestricted current funds revenue), restricted gifts, and income on restricted endowment funds. Receipts from these resources are reported as revenues only when expended. The following table presents a history of total restricted current funds revenues and expenditures for each of the five most recent fiscal years:

Total Restricted Current Funds

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$13,511,406	\$12,229,093	\$10,885,419	\$10,085,349	\$9,366,541

**Fund Balances**

Fund balances represent the difference between total assets and total liabilities and are reported by fund group. The fund balances described below are derived from the Balance Sheet included in the unaudited primary financial statements for each of the fiscal years indicated. See "APPENDIX B." The Statement of Changes in Fund Balances of the fiscal year ended August 31, 1999, included in "APPENDIX B" is essentially a statement of changes in financial position between reporting dates and is presented for all fund groups.

*Unrestricted Current Funds*

Unrestricted current funds balances represent the accumulation of the excess of Unrestricted Current Funds Revenues over Unrestricted Current Funds Expenditures and transfers. This amount is available for future operating purposes or other use as determined by the Board to the extent that such amount exceeds the amount reported as Unrestricted-Reserves. See the Balance Sheet included in "APPENDIX B" for details for the year ended August 31, 1999. The total fund balance of all categories of unrestricted current funds (which relates to the revenues and expenditures presented above) as of the end of each of the five most recent fiscal years was as follows:

Unrestricted Current Funds Balances

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$18,692,863	\$16,479,191	\$10,930,345	\$12,527,672	\$7,531,625

*Restricted Current Funds*

Restricted current funds represent unexpended balances of funds externally restricted to specific operating purposes. Such funds originate from income on restricted endowment funds, gifts whose donors have placed limitations on their use and grants and contracts from private or governmental sources for research, training and other sponsored programs (other than the overhead component which is treated as unrestricted current funds). The total fund balance of restricted current funds (which relates to the revenues and expenditures presented above) as of the end of each of the five most recent fiscal years was as follows:

Restricted Current Funds Balances

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$4,243,930	\$2,052,746	\$1,648,889	\$1,574,487	\$1,752,369

*Loan Funds*

Loan funds represent student loans or funds available for loans to students administered by the University pursuant to federal and private programs. Approximately one-half of such loans are federally funded primarily through the Perkins Loan Program which succeeded the National Direct Student Loan Program. The balance of such loans is funded by the University either through private sources or from student tuition as authorized by State law. The loan funds balance as of the end of each of the five most recent fiscal years was as follows:

Loan Funds

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$9,046,037	\$8,517,089	\$7,775,054	\$7,510,583	\$7,107,543

### *Endowment and Similar Funds*

Endowment and Similar Funds are composed of the University Endowment Fund and other non-commingled endowments. The University Endowment Fund is a commingled fund that provides for the investment of endowed chairs, professorships, and fellowships, as well as scholarships and other endowed accounts belonging to members of the University. As of August 31, 1999, the fund was invested 17.6% in cash and short-term investments and 82.4% in long-term investments. Of the long term investments, 47.57% was in United States Treasury bills, and 52.31% was in corporate stocks or equities.

#### Endowment and Similar Funds

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$10,901,125	\$9,213,051	\$7,398,634	\$7,899,549	\$6,867,912

### **Plant Funds**

The University reports its Plant Funds in the following four categories: Unexpended Plant Funds; Renewals and Replacements Funds; Retirement of Indebtedness Fund; and Investment in Plant Funds.

#### *Unexpended Plant Funds*

Unexpended plant funds are unexpended funds derived from various sources to finance the acquisition of long-term plant assets. This category does not include construction in progress that is included under "Plant Funds-Investment in Plant Funds" below. The unexpended plant fund balance as of the end of each of the five most recent fiscal years was as follows:

#### Unexpended Plant Funds

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$4,363,827	\$2,090,171	\$1,336,419	\$(1,225,726)	\$243,680

The unexpended plant fund balance as of the end of Fiscal Year 1999 includes a portion of bond proceeds received at the beginning of the fiscal year.

#### *Renewals and Replacements Funds*

These funds provide for the renewal and replacement of plant fund assets as distinguished from additions and improvements to plant. The renewals and replacements fund balance as of the end of each of the five most recent fiscal years was as follows:

#### Renewal and Replacements Funds

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$340,220	\$776,722	\$623,070	\$238,605	\$200,638

#### *Retirement of Indebtedness Funds*

Funds for the retirement of indebtedness represent those funds held by the University in interest bearing accounts relating to Plant Fund indebtedness. The retirement of indebtedness fund balance as of the end of each of the five most recent fiscal years was as follows:

#### Retirement of Indebtedness Funds

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$1,185,000	\$1,110,000	\$1,065,000	\$1,000,000	\$892,500

### Investment in Plant Funds

Investment in plant represents the long-term plant and equipment assets of the University and their associated liabilities. The investment in plant fund balance as of the end of each of the five most recent fiscal years was as follows:

Investment in Plant Funds				
<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$184,619,612	\$175,965,659	\$172,239,011	\$170,556,860	\$161,514,002

At August 31, 1999, gross plant assets totaled \$208,275,654. Of this total, 63.4% was in the form of buildings, 15.9% in equipment, 8.7% in library books, 3.8% in construction in progress, and 8.2% in land and other.

### Agency Funds

Agency funds represent funds held by the University as custodian or agent for individual students, faculty, staff members, and organizations. The total agency funds assets as of the end of each of the five most recent fiscal years was as follows:

Agency Funds				
<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$4,298,386	\$350,276	\$323,029	\$245,921	\$114,547

Agency Fund assets are offset by liabilities (recognizing that funds are held in custody for others) and miscellaneous payables, with the result that agency funds balances are zero in any given fiscal year. Total agency funds assets as of the end of Fiscal Year 1999 include student financial aid received by the University prior to August 31, 1999, and not distributed until September 1999.

### Financing Programs

The University has one financing program in addition to the Revenue Financing System. Article VII, Section 17 of the Texas Constitution provides that, except for cases of demonstrated need and upon a vote of two-thirds of each house of the Texas Legislature, and except in cases of fire or natural disaster, the University may not receive any funds from the general revenues of the State for acquiring, constructing, or equipping permanent improvements, or for major repairs or rehabilitations of permanent improvements.

### Higher Education Assistance Fund Bonds

Pursuant to the Higher Education Assistance Fund ("HEAF") program, the University is qualified to receive an annual allocation from amounts constitutionally appropriated to institutions of higher education that are not entitled to participate in Permanent University Fund bond financing in order to fund permanent improvements (except those for auxiliary enterprises). Under the constitutional provision authorizing HEAF, the Board is authorized to issue bonds and notes to finance permanent improvements at such institutions and to pledge up to 50% of its allocation to secure the payment of principal of and interest on the bonds and notes. The University has \$6,105,000 of bonds outstanding under this program.

### TABLE 5 - Outstanding Indebtedness

After delivery of the Bonds, the University will have the following outstanding indebtedness:

<u>Revenue Financing System</u>	
Revenue Bonds, Series 1998	\$5,815,000
Revenue Bonds, Series 2000	7,000,000
<u>Prior Encumbered Obligations</u>	
Consolidated University Revenue Refunding Bonds, Series 1991-A	6,745,000
Consolidated University Revenue Refunding Bonds, Series 1991-B	1,665,000
Consolidated University Revenue Bonds, Series 1996	<u>3,600,000</u>
TOTAL	<u>\$24,825,000</u>

## Investment Policy and Procedures

### *Management of Investments*

As provided in the Texas Education Code, each member of the Board has the legal responsibilities of a fiduciary in the management of funds under the control of the University. All investments are made in accordance with applicable State and federal regulations. The Board has provided for centralized investment management under the direction of the Vice President for Business Affairs. Investments are managed both internally by University staff, and externally, by unaffiliated investment managers. The Board receives quarterly reports regarding asset allocation, investment returns, and comparative investment results of other endowments and indices.

### *Authorized Investments*

All available funds held by the University are authorized to be invested in accordance with the Public Funds Investment Act and with the written investment policy of the Board. Investments are to be made with the judgment and care, under the circumstances then prevailing, that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to permanent disposition of their funds, considering the probable income therefrom as well as the probable increase in value and the safety of their capital. In the management of University investments, consideration is given to the requirements of liquidity, diversification, safety of principal, yield, maturity, quality, and capability of investment management, with primary emphasis on safety of principal.

### *Investment Programs*

The University invests public funds in its custody with primary emphasis on the preservation and safety of the principal amount. Secondly, investments must be of sufficient liquidity to meet the day-to-day cash requirements of the University. Finally, the University invests to maximize yield within the two previously indicated standards. All investments within this scope conform to applicable State statutes and local rules governing the investment of public funds. Deposits and investments in other than United States Treasury or Agency securities or money market funds invested in United States Treasury or Agency securities are secured by depository pledges of collateral with market value no less than 100% of the value of the deposits and investments. Diversification maximums and actual investment levels for eligible securities as of August 31, 1999 were:

<u>Category</u>	<u>Maximum</u>	<u>Actual</u>
United States Treasury or Government securities	100%	38.35%
United States Agency securities	50%	0.00%
Mortgage-backed securities	25%	0.72%
Fully insured or collateralized certificates of deposit	30%	1.67%
Bankers' acceptances	25%	0.00%
Commercial paper	25%	0.00%
Repurchase agreements	100%	0.00%
Registered money-market funds	80%	0.80%
Local Government Investment Pool	100%	2.21%
Cash held in the State Treasury	100%	56.25%

### *Endowments*

Although not pledged to the payment of debt obligations, the University controls or is benefited by endowments valued at August 31, 1999, of approximately \$10,901,125. As of August 31, 1999, endowment funds under the direct control of the University had a book value of \$8,375,888 and consisted of marketable securities and investments, land, and other real estate holdings and mineral rights. Such land, real estate, and mineral rights are valued at their book value as of the date of acquisition of such property.

**Summary Balance Sheet**

	<u>Fiscal Year Ended August 31</u>				
	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
<b>ASSETS:</b>					
Current Funds:					
Educational and General	\$14,839,353	\$16,675,033	\$14,503,267	\$15,002,648	\$10,220,464
Designated Funds	15,032,486	9,459,580	4,729,693	5,595,808	7,415,619
Auxiliary Funds	14,982,714	5,873,310	15,501,244	12,275,995	12,443,703
Restricted	<u>6,909,300</u>	<u>4,107,420</u>	<u>1,934,985</u>	<u>1,923,102</u>	<u>1,831,295</u>
Total Current Funds	<u>\$51,763,853</u>	<u>\$46,115,343</u>	<u>\$36,669,189</u>	<u>\$34,797,553</u>	<u>\$31,911,081</u>
Loan Funds	\$9,210,028	\$8,661,363	\$7,775,054	\$7,510,583	\$7,107,543
Endowment Funds	10,901,125	9,213,051	7,398,634	7,899,549	6,867,911
Plant Funds:					
Unexpended	8,470,595	3,680,762	7,059,979	12,836,387	7,434,379
For Renewals & Replacement	340,220	776,722	623,070	238,605	204,047
For Retirement of Debt	1,185,000	1,110,000	1,065,000	1,000,000	1,388,228
Investment in Plant	<u>20,275,654</u>	<u>199,154,565</u>	<u>194,290,266</u>	<u>187,347,148</u>	<u>180,046,985</u>
Total Plant Funds	<u>\$218,271,469</u>	<u>\$204,722,049</u>	<u>\$203,038,315</u>	<u>\$201,422,140</u>	<u>\$189,073,639</u>
Agency Funds	<u>4,298,386</u>	<u>350,276</u>	<u>323,029</u>	<u>245,921</u>	<u>114,547</u>
<b>TOTAL ASSETS</b>	<u><b>\$294,444,861</b></u>	<u><b>\$269,062,082</b></u>	<u><b>\$255,204,221</b></u>	<u><b>\$251,875,746</b></u>	<u><b>\$235,074,721</b></u>
<b>LIABILITIES AND FUND</b>					
<b>BALANCES:</b>					
Total Liabilities	\$61,052,247	\$52,857,453	\$ 52,187,799	\$ 51,793,716	\$ 48,964,455
Total Fund Balances	<u>233,392,614</u>	<u>216,204,629</u>	<u>203,016,422</u>	<u>200,082,030</u>	<u>186,110,266</u>
<b>TOTAL LIABILITIES AND FUND</b>	<u><b>\$294,444,861</b></u>	<u><b>\$269,062,082</b></u>	<u><b>\$255,204,221</b></u>	<u><b>\$251,875,746</b></u>	<u><b>\$235,074,721</b></u>
<b>BALANCES</b>					

Source: Financial Reports of the University

## Summary Statement of Current Funds Revenues and Expenditures

	<u>Fiscal Year Ended August 31</u>				
	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
<b>CURRENT UNRESTRICTED REVENUES:</b>					
State Legislature Appropriations	\$40,325,335	\$39,816,926	\$36,507,987	\$38,953,419	\$35,812,375
Higher Education Assistance Funds	6,468,273	6,468,273	6,468,273	6,468,273	5,110,762
Student Tuition and Fees	31,415,343	27,619,730	27,139,088	19,627,873	18,328,143
Sales and Services	26,320,048	26,313,405	21,700,282	28,444,058	29,348,618
Gifts and Grants:					
Federal	16,811	58,405	69,252	235,685	171,272
Federal pass-thru from other State agencies	99,708	8,621	300,974		
State	187,549	207,803	9,311	6,358	7,451
Private	125,024	56,867	29,460	31,959	46,324
Interest Income	1,508,364	2,379,684	1,128,226	315,635	644,462
Endowment Income	1,999	464	0	0	0
Gains/Losses on Investments	<167,061>	145,239	0	0	0
Miscellaneous Income	<u>19,750</u>	<u>3,760</u>	<u>8,886</u>	<u>&lt;11,523&gt;</u>	<u>5,138</u>
<b>TOTAL CURRENT UNRESTRICTED REVENUES</b>	<b><u>\$106,321,143</u></b>	<b><u>\$103,079,177</u></b>	<b><u>\$93,361,739</u></b>	<b><u>\$94,071,737</u></b>	<b><u>\$89,474,545</u></b>
<b>CURRENT UNRESTRICTED EXPENDITURES:</b>					
Instructional and Departmental	\$34,454,610	\$33,382,635	\$32,575,694	\$31,005,511	\$31,490,646
Research	792,744	765,846	946,889	931,751	982,062
Public Service	1,493,736	1,513,566	1,997,423	1,763,417	1,551,460
Academic Support	5,723,519	5,311,349	4,960,144	5,425,909	5,108,692
Student Services	3,834,728	3,765,668	3,397,692	3,088,099	2,597,837
Institutional Support	10,787,221	9,682,463	10,175,064	7,787,367	5,404,968
Operation and Maintenance of Physical Plant	7,501,884	8,042,621	7,003,168	11,018,971	13,127,335
Scholarships	3,880,914	2,927,148	2,298,097	771,043	267,647
Major Repairs and Rehabilitation	281,155	1,109,310	957,742	210,823	303,815
Auxiliary Enterprises	25,730,669	24,256,048	23,496,018	21,832,112	22,161,410
Mandatory Transfers	<u>4,751,008</u>	<u>4,614,986</u>	<u>4,436,628</u>	<u>3,961,943</u>	<u>3,843,961</u>
<b>TOTAL CURRENT UNRESTRICTED EXPENDITURES</b>	<b><u>\$99,232,188</u></b>	<b><u>\$95,371,640</u></b>	<b><u>\$92,244,559</u></b>	<b><u>\$87,796,946</u></b>	<b><u>\$86,839,833</u></b>

Source: Financial Reports of the University

### Future Capital Improvement Needs and Projected Debt Issuance

The University has a long range capital improvement plan to maintain and expand the facilities of the campus through Fiscal Year 2003. At this time, the University has not determined the amount or timing of additional debt obligations, if any, to implement the capital improvement plan.

### Debt Management

Debt management of the University is the responsibility of the Vice President for Business Affairs. The University evaluates its financing needs pursuant to a debt capacity analysis and annual funding requirements determined by the capital budget. It then submits a request for financing to the Authority. Issuance of debt requires approval of the Board, the Authority, and the Texas Bond Review Board.

## SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The information contained in this section is a summary of certain provisions of the Resolution and is in addition to other information in such documents which is summarized elsewhere in this Official Statement under the captions "PLAN OF FINANCING," "DESCRIPTION OF THE BONDS," and "SECURITY FOR THE BONDS." This information is intended as a summary only and is qualified in its entirety by reference to the complete Resolution, which may be examined at the offices of the Authority or copies of which may be obtained from the Authority at 300 W. 15<sup>th</sup> Street, Suite 411, Austin, Texas 78701.

### **Establishment of Revenue Financing System**

The Revenue Financing System has been established to provide a consolidated financing structure for revenue-supported debt obligations of the Board, including the Bonds, which are to be issued for the benefit of Participants which are or will be included as part of the Revenue Financing System. The University is the only current Participant, but the Revenue Financing System may include other entities that are hereafter included as part of the University but only upon affirmative official action of the Board. Each issue or series of Parity Obligations is to be provided for under a separate resolution consistent with the provisions of the Resolution.

### **Security and Pledge; Membership in the Revenue Financing System**

Subject to the provisions of the resolutions authorizing Prior Encumbered Obligations, Parity Obligations issued under the Resolution are payable from and secured by a lien on all Pledged Revenues. The Board has assigned and pledged the Pledged Revenues to the payment of the principal of and interest on Parity Obligations and to the establishment and maintenance of any funds that may be created under the Resolution or a supplemental resolution to secure the repayment of Parity Obligations. The Authority, upon approval and consent of the Board, may execute and deliver one or more Credit Agreements to additionally secure Parity Obligations. Credit Agreements may also be secured by a pledge of Pledged Revenues on a parity with or subordinate to Parity Obligations.

If an additional institution hereafter becomes a component of the University, the Board may include the new component as a Participant of the Revenue Financing System. In that event, the lien on and pledge of Pledged Revenues established pursuant to the Resolution and effective when such institution becomes a Participant of the Revenue Financing System will apply to the revenues, funds, and balances of such Participant that constitute Pledged Revenues; provided, however, that if at the time a new Participant is admitted, it has outstanding debt obligations secured by any of such sources, such obligations will constitute Prior Encumbered Obligations secured by a lien on the portion of the Pledged Revenues providing such security which is superior to the lien established by the Resolution on behalf of Parity Obligations. The Board has reserved the right to refund Prior Encumbered Obligations with the proceeds of refunding bonds issued as Prior Encumbered Obligations secured by the same sources as the sources securing the refunded Prior Encumbered Obligations. Otherwise, while any Parity Obligations are outstanding, the Board has agreed not to issue additional obligations on a parity with any Prior Encumbered Obligations.

### **Annual and Direct Obligation of Participants**

The Resolution provides that each Participant of the Revenue Financing System is responsible for its Direct Obligation. The Board covenants in the Resolution that in establishing the annual budget for each Participant of the Revenue Financing System, it will provide for the satisfaction by each Participant of its Annual Obligation.

### **Pledged Revenues**

#### *Tuition and Other Pledged Revenues*

Subject to the provisions of the resolutions authorizing the Prior Encumbered Obligations and to the other provisions of the Resolution and any resolution authorizing the issuance of Parity Obligations, the Board has covenanted and agreed at all times to fix, levy, charge, and collect at each Participant from each student enrolled at each Participant, respectively, at each regular fall and spring semester and at each term of each summer session, for the use and availability of such institution or branch thereof, respectively, in such amounts, without any limitation whatsoever, as will be at least sufficient at all times, together with other legally available funds, including other Pledged Revenues, to provide the money to make or pay the principal of, interest on, and other payments or deposits with respect to the Parity Obligations then outstanding when and as required. Students exempt by law or the Board may be excluded from the requirement to pay student tuition. Tuition and



the other rentals, rates, fees, and charges included in Pledged Revenues will be adjusted, if and when permitted or required by the Resolution, to provide Pledged Revenues sufficient to make when due all payments and deposits in connection with the Parity Obligations then outstanding. The Board may fix, levy, charge, and collect the Pledged Revenues in any manner it may determine within its discretion, and in different amounts from students enrolled in different Participants, respectively, and in addition it may totally suspend the collection of any item included in Pledged Revenues from the students enrolled in any Participant, so long as total Pledged Revenues are sufficient, together with other legally available funds, to meet all financial obligations of the Board relating to the Revenue Financing System including all payments and deposits in connection with the Parity Obligations then outstanding. All changes in the tuition charged students at each Participant must be made by a resolution of the Board, but such procedure will not constitute or be regarded as an amendment of the Resolution, but merely the carrying out of the provisions and requirements thereof.

#### *Annual Obligation*

If, in the judgment of the Board, any Participant has been or will be unable to satisfy its Annual Obligation, the Board must fix, levy, charge, and collect tuition, rentals, rates, fees, and charges for goods and services furnished by such Participant and, with respect to the Participants with enrolled students, effective at the next succeeding regular semester or semesters or summer term or terms, in amounts sufficient, without limit (subject to the provisions discussed below), together with other legally available funds, including other Pledged Revenues attributable to such Participant, to enable it to make its Annual Obligation payments.

#### *Anticipated Deficit*

If the Board determines, for any reason whatsoever, (i) that there are not anticipated to be sufficient legally available funds, including Pledged Revenues, to meet all financial obligations of the Board relating to the Revenue Financing System, including the deposits and payments due on or with respect to the Parity Obligations outstanding at that time as the same mature or come due or (ii) that any Participant will be unable to pay its Annual Direct Obligation in full, then the Board must fix, levy, charge, and collect such rentals, rates, fees, tuition, or other charges, at each Participant with enrolled students, effective at the next succeeding regular semester or semesters or summer term or terms, in such amounts, without any limitation whatsoever (other than as provided below), as will be at least sufficient to provide, together with other legally available funds, including other Pledged Revenues, the money for making when due all financial obligations of the Board relating to the Revenue Financing System including all payments and deposits due on or with respect to outstanding Parity Obligations when and as required by the Resolution.

#### *Economic Effect of Adjustments*

Any adjustments in the rate or manner of charging for any rentals, rates, fees, tuition, or other charges included in Pledged Revenues at any of the Participants pursuant to the provisions described above will be based upon a certificate and recommendation of a Designated Financial Officer, delivered to the Board, as to the rates and anticipated collection of the Pledged Revenues at the various Participants (after taking into account the anticipated effect the proposed adjustments in such rentals, rates, fees, tuition, or other charges would have on enrollment and the receipt of Pledged Revenues and other funds at each Participant) which will be anticipated to result in (i) Pledged Revenues attributable to each Participant being sufficient (to the extent possible) to satisfy the Annual Obligation of such Participant and (ii) Pledged Revenues being sufficient, together with other legally available funds, to meet all financial obligations of the Board relating to the Revenue Financing System including all deposits and payments due on or in connection with outstanding Parity Obligations when and as required by the Resolution.

#### **Payment and Funds**

The Board has covenanted in the Resolution to make available to the Paying Agent/Registrar for Parity Obligations, on or before each payment date, money sufficient to pay any and all amounts due on such Parity Obligations on such payment date.

The Resolution allows the Board to establish one or more reserve funds or accounts to further secure any Parity Obligations. Currently, the Board has not established a reserve fund to secure the payment of the Parity Obligations.

#### **Additional Parity Obligations; Non-Recourse Debt and Subordinated Debt**

In the Resolution, the Board reserves the right to issue or incur additional Parity Obligations for any purpose authorized by law. The Board may incur, assume, guarantee, or otherwise become liable in respect of additional Parity Obligations if the

Board determines that it will have sufficient funds to meet the financial obligations of the University, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System.

In addition, the Board covenants not to issue or incur Parity Obligations unless (i) it determines that the Participant or Participants for whom Parity Obligations are being issued or incurred possesses the financial capacity to satisfy their respective Direct Obligations, after taking into account the then proposed additional Parity Obligations, and (ii) a Designated Financial Officer delivers to the Board a certificate stating that, to the best of his or her knowledge, the Board is in compliance with all covenants contained in the Resolution and any supplemental resolution authorizing outstanding Parity Obligations, and is not in default in the performance and observance of any of the terms, provisions and conditions thereof.

The Board has reserved the right to issue without limit debt secured by a lien other than a lien on Pledged Revenues and debt which expressly provides that all payments thereon will be subordinated to the timely payment of all Parity Obligations.

## **Participants**

### *Combination or Release of Participants*

The Resolution recognizes that the State may combine or divide Participant institutions and provides that so long as the combined or divided institutions continue to be governed by the Board such action must not violate the Resolution or require any amendment thereof. The Resolution also provides that subject to the conditions set forth below, any Participant or portion thereof may be closed and abandoned by law or may be removed from the Revenue Financing System (thus deleting the revenues, income, funds, and balances attributable to said Participant or portion thereof from the Pledged Revenues) without violating the terms of the Resolution provided:

(1) the Board specifically finds that (based upon a certificate of a Designated Financial Official to such effect) after the release of the Participant or portion thereof, the Board will have sufficient funds during each Fiscal Year in which Parity Obligations will thereafter be outstanding to meet the financial obligations of the Revenue Financing System, including sufficient Pledged Revenues to satisfy the annual debt service requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System; and

(2) the Board and the Authority have received an Opinion of Counsel which states that such release will not affect the status for federal income tax purposes of interest on any Outstanding Parity Obligations and that all conditions precedent provided in the Resolution or any supplement relating to such release have been complied with; and

(3)(A) if the Participant or portion thereof to be released from the Revenue Financing System is to remain under the governance and control of the Board, the Board must either (i) provide, from lawfully available funds, including Pledged Revenues attributable to said withdrawing Participant, for the payment or discharge of said Participant's Direct Obligations or (ii) pledge to the payment of Parity Obligations, additional resources not then pledged in an amount sufficient to satisfy such withdrawing Participant's Direct Obligations; or

(B) if the Participant or portion thereof to be released from the Revenue Financing System is to no longer be under the governance and control of the Board and remains in operation independent of the Board, the Board must receive a binding obligation of the new governing body of the withdrawing institution or the portion thereof being withdrawn, obligating said governing body to make payments to the Board at the times and in the amounts equal to said Participant's Annual Obligations or to pay or discharge said Participant's Direct Obligations, or, in the case of a portion of a Participant being withdrawn, the proportion of the Participant's Annual Obligation or Direct Obligation, as the case may be, attributable to the withdrawing portion of the Participant.

### *Disposition of Assets*

In the Resolution, the Board has reserved the right to convey, sell, or otherwise dispose of any properties of the Board attributable to a Participant of the Revenue Financing System, provided that:

(1) such disposition must occur in the ordinary course of business of the Participants of the Revenue Financing System responsible for such properties; or

(2) the Board determines that after the disposition, the Board has sufficient funds during each Fiscal Year during which Parity Obligations are to be Outstanding to meet the financial obligations of each Participant in the Revenue Financing System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Revenue Financing System and to meet all other financial obligations of the Board relating to the Revenue Financing System.

#### *Admission of Participants*

If, after the date of the adoption of the Resolution, the Board desires for a university or agency governed by the Board to become a Participant of the Revenue Financing System, it may include said university or agency in the Revenue Financing System with the effect set forth in the Resolution by the adoption of an amendment to the Resolution.

#### **Certain Covenants**

##### *Rate Covenant*

In each Fiscal Year, the Board must establish, charge, and use its reasonable efforts to collect at each Participant the Pledged Revenues which, if collected would be sufficient to meet all financial obligations of the Board for such Fiscal Year relating to the Revenue Financing System including all deposits or payments due on or with respect to (i) the Prior Encumbered Obligations and (ii) all Outstanding Parity Obligations.

##### *Tuition*

The Board covenants and agrees in the Resolution to fix, levy, charge, and collect at each Participant student tuition charges required or authorized by law to be imposed on students enrolled at each Participant (excepting, with respect to each series or issue of Parity Obligations, any student in a category which, at the time of adoption of a resolution relating to such Parity Obligations, is exempt by law or by the Board from paying such tuition charges). Each student (excluding those exempt from payment as provided above), enrolled at each Participant, respectively, at each regular fall and spring semester and at each term of each summer session, must pay tuition charges in such amounts, without any limitation whatsoever, as will be sufficient at all times, together with other legally available funds, including other Pledged Revenues, to provide the money to make or pay the principal of, interest on, and other payments or deposits with respect to Outstanding Parity Obligations when and as required. All changes in the tuition charged students at each Participant must be made by resolution of the Board, but such procedure will not constitute or be regarded as an amendment of the Resolution, but merely the carrying out of the provisions and requirements thereof.

##### *General Covenants*

The Board has additionally covenanted in the Resolution (i) to faithfully perform all covenants and provisions contained in the Resolution, and in each Parity Obligation; (ii) to call for redemption all Parity Obligations, in accordance with their terms, which are subject to mandatory redemption; (iii) that it lawfully owns, has title to, or is lawfully possessed of the land, buildings, and facilities which comprise the University and to defend such title for the benefit of the owners of the Parity Obligations; (iv) that it is lawfully qualified to pledge the Pledged Revenues to the payment of the Parity Obligations; (v) to maintain and preserve the property of the Revenue Financing System; (vi) not to incur any additional Debt secured by the Pledged Revenues except as permitted in the Resolution; (vii) to invest and secure money held in funds and accounts established under the Resolution in accordance with law and written policies of the Board; (viii) to keep proper books and records and account for the Revenue Financing System and to cause to be prepared annual financial reports of the Revenue Financing System and to furnish such report, to the Authority, appropriate municipal bond rating agencies and, upon request, owners of Parity Obligations; and (ix) to permit any owner or owners of 25% or more of Outstanding Principal Amount of Parity Obligations at all reasonable time to inspect all records, accounts, and data of the Board relating to the Revenue Financing System.

#### **Special Obligations**

The Resolution provides that all Parity Obligations and the interest thereon constitute special obligations of the Board payable from the Pledged Revenues, and the owners thereof never have the right to demand payment out of funds raised or to be raised by taxation, or from any source other than specified in the Resolution. The obligation of the Board to pay or cause to be paid the amounts payable under the Resolution out of the Pledged Revenues is absolute, irrevocable, complete, and unconditional, and the amount, manner and time of payment of such amounts may not be decreased, abated, rebated, setoff, reduced, abrogated, waived, diminished, or otherwise modified in any manner or to any extent whatsoever.

## **Waiver of Covenants**

The Board may omit in any particular instance to comply with any covenant or condition set forth above as a general covenant or with its rate covenant, its covenants relating to issuance of Parity Obligations, its covenants governing disposition of Participant assets, or its covenants relating to admission and release of Participants if the holders of at least 51% of all Parity Obligations outstanding waive such compliance.

## **Remedies**

Any owner of Parity Obligations in the event of default in connection with any covenant contained in the Resolution or default in the payment of said obligations, or of any interest due thereof, or other costs and expenses related thereto, may require the Board, the Authority, their respective officials and employees, and any appropriate official of the State of Texas, to carry out, respect, or enforce the covenants and obligations of the Resolution by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings in any court of competent jurisdiction against the Board, its officials and employees, the Authority, or any appropriate official of the State of Texas. The principal of the Bonds cannot be accelerated in the event of default, and the Board has not granted a lien on any physical property which may be levied or foreclosed against.

## **Amendment of Resolution**

### *Amendment Without Consent*

The Resolution and the rights and obligations of the Authority, the Board and of the owners of the Outstanding Parity Obligations may be modified or amended at any time without notice to or the consent of any owner of the Parity Obligations, solely for any one or more of the following purposes:

- (i) To add to the covenants and agreements of the Board or the Authority contained in the Resolution, other covenants and agreement thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Board or the Authority in the Resolution;
- (ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in the Resolution, upon receipt by the Board and the Authority of any approving opinion of Bond Counsel, that the same is needed for such purpose, and will more clearly express the intent of the Resolution;
- (iii) To supplement the security for the Parity Obligations to provide for the additions of new institutions and agencies to the Revenue Financing System or to clarify the provisions regarding the University as a Participant in the Revenue Financing System; provided, however, that any amendment to the definition of Pledged Revenues which results in the pledge of additional resources may limit the amount of such additional pledge and the manner, extent, and duration of such additional pledge all as set forth in such amendment;
- (iv) To make any changes or amendments requested by any bond rating agency then rating or requested to rate Parity Obligations, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Board and the Authority, materially adversely affect the interests of the owners of the Parity Obligations;
- (v) To make such changes, modifications, or amendments as may be necessary or desirable, which will not adversely affect the interests of the owners of the Outstanding Parity Obligations, in order, to the extent permitted by law, to facilitate the economic and practical utilization of Credit Agreements with respect to the Parity Obligations; or
- (vi) To make such other changes in the provisions of the Resolution as the Board and the Authority may deem necessary or desirable and which does not, in the judgment of the Board and the Authority, materially adversely affect the interests of the owners of Outstanding Parity Obligations.

### *Amendments With Consent*

Subject to the other provisions of the Resolution, the owners of Parity Obligations aggregating 51% in Outstanding Principal Amounts have the right from time to time to approve any amendment, other than amendments described in the foregoing paragraph, to the Resolution, which may be deemed necessary or desirable by the Board; provided, however, that no provision may permit or be construed to permit, without the approval of the owners of all of the Outstanding Parity Obligations, the amendment of the terms and conditions in the Resolution so as to:

- (1) Grant to the owners of any Outstanding Parity Obligations a priority over the owners of any other Outstanding Parity Obligations;
- (2) Materially adversely affect the rights of the owners of less than all Parity Obligations then Outstanding;
- (3) Change the minimum percentage of the Outstanding Principal Amount necessary for consent to such amendment;
- (4) Make any change in the maturity of the Outstanding Revenue Bonds;
- (5) Reduce the rate of interest borne by the Outstanding Revenue Bonds;
- (6) Reduce the amount of principal payable on the Outstanding Revenue Bonds; or
- (7) Modify the terms of payment of principal of or interest on the Outstanding Revenue Bonds, or impose any conditions with respect to such payment.

### **Defeasance**

Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a “Defeased Bond”) within the meaning of the Resolution, except to the extent of payment of Paying Agent/Registrar fees, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the “Future Escrow Agreement”) for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Authority with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond, pursuant to the Resolution, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the revenues herein pledged as provided in the Resolution, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of the Resolution to the contrary, any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in subsection (a)(i) or (ii) shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Authority expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bonds immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

Any moneys deposited with the Paying Agent/Registrar may at the written direction of the Authority be invested in Defeasance Securities, maturing in the amounts and times as set forth in the Resolution and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Authority, or deposited as directed in writing by the Authority. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in the Resolution. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Bonds, with respect to which such money has been so deposited, shall be remitted to the Authority or deposited as directed in writing by the Authority.

The term “Defeasance Securities” means (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the

governing body of the Authority adopts or approves the proceedings authorizing the financial arrangements are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

### **Insurer Deemed Sole Bondholder**

Financial Security (see “BOND INSURANCE”) shall be deemed to be the sole holder of the Bonds insured by it for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Bonds insured by it are entitled to take as described above under “Remedies” and “Amendment of Resolution.”

### **LEGAL MATTERS**

Legal matters relating to the Bonds are subject to approval of legality by the Attorney General of the State and of certain legal matters by McCall, Parkhurst & Horton L.L.P., Austin, Texas, Bond Counsel, whose opinion will be delivered at the closing of the sale of the Bonds in substantially the form attached hereto as APPENDIX C. Bond Counsel was not requested to participate, and did not take part, in the preparation of this Official Statement except as hereinafter noted, and such firm has not assumed any responsibility with respect thereto or undertaken to verify any of the information contained herein, except that, in its capacity as Bond Counsel, such firm has reviewed the information in this Official Statement describing the Bonds and the Resolution to determine that the information relating to the Bonds and the Resolution is accurate. The payment of legal fees to Bond Counsel in connection with the issuance of the Bonds is contingent on the sale and delivery of the Bonds. In connection with the issuance of the Bonds, Bond Counsel has been engaged by, and only represents, the Authority.

### **TAX MATTERS**

#### **Opinion**

Bond Counsel anticipates rendering their opinion that, in accordance with statutes, regulations, published rulings, and court decisions existing on the date thereof, (1) interest on the Bonds is excludable from the “gross income” of the owners thereof and (2) the Bonds will not be treated as “specified private activity bonds” the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986, as amended (the “Code”).

Except as stated above, Bond Counsel will express no opinion as to any other federal, state, or local tax consequences of the purchase, ownership, or disposition of the Bonds. See “APPENDIX C--FORM OF OPINION OF BOND COUNSEL.”

In rendering their opinion, Bond Counsel will rely upon (a) the University’s federal tax certificate and (b) covenants of the Board and the Authority with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Bonds, and certain other matters. Failure of the Board or the Authority to comply with these representations or covenants could cause the interest on the Bonds to become includable in gross income retroactively to the date of issuance of the Bonds.

The law upon which Bond Counsel have based their opinion is subject to change by the Congress and subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that such law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership, or disposition of the Bonds.

#### **Collateral Federal Income Tax Consequences**

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership, or disposition of the Bonds. This discussion is based on existing statutes, regulations, published rulings, and court decisions, all of which are subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, owners of an interest in a FASIT, certain S corporations with Subchapter C earnings and profits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP, AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

Interest on the Bonds will be includable as an adjustment for “adjusted earnings and profits” to calculate the alternative minimum tax imposed on corporations by section 55 of the Code. Section 55 of the Code imposes a tax equal to 20% for corporations, or 26% for noncorporate taxpayers (28% for taxable excess exceeding \$175,000), of the taxpayer’s alternative minimum taxable income,” if the amount of such alternative minimum tax is greater than the taxpayer’s regular income tax for the taxable year.

Interest on the Bonds may be subject to the “branch profits tax” imposed by section 884 of the Code on the effectively-connected earnings and profits of a foreign corporation doing business in the United States.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a “market discount” and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to “market discount bonds” to the extent such gain does not exceed the accrued market discount of such bonds. A “market discount bond” is one which is acquired by the holder at a purchase price which is less than the stated redemption price or, in the case of a bond issued at an original issue discount, the “revised issue price” (i.e., a market discount). The “accrued market discount” is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

### **State, Local, and Foreign Taxes**

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership, or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

### **LEGAL INVESTMENTS IN TEXAS**

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Bonds are negotiable instruments governed by Chapter 8, Texas Business & Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking fund of municipalities or other political subdivisions or public agencies of the State of Texas. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with at least \$1 million of capital and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the state, its agencies and political subdivisions, and are legal security for those deposits to the extent of their market value. For political subdivisions in Texas which have adopted investment policies and guidelines in accordance with the PFIA, the Bonds may have to be assigned a rating of “A” or its equivalent as to investment quality by a national rating agency before such obligations are eligible investments for sinking funds and other public funds.

Neither the Authority nor the University has made any investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes. Neither the Authority nor the University has made any review of laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

### **RATINGS**

Moody’s Investors Service, Inc. (“Moody’s”) and Fitch IBCA, Inc. (“Fitch”) have assigned their municipal bond ratings of “Aaa” and “AAA,” respectively, to the Bonds based upon the issuance of a municipal bond insurance policy by Financial Security Assurance Inc. concurrently with the delivery of the Bonds. In addition, Moody’s has assigned an underlying rating of “A2” to the Bonds. An explanation of the significance of each such rating may be obtained from the company furnishing the rating. The ratings will reflect only the views of such organizations at the time such ratings are given, and the Board makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue

for any given period of time or that they will not be revised downward or withdrawn entirely by such rating companies, if circumstances so warrant. Any such downward revision or withdrawal of either rating may have an adverse effect on the market price of the Bonds.

## **BOND INSURANCE**

### **Bond Insurance Policy**

Concurrently with the issuance of the Bonds, Financial Security Assurance Inc. ("Financial Security") will issue its Municipal Bond Insurance Policy (the "Policy") for the Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy attached as Appendix D to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

### **Financial Security Assurance Inc.**

Financial Security is a New York domiciled insurance company and a wholly owned subsidiary of Financial Security Assurance Holdings Ltd. ("Holdings"). Holdings is a New York Stock Exchange listed company whose major shareholders include White Mountains Insurance Group, Inc., XL Capital Ltd, The Tokio Marine and Fire Insurance Co., Ltd. and MediaOne Capital Corporation. On March 14, 2000, Holdings announced that it had entered into a merger agreement pursuant to which Holdings would become a wholly-owned subsidiary of Dexia, S.A., a publicly held Belgian corporation, subject to satisfaction of regulatory and other closing conditions. Dexia, S.A., through its bank subsidiaries, is primarily engaged in the business of public finance in France, Belgium and other European countries. The shareholders of Holdings are not liable for the obligations of Financial Security.

At December 31, 1999, Financial Security's total policyholders' surplus and contingency reserves were approximately \$1,320,082,000 and its total unearned premium reserve was approximately \$669,691,000 in accordance with statutory accounting principles. At December 31, 1999, Financial Security's total shareholders' equity was approximately \$1,294,946,000 and its total net unearned premium reserve was approximately \$559,041,000 in accordance with generally accepted accounting principles.

The financial statements included as exhibits to the annual and quarterly reports filed by Holdings with the Securities and Exchange Commission are hereby incorporated herein by reference. Also incorporated herein by reference are any such financial statements so filed from the date of this Official Statement until the termination of the offering of the Bonds. Copies of materials incorporated by reference will be provided upon request to Financial Security Assurance Inc.: 350 Park Avenue, New York, New York 10022, Attention: Communications Department (telephone (212) 826-0100).

The Policy does not protect investors against changes in market value of the Bonds, which market value may be impaired as a result of changes in prevailing interest rates, changes in applicable ratings or other causes. Financial Security makes no representation regarding the Bonds or the advisability of investing in the Bonds. Financial Security makes no representation regarding the Official Statement, nor has it participated in the preparation thereof, except that Financial Security has provided to the Issuer the information presented under this caption for inclusion in the Official Statement.

## **CONTINUING DISCLOSURE OF INFORMATION**

In the Resolution, the Board, as the obligated party on the Bonds, has made the following agreement for the benefit of the Authority and the holders and beneficial owners of the Bonds. The Board is required to observe its agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the Board will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to certain information vendors. This information will be available to securities brokers and others who subscribe to receive the information from the vendors.

### **Annual Reports**

The Board will provide certain updated financial information and operating data to certain information vendors annually. The information to be updated includes all quantitative financial information and operating data with respect to the University of the general type included in this Official Statement under the heading(s) "SECURITY FOR THE BONDS - TABLE 1 - Pledged Revenues," "STEPHEN F. AUSTIN STATE UNIVERSITY," "SELECTED FINANCIAL



INFORMATION,” and in APPENDIX B. The Board will update and provide this information within 180 days after the end of each Fiscal Year ending in or after 2000. The Board will provide the updated information to the Authority and each nationally recognized municipal securities information repository (“NRMSIR”) and to any state information depository (“SID”) that is designated by the State of Texas and approved by the staff of the United States Securities and Exchange Commission (the “SEC”).

The Board may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12. The updated information provided by the Board will be provided on a cash basis, or such other basis as the Board may be required to employ from time to time pursuant to state law or regulation, and will not be audited.

The State’s current fiscal year end is August 31. Accordingly, the Board must provide updated information within 180 days following August 31 of each year, unless the State changes its fiscal year. If the State changes its fiscal year, the Board will notify each NRMSIR and any SID of the change.

### **Material Event Notices**

The Board will also provide timely notices of certain events to certain information vendors. The Board will provide notice of any of the following events with respect to the Bonds, if such event is material to a decision to purchase or sell Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or events affecting the tax-exempt status of the Bonds; (7) modifications to rights of holders of the Bonds; (8) Bond calls; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds; and (11) rating changes. (Neither the Bonds nor the Resolution make any provision for debt service reserves, credit enhancement, liquidity enhancement, or early redemption.) In addition, the Board will provide timely notice of any failure by the Board to provide information, data, or financial reports in accordance with its agreement described above under “Annual Reports.” The Board will provide each notice described in this paragraph to any SID and to either each NRMSIR or the Municipal Securities Rulemaking Board (“MSRB”).

### **Availability of Information from NRMSIRs and SID**

The Board has agreed to provide the foregoing information only to NRMSIRs and any SID. The information will be available to holders of Bonds only if the holders comply with the procedures and pay the charges established by such information vendors or obtain the information through securities brokers who do so.

The Municipal Advisory Council of Texas has been designated by the State of Texas as a SID, and the SEC staff has issued a no action letter confirming that it will accept that designation. The address of the Municipal Advisory Council of Texas is 600 West 8th Street, P. O. Box 2177, Austin, Texas 78768-2177, and its telephone is (512) 476-6947.

### **Limitations and Amendments**

The Board has agreed to update information and to provide notices of material events only as described above. The Board has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The Board makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The Board disclaims any contractual or tort liability of damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Bonds may seek a writ of mandamus to compel the Board to comply with its agreement.

The Board may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Board, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any person unaffiliated with the Board (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The Board may also amend or repeal its continuing disclosure agreement if the SEC amends or repeals the applicable provisions of SEC Rule 15c2-12 or a court of final jurisdiction enters judgment that such

provisions of said rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling the Bonds in the primary offering of the Bonds. If the Board so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

### **Compliance with Prior Agreements**

The Board and the Authority are in full compliance with all other continuing disclosure agreements made in accordance with SEC Rule 15c2-12.

### **UNDERWRITING**

The Bonds have not been registered under the Securities Act of 1933, as amended (in reliance upon an exemption therefrom), or the securities laws of any jurisdiction. After requesting competitive bids for the Bonds, the Authority has accepted the bid tendered by U. S. Bancorp Piper Jaffray (the "Initial Purchaser") to purchase the Bonds bearing the interest rates shown on the cover page of this Official Statement at a price of \$7,005,779.97 plus accrued interest from their date to the date of delivery. No assurance can be given that any trading market will be developed for the Bonds after their initial sale by the Authority.

### **CO-FINANCIAL ADVISORS**

First Southwest Company and Walton Johnson & Company (the "Co-Financial Advisors") have acted as co-financial advisors to the Authority in connection with the issuance and sale of the Bonds. First Southwest Company also serves in other capacities with the Authority. All fees and other remuneration received in such other capacities are separate and distinct from the fees associated with the Bonds and are not contingent upon the sale and issuance of the Bonds. First Southwest Company also has a contract with Thomson Financial Municipals Group pursuant to which electronic bidding and electronic official statement dissemination capabilities are made available to municipal finance clients, such as the Authority, through Thomson Financial Municipal Group's Parity electronic bidding, and TFMG Prospectus. First Southwest Company will not receive any remuneration under such contract relating to or contingent upon the issuance and/or sale of the Bonds. The Co-Financial Advisors have reviewed the information in this Official Statement but do not guarantee its accuracy or completeness (except for the information concerning the Co-Financial Advisors). Investors should not draw any conclusions as to the suitability of the Bonds from, or base any investment decisions upon, the fact that the Co-Financial Advisors have advised the Authority.

### **PENDING LITIGATION**

At August 31, 1999, various lawsuits and claims involving the University were pending. While the ultimate liability with respect to litigation and other claims asserted against the University 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 University or the Pledged Revenues.

### **AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION**

The financial data and other information contained herein have been obtained from the Board's and the Authority's records, unaudited financial statements and other sources that are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents, and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents, and resolution. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

/s/ Kimberly K. Edwards

Kimberly K. Edwards, Executive Director  
Texas Public Finance Authority

/s/ Roland K. Smith

Dr. Roland K. Smith, Interim President and  
Vice President for Business Affairs  
Stephen F. Austin State University

## APPENDIX A

### DEFINITIONS

As used in the Resolution the following terms and expressions shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

“*Annual Debt Service Requirements*” means, for any Fiscal Year, the principal of and interest on all Parity Obligations coming due at Maturity or Stated Maturity (or that could come due on demand of the owner thereof other than by acceleration or other demand conditioned upon default by the Board on such Debt, or be payable in respect of any required purchase of such Debt by the Board) in such Fiscal Year, and, for such purposes, any one or more of the following rules shall apply at the election of the Board:

(1) *Committed Take Out*. If the Board, or the Authority on behalf of the Board, has entered into a Credit Agreement constituting a binding commitment within normal commercial practice to discharge any of its Funded Debt at its Stated Maturity (or, if due on demand, at any date on which demand may be made) or to purchase any of its Funded Debt at any date on which such Debt is subject to required purchase, all under arrangements whereby the obligation to repay the amounts advanced for such discharge or purchase constitutes Funded Debt, then the portion of the Funded Debt committed to be discharged or purchased shall be excluded from such calculation and the principal of and interest on the Funded Debt incurred for such discharging or purchase that would be due in the Fiscal Year for which the calculation is being made, if incurred at the Stated Maturity or purchase date of the Funded Debt to be discharged or purchased, shall be added;

(2) *Balloon Debt*. If the principal (including the accretion of interest resulting from original issue discount or compounding of interest) of any series or issue of Funded Debt due (or payable in respect of any required purchase of such Funded Debt by the Board) in any Fiscal Year either is equal to at least 25% of the total principal (including the accretion of interest resulting from original issue discount or compounding of interest) of such Funded Debt or exceeds by more than 50% the greatest amount of principal of such series or issue of Funded Debt due in any preceding or succeeding Fiscal Year (such principal due in such Fiscal Year for such series or issue of Funded Debt being referred to herein as “Balloon Debt”), the amount of principal of such Balloon Debt taken into account during any Fiscal Year shall be equal to the debt service calculated using the original principal amount of such Balloon Debt amortized over the Term of Issue on a level debt service basis at an assumed interest rate equal to the rate borne by such Balloon Debt on the date of calculation;

(3) *Consent Sinking Fund*. In the case of Balloon Debt (as defined in clause (2) above), if a Designated Financial Officer shall deliver to the Board and the Authority an Officer’s Certificate providing for the retirement of (and the instrument creating such Balloon Debt shall permit the retirement of), or for the accumulation of a sinking fund for (and the instrument creating such Balloon Debt shall permit the accumulation of a sinking fund for), such Balloon Debt according to a fixed schedule stated in such Officer’s Certificate ending on or before the Fiscal Year in which such principal (and premium, if any) is due, then the principal of (and, in the case of retirement, or to the extent provided for by the sinking fund accumulation, the premium, if any, and interest and other debt service charges on) such Balloon Debt shall be computed as if the same were due in accordance with such schedule, provided that this clause (3) shall apply only to Balloon Debt for which the installments previously scheduled have been paid or deposited to the sinking fund established with respect to such Debt on or before the times required by such schedule; and provided further that this clause (3) shall not apply where the Board has elected to apply the rule set forth in clause (2) above;

(4) *Prepaid Debt*. Principal of and interest on Parity Obligations, or portions thereof, shall not be included in the computation of the Annual Debt Service Requirements for any Fiscal Year for which such principal or interest are payable from funds on deposit or set aside in trust for the payment thereof at the time of such calculations (including without limitation capitalized interest and accrued interest so deposited or set aside in trust) with a financial institution acting as fiduciary with respect to the payment of such Debt;

(5) *Variable Rate*. As to any Parity Obligation that bears interest at a variable interest rate which cannot be ascertained at the time of calculation of the Annual Debt Service Requirement then, at the option of the Board, either (1) an interest rate equal to the average rate borne by such Parity Obligations (or by comparable debt in the event that such Parity Obligations has not been outstanding during the preceding 24 months) for any 24 month period ending within 30 days prior to the date of calculation, or (2) an interest rate equal to the 30-year Tax-Exempt Revenue Bond Index (as most recently published in The Bond Buyer), shall be presumed to apply for

all future dates, unless such index is no longer published in The Bond Buyer, in which case an index of tax-exempt revenue bonds with maturities of at least 20 years which is published in a newspaper or journal with national circulation may be used for this purpose. If two Series of Parity Obligations which bear interest at variable interest rates, or one or more maturities within a Series, of equal par amounts, are issued simultaneously with inverse floating interest rates providing a composite fixed interest rate for such Parity Obligations taken as a whole, such composite fixed rate shall be used in determining the Annual Debt Service Requirement with respect to such Parity Obligations;

(6) Guarantee. In the case of any guarantee, as described in clause (2) of the definition of Debt, no obligation will be counted if the Board does not anticipate in its annual budget that it will make any payments on the guarantee. If, however, the Board is making payments on a guarantee or anticipates doing so in its annual budget, such obligation shall be treated as Parity Obligations and calculations of Annual Debt Service Requirements with respect to such guarantee shall be made assuming that the Board will make all additional payments due under the guaranteed obligation. If the entity whose obligation is guaranteed cures all defaults and the Board no longer anticipates making payments under the guarantee, the guaranteed obligations shall not be included in the calculation of Annual Debt Service Requirements;

(7) Commercial Paper. With respect to any Parity Obligations issued in the form of commercial paper with maturities not exceeding 270 days, the interest on such Parity Obligations shall be calculated in the manner provided in clause (5) of this definition and the maturity schedule shall be calculated in the manner provided in clause (2) of this definition; and

(8) Credit Agreement Payments. If the Board, or the Authority on behalf of the Board, has entered into a Credit Agreement in connection with an issue of Debt, payments due under the Credit Agreement (other than payments for fees and expenses), for either the Board or, the Authority on behalf of the Board, as the case may be, or the Credit Provider, shall be included in such calculation, except to the extent that the payments are already taken into account under (1) through (7) above and any payments otherwise included above under (1) through (7) which are to be replaced by payments under a Credit Agreement, from either the Board or the Credit Provider, shall be excluded from such calculation.

With respect to any calculation of historic data, only those payments actually made in the subject period shall be taken into account in making such calculation and, with respect to prospective calculations, only those payments reasonably expected to be made in the subject period shall be taken into account in making the calculation.

“*Annual Direct Obligation*” means the amount budgeted each Fiscal Year by the Board with respect to each Participant in the Financing System to satisfy said Participant’s proportion of debt service (calculated based on said Participant’s Direct Obligation) due by the Board in such Fiscal Year on Outstanding Parity Obligations.

“*Annual Obligation*” means, with respect to each Participant in the Financing System and for each Fiscal Year, said Participant’s Annual Direct Obligation plus the amount budgeted by the Board for such Fiscal Year to allow said Participant to retire its obligation for advances made to it by the Board in the management of the Financing System to satisfy part or all of a previous Annual Direct Obligation payment.

“*Authority*” means the Texas Public Finance Authority, or any successor thereto.

“*Authorized Denomination*” shall have the meaning ascribed to said term in Section 10 of the Resolution.

“*Board*” means the Board of Regents of Stephen F. Austin State University, acting as the governing body of the University, or any successor thereto.

“*Bond Counsel*” means McCall, Parkhurst & Horton L.L.P., or such other firm of attorneys of nationally recognized standing in the field of law relating to municipal revenue bonds selected by the Board with the approval of the Authority.

“*Bonds*” means the Series 2000 Bonds, and all substitute bonds exchanged therefor, and all other substitute and replacement bonds issued pursuant to the Resolution; and the term “Bond” means any of the Bonds.

“*Business Day*” means any day which is not a Saturday, Sunday, legal holiday, or a day on which banking institutions in The City of New York, New York or in the city where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close.

“*Code*” means the Internal Revenue Code of 1986, as amended.

“*Credit Agreement*” means, collectively, a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase Parity Obligations, purchase or sale agreements, interest rate swap agreements, currency exchange agreements, interest rate floor or cap agreements, or commitments or other contracts or agreements authorized, recognized and approved by the Board or the Authority on behalf of the Board as a Credit Agreement in connection with the authorization, issuance, security, or payment of Parity Obligations and on a parity therewith.

“*Credit Provider*” means any bank, financial institution, insurance company, surety bond provider, or other entity which provides, executes, issues, or otherwise is a party to or provider of a Credit Agreement.

“*DTC*” means The Depository Trust Company, New York, New York, or any successor securities depository.

“*DTC Participant*” means the securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“*Debt*” means all:

(1) indebtedness incurred or assumed by the Board for borrowed money (including indebtedness arising under Credit Agreements) and all other financing obligations of the Board that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet;

(2) all other indebtedness (other than indebtedness otherwise treated as Debt hereunder) for borrowed money or for the acquisition, construction, or improvement of property or capitalized lease obligations that is guaranteed, directly or indirectly, in any manner by the Board, or that is in effect guaranteed, directly or indirectly, by the Board through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise; and

(3) all indebtedness secured by any mortgage, lien, charge, encumbrance, pledge or other security interest upon property owned by the Board whether or not the Board has assumed or become liable for the payment thereof.

For the purpose of determining the “Debt” of the Board, there shall be excluded any particular Debt if, upon or prior to the Maturity thereof, there shall have been deposited with the proper depository (a) in trust the necessary funds (or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption, or satisfaction of such Debt or (b) evidence of such Debt deposited for cancellation; and thereafter it shall not be considered Debt. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting principles applied on a basis consistent with the financial statements prepared by or for the benefit of the Board in prior Fiscal Years.

“*Designated Financial Officer*” shall mean the Vice President for Business Affairs of the University, or such other official of the University appointed by the Board to carry out the functions of the Designated Financial Officer specified herein.

“*Designated Trust Office*” shall have the meaning ascribed to said term in Section 12(b) of the Resolution.

“*Direct Obligation*” means the proportionate share of Outstanding Parity Obligations attributable to and the responsibility of each Participant in the Financing System.

“*Executive Director*” means the duly acting Executive Director of the Authority, and any person authorized by the Board of Directors of the Authority to serve in the capacity of and perform the duties and obligations of the Executive Director.

“*Fiscal Year*” means the fiscal year of the Board which currently ends on August 31 of each year.

“*Funded Debt*” means all Parity Obligations that mature by their terms (in the absence of the exercise of any earlier right of demand), or are renewable at the option of the Board to a date, more than one year after the original creation, assumption, or guarantee of such Debt by the Board.

“*Holder*” or “*Bondholder*” or “*Owner*” means the registered owner of any Parity Obligation registered as to ownership and the holder of any Parity Obligation payable to bearer. The Insurer shall be deemed to be the sole Holder of the Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Bonds insured by it are entitled to take pursuant to Section 18 or Section 20 of the Resolution.

“*Maturity*”, when used with respect to any Debt, means the date on which the principal of such Debt or any installment thereof becomes due and payable as therein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption, or otherwise.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*NRMSIR*” means each person whom the SEC or its staff has determined to be a nationally recognized municipal securities information repository within the meaning of the Rule from time to time.

“*Non-Recourse Debt*” means any Debt secured by a lien (other than a lien on Pledged Revenues), liability for which is effectively limited to the property subject to such lien with no recourse, directly or indirectly, to any other property of the Board attributable to the Financing System; provided, however, that such Debt is being incurred in connection with the acquisition of property only, which property is not, at the time of such occurrence, owned by the Board and being used in the operations of a Participant.

“*Officer’s Certificate*” means a certificate executed by the Designated Financial Officer.

“*Opinion of Counsel*” means a written opinion of counsel, which counsel shall be acceptable to the Authority and the Board.

“*Outstanding*” when used with respect to Parity Obligations means, as of the date of determination, all Parity Obligations theretofore delivered under the Resolution and any resolution hereafter adopted authorizing the issuance of Parity Obligations, except:

- (1) Parity Obligations theretofore cancelled and delivered to the Board or delivered to the Paying Agent or the Registrar for cancellation;
- (2) Parity Obligations deemed paid pursuant to the provisions of Section 19 of the Resolution or any comparable section of any resolution hereafter adopted authorizing the issuance of Parity Obligations;
- (3) Parity Obligations upon transfer of or in exchange for and in lieu of which other Parity Obligations have been authenticated and delivered pursuant to the Resolution; and
- (4) Parity Obligations under which the obligations of the Board have been released, discharged, or extinguished in accordance with the terms thereof;

provided, however, that, unless the same is acquired for purposes of cancellation, Parity Obligations owned by the Board shall be deemed to be Outstanding as though it was owned by any other owner.

“*Outstanding Principal Amount*” means, with respect to all Parity Obligations or to a series of Parity Obligations, the outstanding and unpaid principal amount of such Parity Obligations paying interest on a current basis and the outstanding and unpaid principal and compounded interest on such Parity Obligations paying accrued, accreted, or compounded interest only at maturity as of any Record Date established by a Registrar in connection with a proposed amendment of the Resolution.

“*Outstanding Revenue Bonds*” means those bonds listed below which are secured by a lien on and pledge of the Prior Encumbered Revenues charged and collected at the University in support thereof:

Consolidated University Revenue Refunding Bonds, Series 1991A, outstanding, as of March 1, 2000, in the aggregate principal amount of \$6,745,000; and

Consolidated University Revenue Refunding Bonds, Series 1991B, outstanding, as of March 1, 2000, in the aggregate principal amount of \$1,665,000; and

Consolidated University Revenue Bonds, Series 1996, outstanding, as of March 1, 2000, in the aggregate principal amount of \$3,600,000.

“*Parity Obligations*” means all Debt of the Board which may be issued or assumed in accordance with the terms of the Resolution and any resolution authorizing the issuance of Debt on a parity with the Bonds, secured by a pledge of the Pledged Revenues subject only to the liens securing Prior Encumbered Obligations. For purposes of this definition, the Series 1998 Bonds and the Series 2000 Bonds constitute Parity Obligations.

“*Participant in the Financing System*” and “*Participant*” means each of the agencies, institutions and branches of the University and such agencies, institutions and branches hereafter designated by the Board to be a participant in the Financing System. Currently, the University is the only Participant in the Financing System.

“*Paying Agent/Registrar*”, “*Paying Agent*” or “*Registrar*” means each of the agents (one or more) appointed pursuant to Section 12 of the Resolution, or any successor to any such agent.

“*Pledged Revenues*” means, subject to the provisions of the Prior Encumbered Obligations, the Revenue Funds, including all of the funds and balances now or hereafter lawfully available to the Board and derived from or attributable to any Participant of the Financing System which are lawfully available to the Board for payments on Parity Obligations; provided, however, that the following shall not be included in Pledged Revenues unless and to the extent set forth in a resolution authorizing the issuance of Parity Obligations: (a) amounts received by the University under Article VII, Section 17 of the Constitution of the State of Texas, including the income therefrom and any fund balances relating thereto; and (b) except to the extent so specifically appropriated, general revenue funds appropriated to the Board by the Legislature of the State of Texas.

“*Prior Encumbered Obligations*” means (i) the Outstanding Revenue Bonds and (ii) those outstanding bonds or other obligations of an institution which becomes a Participant of the Financing System after the date of adoption of the Resolution, which are secured by a lien on and pledge of the Prior Encumbered Revenues charged and collected at such institution or agency, and any other bonds or other obligations secured by revenues which are hereafter designated by the Board as a Pledged Revenue.

“*Prior Encumbered Revenues*” means (i) the revenues pledged to the payment of Prior Encumbered Obligations of the University and (ii) the revenues of any revenue producing system or facility of an institution or agency which hereafter becomes a Participant of the Financing System and which are pledged to the payment of bonds or other obligations outstanding on the date such institution or agency becomes a Participant of the Financing System.

“*Purchaser*” shall have the meaning ascribed to said term in Section 10 of the Resolution.

“*Record Date*” means, with respect to the Bonds, the last business day of each month preceding an interest payment date.

“*Registration Books*” means the books or records relating to the registration, payment, and transfer or exchange of the Bonds maintained by the Paying Agent/Registrar pursuant to Section 12 of the Resolution.

“*Resolution*” means the Resolution authorizing the sale of the Series 2000 Bonds.

“*Revenue Financing System*” or “*Financing System*” means the “Stephen F. Austin State University Revenue Financing System,” currently for the benefit of the University, and such other institutions and agencies now or hereafter under the control or governance of the Board, and made a Participant of the Revenue Financing System by specific action of the Board.

“*Revenue Funds*” means the “revenue funds” of the Board (as defined in Section 55.01 of the Texas Education Code to mean the revenues, incomes, receipts, rentals, rates, charges, fees, grants, and tuition levied or collected from any public or private source by an institution of higher education, including interest or other income from those funds) derived by the Board from the operations of each of the Participants. The term “Revenue Funds” does not include, with respect to each series or issue of Parity Obligations, any tuition, rentals, rates, fees, or other charges attributable to any student in a category which, at the time of the adoption by the Board of a resolution relating to such Parity Obligations, is exempt by law or by the Board from paying such tuition, rentals, rates, fees, or other charges.

“*Rule*” means SEC Rule 15c2-12, as amended from time to time.

“*SEC*” means the United States Securities and Exchange Commission.

“*Series 1998 Bonds*” means the Board of Regents of Stephen F. Austin State University Revenue Financing System, Texas Public Finance Authority Revenue Bonds, Series 1998, issued in the aggregate principal amount of \$6,000,000 pursuant to the terms of the Underlying Resolution.

“*Series 2000 Bonds*” means the Board of Regents of Stephen F. Austin State University Revenue Financing System, Texas Public Finance Authority Revenue Bonds, Series 2000, issued in the aggregate principal amount of \$7,000,000 pursuant to the terms of the Resolution.

“*SID*” means any person designated by the State of Texas or an authorized department, officer, or agency thereof as, and determined by the SEC or its staff to be, a state information depository within the meaning of the Rule from time to time.

“*Stated Maturity*” when used with respect to any Debt or any installment of interest thereon means any date specified in the instrument evidencing or authorizing such Debt or such installment of interest as a fixed date on which the principal of such Debt or any installment thereof or the fixed date on which such installment of interest is due and payable.

“*Subordinated Debt*” means any Debt which expressly provides that all payments thereon shall be subordinated to the timely payment of all Parity Obligations then Outstanding or subsequently issued.

“*TPFA Act*” means Chapter 1232, Texas Government Code.

“*Term of Issue*” means with respect to any Balloon Debt, including, without limitation, commercial paper, a period of time equal to the greater of (i) the period of time commencing on the date of issuance of such Balloon Debt and ending on the final maturity date of such Balloon Debt or the maximum maturity date in the case of commercial paper or (ii) twenty-five years.

“*Underlying Resolution*” shall have the meaning ascribed to said term in the preamble to the Resolution.

“*University*” means Stephen F. Austin State University, together with every other agency or general academic institution or branch thereof now or hereafter operated by or under the jurisdiction of the Board acting for and on behalf of Stephen F. Austin State University pursuant to law.



APPENDIX B

FINANCIAL REPORT OF STEPHEN F. AUSTIN STATE UNIVERSITY  
FOR THE YEAR ENDED AUGUST 31, 1999

# **Stephen F. Austin State University**



**Financial Report for the Year Ended  
August 31, 1999**

# **Stephen F. Austin State University**

Unaudited Financial Report  
For the Year Ended  
August 31, 1999

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# STEPHEN F. AUSTIN STATE UNIVERSITY



Office of the Controller

November 18, 1999

The Honorable George W. Bush  
Governor of Texas

Mr. Lawrence F. Alwin, CPA  
State Auditor

Mr. John Keel, CPA  
Director, Legislative Budget Board

The Honorable Carole Keeton Rylander  
Comptroller of Public Accounts

To Agency Heads Addressed:

The Financial Report of Stephen F. Austin State University, with which this letter is bound, is transmitted for inclusion in the State of Texas Annual Financial Report for the fiscal year ended August 31, 1999. The State Auditor will consider the accompanying Annual Financial Report for audit as part of the audit of the State's Comprehensive Annual Financial Report; therefore, an opinion on the financial statements and related information contained in this report has not been expressed. This report is intended to present a complete picture of the fiscal affairs of the University for the year ended August 31, 1999.

As indicated by the following letter of transmittal, this report has been prepared by the fiscal office of the University to provide a summary of the University's financial records.

Sincerely,

Dan Angel  
President

# STEPHEN F. AUSTIN STATE UNIVERSITY



## Office of the Controller

November 20, 1999

Dr. Dan Angel, President  
Stephen F. Austin State University  
P. O. Box 6078, SFA Station  
Nacogdoches, Texas 75962

Dear Dr. Angel:

Submitted herein is the Annual Financial Report of Stephen F. Austin State University for the fiscal year ended August 31, 1999.

The financial statements in this report have been prepared in conformity with the General Provisions of the Appropriations Act, Article IX, and in accordance with the requirements established by the Comptroller of Public Accounts.

The accompanying Annual Financial Report will be considered for audit by the State Auditor as part of the audit of the State's Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the statements and related information contained in this report.

If you have any questions, please contact Dora Fuselier at 409-468-2112.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Dora Fuselier".

Dora Fuselier, C.P.A.  
Controller

Approved:

A handwritten signature in cursive script that reads "Roland K. Smith".

Roland K. Smith, C.P.A., Ph.D.  
Vice President for Business Affairs



**STEPHEN F. AUSTIN STATE UNIVERSITY**  
**ORGANIZATIONAL DATA**  
**August 31, 1999**

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**Board of Regents**

**Officers**

Jimmy W. Murphy, Chair  
R. A. Brookshire, Vice Chair  
Pattye Greer, Secretary

**Members**

<b>Name</b>	<b>Town</b>	<b>Term Expires January 31,</b>
R. A. Brookshire	Lufkin, Texas	2001
Pattye Greer	Nacogdoches, Texas	2001
Jimmy W. Murphy	Houston, Texas	2001
Penny H. Butler	Houston, Texas	2003
Michael W. Enoch	Mont Belvieu, Texas	2003
Susan Roberds	Dallas, Texas	2003
Gary Lopez	Dallas, Texas	2005
Lyn Stevens	Beaumont, Texas	2005
Mike Wilhite	Henderson, Texas	2005

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**President**

Dan Angel, Ph.D.

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**Business Affairs**

Vice President - Roland K. Smith, C.P.A., Ph.D.  
Controller - Dora Fuselier, C.P.A.

REVISED - UNAUDITED

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STEPHEN F. AUSTIN STATE UNIVERSITY  
EXHIBIT A  
BALANCE SHEET  
For the Year Ended August 31, 1999

CURRENT FUNDS

UNRESTRICTED

	Educational and General	Designated	Auxiliary Enterprises	Total	Restricted	Loan Funds
<b>ASSETS</b>						
Cash & Temporary Investments (Sch. A-1)	\$ 6,835,691	\$ 7,758,902	\$ 7,349,639	\$ 21,944,232	\$ 3,933,082	\$ 1,731,008
Balance in State Appropriations	6,735,887			6,735,887		
Accounts Receivable	824,746	1,393,592	1,373,402	3,591,740	224,732	819
Due from other State Agencies				0	29,677	
Investments (Sch. A-2)		4,906,750	4,276,414	9,183,164		
Prepaid Expenses	13,890	932,419	803,771	1,750,080	2,642,696	
Federal Receivables				0	79,113	
Notes Receivable (net of allowance for doubtful accounts of \$395,732)				0		7,478,201
Inventories, at cost	429,139	40,823	1,179,488	1,649,450		
Land				0		
Buildings				0		
Improvements other than Bldgs.				0		
Equipment				0		
Library Books				0		
Livestock				0		
Construction in Progress				0		
<b>Total Assets</b>	<b>\$ 14,839,353</b>	<b>\$ 15,032,486</b>	<b>\$ 14,982,714</b>	<b>\$ 44,854,553</b>	<b>\$ 6,909,300</b>	<b>\$ 9,210,028</b>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts Payable	\$ 7,147	\$ 22,703	\$ 811,101	\$ 840,951	\$ 1,425	\$
Deposits Payable	532,830		507,416	1,040,246		
Deferred Revenues	6,135,398	6,187,752	6,409,801	18,732,951	2,217,106	163,991
Salaries & Wages Payable	2,875,307	194,860	929,619	3,999,786	369,872	
Accrued Compensable Absences Payable	1,049,170	47,423	451,165	1,547,758	76,967	
Revenue Bonds Payable				0		
General Obligation Bonds Payable				0		
Lease-Purchase Agreements Payable				0		
Funds held in Custody for Others				0		
<b>Total Liabilities</b>	<b>10,599,852</b>	<b>6,452,738</b>	<b>9,109,102</b>	<b>26,161,692</b>	<b>2,665,370</b>	<b>163,991</b>

Fund Balances:

Unrestricted

Reserved For:

Encumbrances	1,137,217	346,006	766,754	2,249,977		
Accounts Receivable	824,746	1,393,592	1,373,402	3,591,740		
Inventories	429,139	40,823	1,179,488	1,649,450		
Other Specific Purposes	13,890	932,419	803,771	1,750,080		
Unreserved						
Allocated	1,834,509	5,866,908		7,701,417		
Unallocated			1,750,198	1,750,198		
Restricted						
Restricted-Encumbered				0	363,592	
Restricted-Other				0	3,880,338	9,046,037
Endowment (Sch. B-6)				0		
Quasi-Endowment - Restricted (Sch. B-6)				0		
Net Investment in Plant (Sch. B-11)				0		
<b>Total Fund Balances(Exh. B)</b>	<b>4,239,501</b>	<b>8,579,749</b>	<b>5,873,613</b>	<b>18,692,863</b>	<b>4,243,930</b>	<b>9,046,037</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 14,839,353</b>	<b>\$ 15,032,486</b>	<b>\$ 14,982,714</b>	<b>\$ 44,854,553</b>	<b>\$ 6,909,300</b>	<b>\$ 9,210,028</b>

See accompanying Notes to the Financial Statements.

Endowment and Similar Funds	PLANT FUNDS				Agency Funds	TOTALS
	Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment in Plant		Current Year
\$ 1,880,244	\$ 8,470,595	340,220	\$ 1,185,000	\$	\$ 4,298,386	\$ 43,782,767
38,379						6,735,887
8,982,502						3,855,670
						29,677
						18,165,666
						4,392,776
						79,113
						7,478,201
						1,649,450
				2,421,446		2,421,446
				132,130,088		132,130,088
				14,254,848		14,254,848
				33,102,409		33,102,409
				18,213,633		18,213,633
				205,150		205,150
				7,948,079		7,948,079
<u>\$ 10,901,125</u>	<u>\$ 8,470,595</u>	<u>340,220</u>	<u>\$ 1,185,000</u>	<u>\$ 208,275,654</u>	<u>\$ 4,298,386</u>	<u>\$ 294,444,861</u>
\$	\$ 20,588	\$	\$	\$	\$	\$ 862,964
						1,040,246
						21,114,048
						4,369,658
						1,624,725
	4,086,180			16,293,820		20,380,000
				7,085,000		7,085,000
				277,222		277,222
					4,298,386	4,298,386
	4,106,768	-	-	23,656,042	4,298,386	61,052,249
						2,249,977
						3,591,740
						1,649,450
						1,750,080
						7,701,417
						1,750,198
						363,592
	4,363,827	340,220	1,185,000			18,815,422
7,974,155						7,974,155
2,926,970						2,926,970
				184,619,612		184,619,612
10,901,125	4,363,827	340,220	1,185,000	184,619,612	-	233,392,614
<u>\$ 10,901,125</u>	<u>\$ 8,470,595</u>	<u>340,220</u>	<u>\$ 1,185,000</u>	<u>\$ 208,275,654</u>	<u>\$ 4,298,386</u>	<u>\$ 294,444,861</u>

STEPHEN F. AUSTIN STATE UNIVERSITY  
EXHIBIT B  
STATEMENT OF CHANGES IN FUND BALANCES  
For the Year Ended August 31, 1999  
With Comparative Totals at August 31, 1998

	CURRENT FUNDS				
	UNRESTRICTED				Restricted
	Educational and General	Designated	Auxiliary Enterprises	Total	
FUND BALANCES, September 1, 1998	\$ 5,728,785	\$ 3,650,333	\$ 7,100,073	\$ 16,479,191	\$ 2,052,746
REVENUES & OTHER ADDITIONS					
Unrestricted Current Funds Revenue (Exh C)	62,227,478	17,656,465	26,437,200	106,321,143	
Federal Grants and Contracts				0	7,793,708
Federal Pass-Through from other State Agencies				0	702,176
State Grants and Contracts				0	852,633
State Pass-Through from other State Agencies				0	466,213
Private Gifts, Grants and Contracts				0	5,096,190
Net Increase in the Fair Value of Investments				0	
Other Investment Income				0	
Endowment Income				0	214,698
U.S. Replenishment of Cancelled Loans				0	
Net Decrease in Bonds Payable				0	
Bond Proceeds on Sale of Bonds				0	
Expended for Plant Facilities (Includes \$4,517,726 Charged to Current Funds Expenditures)				0	
Other Interest, Penalties and Late Fee Income				0	294,327
Other Additions				0	995,170
Total Revenues & Other Additions	<u>62,227,478</u>	<u>17,656,465</u>	<u>26,437,200</u>	<u>106,321,143</u>	<u>16,415,115</u>
EXPENDITURES & OTHER DEDUCTIONS					
Expenditures (Exh. C)	58,758,777	9,710,578	25,730,669	94,200,024	13,511,406
Expended for Plant Facilities				0	
Indirect Costs Recovered				0	305,315
Refunded to Grantors				0	878
Loan Cancellations and Write Offs				0	
Retirement of Indebtedness:				0	
Bonds				0	
Net Increase in Bonds Payable				0	
Net Increase in Lease Purchases Payable				0	
Int & Other Fin. Charges/Fees on Indebtedness				0	
Write-Off of Plant Facilities				0	
Net Change in Allowance for Doubtful Accts				0	
Other Deductions				0	
Total Expenditures & Other Deductions	<u>58,758,777</u>	<u>9,710,578</u>	<u>25,730,669</u>	<u>94,200,024</u>	<u>13,817,599</u>

Loan Funds	Endowment and Similar Funds	PLANT FUNDS				TOTALS	
		Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment in Plant	Current Year	Prior Year (Memo Only)
\$ 8,517,089	\$ 9,213,051	\$ 2,090,171	\$ 776,722	\$ 1,110,000	\$ 175,965,659	\$ 216,204,629	\$ 203,016,423
201,451				75,532		106,321,143	103,079,177
						8,070,691	7,713,181
						702,176	422,037
						852,633	718,378
	145,737	74,536			35,000	466,213	330,713
	829,077					5,351,463	3,788,712
		349,950		18,185		829,077	279,642
	30,918					368,135	294,020
55,370						245,616	353,180
						55,370	490,829
						0	4,132,969
		6,000,000				6,000,000	0
					11,075,027	11,075,027	10,623,266
149,713						444,040	186,869
						995,170	33,694
406,534	1,005,732	6,424,486	-	93,717	11,110,027	141,776,754	132,446,667
						107,711,430	101,876,437
		6,305,370	533,087			6,838,457	7,056,210
						305,315	202,664
						878	0
						0	60,096
				3,155,000		3,155,000	3,030,000
		2,495,589			349,411	2,845,000	1,102,969
					117,725	117,725	34,682
		133,470		1,442,860		1,576,330	1,433,608
					1,988,938	1,988,938	5,564,756
27,978						27,978	21,834
	16,158	5,560				21,718	473,561
27,978	16,158	8,939,989	533,087	4,597,860	2,456,074	124,588,769	120,856,817

STEPHEN F. AUSTIN STATE UNIVERSITY  
 EXHIBIT B  
 STATEMENT OF CHANGES IN FUND BALANCES  
 For the Year Ended August 31, 1999  
 With Comparative Totals at August 31, 1998

	CURRENT FUNDS				Restricted
	UNRESTRICTED			Total	
Educational and General	Designated	Auxiliary Enterprises			
Transfers - Additions/(Deductions)					
Mandatory transfers:					
Retirement of Indebtedness					
Operations					
HEAF (E & G)	(1,279,093)			(1,279,093)	
Auxiliary Enterprises			(1,716,351)	(1,716,351)	
Designated Fund		(1,266,330)		(1,266,330)	
Skiles Act Funds from Tuition	(158,965)			(158,965)	
Loan Fund Matching/Grant Matching		(104,715)	(67,150)	(171,865)	104,715
Bond Payments to Tx Public Financing Auth.					
Drawdowns from Tx Public Financing Auth.	(158,404)			(158,404)	
Other					
Non-Mandatory:					
TPEG transfers	(1,827,839)	1,645,055		(182,784)	
HEAF	(1,453,477)			(1,453,477)	
Other Transfers	(80,207)	(3,290,481)	(149,490)	(3,520,178)	(511,047)
<b>Total Transfers - Additions/(Deductions)</b>	<b>(4,957,985)</b>	<b>(3,016,471)</b>	<b>(1,932,991)</b>	<b>(9,907,447)</b>	<b>(406,332)</b>
<b>NET INCREASE/(DECREASE) FOR THE FISCAL YEAR</b>	<b>(1,489,284)</b>	<b>4,929,416</b>	<b>(1,226,460)</b>	<b>2,213,672</b>	<b>2,191,184</b>
<b>FUND BALANCES, August 31, 1999 (Exh. A)</b>	<b>\$ 4,239,501</b>	<b>\$ 8,579,749</b>	<b>\$ 5,873,613</b>	<b>\$ 18,692,863</b>	<b>\$ 4,243,930</b>
		(Sch B-2)	(Sch B-3)		(Sch B-4)

See accompanying Notes to the Financial Statements.

Loan Funds	Endowment and Similar Funds	PLANT FUNDS				TOTALS	
		Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment in Plant	Current Year	Prior Year (Memo Only)
				1,279,093		0	0
				1,716,351		0	0
				1,266,330		0	0
				158,965		0	0
67,150						0	0
				158,404		158,404	0
						(158,404)	0
						0	0
182,784						0	0
		1,405,108	48,369			0	0
(99,542)	698,500	3,384,051	48,216			0	0
150,392	698,500	4,789,159	96,585	4,579,143	-	0	0
528,948	1,688,074	2,273,656	(436,502)	75,000	8,653,953	17,187,985	11,589,850
<u>\$ 9,046,037</u>	<u>\$ 10,901,125</u>	<u>\$ 4,363,827</u>	<u>\$ 340,220</u>	<u>\$ 1,185,000</u>	<u>\$ 184,619,612</u>	<u>\$ 233,392,614</u>	<u>\$ 216,204,629</u>
(Sch B-5)	(Sch B-6)	(Sch B-8)	(Sch B-9)	(Sch B-10)	(Sch B-11)		

STEPHEN F. AUSTIN STATE UNIVERSITY  
EXHIBIT C  
STATEMENT OF CURRENT FUNDS REVENUES AND EXPENDITURES  
For the Year Ended August 31, 1999

	Unrestricted			Restricted	Total
	Educational and General	Designated	Auxiliary Enterprises		
<b>REVENUES</b>					
State Legislative Appropriations [Note 1]	\$ 40,325,335	\$	\$	\$ 40,325,335	\$ 40,325,335
Higher Education Assistance Funds [Note 1]	6,468,273			6,468,273	6,468,273
Student Tuition and Fees	14,067,678	14,411,974	2,935,691	31,415,343	31,415,343
Sales and Services	472,537	2,513,852	23,333,659	26,320,048	26,320,048
Gifts and Grants					
Federal	16,811			16,811	7,853,357
Federal Pass-Through from Other State Agencies	99,708			99,708	642,527
State	32,119			32,119	859,724
State Pass-Through from Other State Agencies	155,430			155,430	459,122
Private	125,024			125,024	3,187,651
Interest Income	444,813	817,904	245,647	1,508,364	294,327
Endowment Income		1,999		1,999	214,698
Net Decrease in the Fair Value of Investment		(89,264)	(77,797)	(167,061)	(167,061)
Miscellaneous Income	19,750			19,750	19,750
Total Revenues (Sch. C-1)	<u>\$ 62,227,478</u>	<u>\$ 17,656,465</u>	<u>\$ 26,437,200</u>	<u>\$ 106,321,143</u>	<u>\$ 119,832,349</u>
	(Exh. B)	(Exh. B)	(Exh. B)		(Sch. C-1)
<b>EXPENDITURES</b>					
Instructional and Departmental	\$ 32,853,183	\$ 1,601,427	\$	\$ 34,454,610	\$ 4,445,663
Research	779,453	13,291		792,744	2,044,322
Public Service	272,287	1,221,449		1,493,736	731,891
Academic Support	5,158,452	565,067		5,723,519	5,723,519
Student Services	3,233,947	600,781		3,834,728	3,834,728
Institutional Support	7,659,224	3,127,997		10,787,221	(350,431)
Operation and Maintenance of Physical Plant	7,501,884			7,501,884	7,501,884
Scholarships	1,300,348	2,580,566		3,880,914	6,639,961
Auxiliary Enterprises			25,730,669	25,730,669	25,730,669
Total Expenditures (Exh. B)	<u>\$ 58,758,777</u>	<u>\$ 9,710,578</u>	<u>\$ 25,730,669</u>	<u>\$ 94,200,024</u>	<u>\$ 13,511,406</u>
					(Sch. C-2)

## Note 1:

State Legislative Appropriations-General Revenue:	
Current Year Appropriation per Appropriations B	\$ 32,743,170
Employees Benefits:	
OASI Matching	2,270,494
Employee Benefits Replacement Pay	
\$100 per Month Salary Increase	507,156
Group Insurance	3,037,133
Retirement Plans	1,619,638
Worker's Compensation Insurance	107,949
Unemployment Compensation Insurance	39,796
Subtotal	40,325,336
State Appropriation-HEAF	6,468,273
Total State Appropriations	<u>\$ 46,793,609</u>

See accompanying Notes to the Financial Statements.



NOTES TO THE FINANCIAL STATEMENTS  
AUGUST 31, 1999**NOTE 1: Summary of Significant Accounting Policies****Basis of Accounting**

The financial statements of Stephen F. Austin State University have been prepared on the accrual basis of accounting except that depreciation expense related to plant fund assets is not recorded. The Statement of Current Funds Revenues and Expenditures is a statement of financial activities of current funds related to the reporting period. It does not purport to present the results of operations or the net income or loss for the period as would a statement of income or a statement of revenues and expenses.

To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as (1) expenditures, in the case of normal replacement of equipment, library holdings, and livestock; (2) mandatory transfers in the case of required provisions for retirement of indebtedness and renewal and replacement of institutional properties; and (3) transfers of a non-mandatory nature for all other cases.

**Fund Accounting**

To ensure observance of limitations and restrictions placed on the use of the resources available to the University, accounts are maintained in accordance with the principles of "fund accounting". This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

Within each fund group, fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes by action of the governing board. Externally restricted funds may only be utilized in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which the governing board retains full control to use in achieving any of its institutional purposes.

Endowment and Similar Funds are subject to the restrictions of gift instruments requiring in perpetuity that the principal be invested and only the income be utilized. Term endowment funds are like endowment funds, except that all or part of the principal may be utilized after a stated period of time or upon the occurrence of a certain event. Funds functioning as endowment (Quasi) are funds that the governing board has approved to be used as endowments.

All gains and losses arising from the sale, collection, or other disposition of investments and other non-cash assets are accounted for in the fund which owned such assets. Ordinary income derived from investments, receivables, and the like is accounted for in the fund owning such assets, except for income derived from investment of Endowment and Similar Funds, which income is accounted for in the fund to which it is restricted or, if unrestricted, as revenues in unrestricted current funds.

All other unrestricted revenue is accounted for in the appropriate unrestricted fund. Restricted gifts, grants, appropriation, endowment income and other restricted resources are accounted for in the appropriate restricted funds. Restricted Current Funds are reported as revenues and expenditures when expended for current operating purposes. Contract and grant awards funds received, but unexpended, during the current reporting period are shown as additions to fund balances in Restricted Current Funds.

The following is a list of the different fund groups used at Stephen F. Austin State University:

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 AUGUST 31, 1999

**Current Funds**

Funds available for current operating and maintenance purposes as well as those restricted by donors and other outside agencies for specific operating purposes. Current funds are separated into the following fund groups:

**Educational and General**

Funds for administration, institutional expense, instruction and departmental research, physical plant operation, libraries, and other items relating to instruction.

**Designated**

Funds arising from sources that have been internally designated by the Board of Regents. This fund distinguishes such internally designated funds from externally restricted funds as well as other current funds. Service departments funds, revolving and clearing accounts are also included in this fund group.

**Auxiliary Enterprises**

Funds for activities which furnish services to students, faculty, or staff for which charges are made that are directly related to, although not necessarily equal to the cost of the service, such as residence halls, food services, and the bookstore.

**Restricted**

Funds available for current purposes, the use of which has been restricted by outside agencies or persons. Revenues are reported only to the extent of expenditures for the current year.

**Loan Funds**

Funds available for loans to students.

**Endowment and Similar Funds**

Funds subject to restrictions of endowment and trust instruments requiring that principal be maintained and that only the income be utilized.

**Plant Funds**

Plant funds are segregated into the following four fund groups:

**Unexpended**

Funds to be used for the construction, rehabilitation, and acquisition of physical properties for institutional purposes.

**Renewals and Replacements**

Funds accumulated for the renewal and replacement of physical plant properties.

**Retirement of Indebtedness**

Funds accumulated to meet debt service charges and the retirement of indebtedness.

**Investment in Plant**

Funds already expended for plant properties. Physical properties are stated at cost at date of acquisition or fair market value at date of donation for gifts and fair market value at August 31, 1999, for livestock. Depreciation on physical plant and equipment is not recorded.

**Agency Funds**

Funds held by the University as custodial or fiscal agent for students, faculty members, and/or others.

**Cash and Cash Equivalents**

All highly liquid investments with a maturity of three months or less at the time of purchase are considered cash and cash equivalents. Generally, only investments with original maturities of three months or less meet this definition. Stephen F. Austin State University is reporting all investments with a maturity of three months or less at the time of purchase as cash and cash equivalents. In addition, the University is including some highly liquid investments with maturities in excess of three months which management intends to liquidate within the next fiscal year.

**Investments**

The University reports investments at fair value in the balance sheet with the following exceptions. (Fair value is the amount at which an investment could be exchanged in a current transaction between parties, other than in a forced or

NOTES TO THE FINANCIAL STATEMENTS  
AUGUST 31, 1999

liquidation sale.) The exceptions are as follows: (1) Nonparticipating contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure, provided that the fair value of those contracts is not significantly affected by the financial institution's credit standing or other relevant factors. (2) Money market investments and participating interest-earning investment contracts that mature within one year or less of the date of their acquisition may be reported at amortized cost, assuming that the investment is not affected by the financial institution's credit standing or other relevant factors. (3) For real estate, mortgages, venture capital, limited partnerships, and future and forward contracts, etc. held by non-external pool entities, fair value is not permitted. Instead, amortized cost or historical cost should be used.

**Memorandum Totals**

The Balance Sheet in columnar form, the Statement of Changes in Fund Balances, and the Statement of Current Funds Revenues and Expenditures are shown with memorandum totals for the current year. Interfund borrowing has not been eliminated, but has been offset in the assets and liability sections. The memorandum totals are presented only to facilitate financial analysis and do not purport to present financial position, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**Other Significant Accounting Policies**

Other significant accounting policies are set forth in the financial statements and the notes thereto.

<b>NOTE 2: Deposits and Investments</b>
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**Authorized Investments**

Stephen F. Austin State University is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act (Tex. Gov't Code Ann. § 2256.001) and for the Endowment Fund, the Uniform Management of Institutional Funds Act. Such investments include (1) obligations of the United States or its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than A by a national investment rating firm, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute.

**Deposits of Cash in Bank**

- A. The carrying amount of \$3,230,718 for Cash in Bank (including restricted assets) is presented below.  
B. The bank balance of Stephen F. Austin State University has been classified according to the following risk categories.

**Category 1:** Insured or collateralized with securities held by the governmental entity or by its agent in the name of the governmental entity.

**Category 2:** Collateralized with securities held by the pledging financial institution's trust department or agent in the governmental entity's name.

**Category 3:** Uncollateralized which would include any deposits collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the governmental entity's name.

**Deposits for Stephen F. Austin State University are:**

<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
\$3,230,718	\$3,894,710	\$3,894,710	\$0	\$0

Cash and Deposits

## Bank Deposits

Demand Deposits	\$ 3,230,718
Sweep Accounts	<u>18,231,437</u>

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	21,462,155
Cash and Cash Equivalents	
Petty Cash on Hand	192,060
Local Funds in State Treasury	<u>13,390,108</u>
	<u>13,582,168</u>
Total Cash and Deposits	<u>\$ 35,044,323</u>

**Investments**

To comply with the reporting requirements of GASB Statement No. 3, *Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, Stephen F. Austin State University's investments are categorized in the tabulation titled "Investment Categories" to give an indication of credit risk assumed by Stephen F. Austin State University at year end.

Credit risk is the risk that another party to a deposit or investment transaction will not fulfill its obligations. This is not to be confused with market risk, which is the risk of a decline in the market value of an investment, collateral protecting a deposit, or securities underlying a repurchase agreement. Market risk is not depicted in this note.

The following categories of credit risk are included:

- Category 1:** Investments that are insured or registered or for which the securities are held by the institution or its agent in the institution's name.
- Category 2:** Uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or institution in the institution's name.
- Category 3:** Uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the institution's name.

**Investment Categories for Stephen F. Austin State University**

<u>Type of Security</u>	<u>Category</u>			<u>Reported Value</u>
	1	2	3	
US Gov't Securities	\$ 13,456,490			\$ 13,456,490
Corporate Stocks	4,699,101			4,699,101
Cert. of Deposit	<u>10,075</u>			<u>10,075</u>
<b>TOTALS</b>	<b>\$ 18,165,666</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 18,165,666</b>

**Uncategorized Investments:**

TexPool	1,244,734
Money Market/Money Funds	<u>7,493,710</u>
Total Investments	<u>\$ 26,904,110</u>
Total Cash and Deposits	35,044,323
Total Investments	<u>26,904,110</u>
<b>TOTAL DEPOSITS AND INVESTMENTS</b>	<b>\$ 61,948,433</b>
Cash and Temporary Investments (Exh. A)	43,782,767
Investments (Exh. A)	<u>18,165,666</u>
<b>TOTAL DEPOSITS AND INVESTMENTS (Exh. A)</b>	<b>\$ 61,948,433</b>

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 1999

**Reverse Repurchase Agreements**

Stephen F. Austin State University, by statute, is authorized to enter into reverse repurchase agreements. A reverse repurchase agreement is a transaction in which a broker-dealer or financial institution transfers cash to the university and the university transfers securities to the broker-dealer and promises to repay the cash plus interest in exchange for the same or similar securities. Credit risk exposure for the university arises when a broker-dealer does not return the securities or their value at the conclusion of the reverse repurchase agreement. There were no significant violations of legal or contractual provisions during the year.

As of August 31, 1999, the University was not participating in a reverse repurchase agreement.

**Securities Lending**

Stephen F. Austin State University may participate in a securities lending program. In securities lending transactions, the University transfers its securities to the broker-dealer and other entities for collateral—which may be cash or securities—and simultaneously agrees to return the collateral for the same securities in the future. The University invests the cash received as collateral and, if the returns on those investments exceed the “rebate” paid to the borrowers of the securities, the securities lending transactions generate income for the University. However, if the investment of the cash collateral does not provide a return exceeding the rebate or if the investment incurs a loss on principal, part of the payment to the borrower would come from the University’s resources. The borrower will pay a “loan premium or fee” for the securities loan, thus generating income for the University. Securities lending is authorized by State statutes. The University is authorized to lend its U.S. Government securities. Collateral is either cash or U.S. Government securities at a value of 102 percent of the value of the securities lent. The securities lending contracts allow the University to pledge or sell collateral securities without a borrower default. At year end, the University has no credit risk exposure to borrowers because the amounts the University owes to borrowers exceed the amounts the borrowers owe the University. Contracts with the lending agents require them to indemnify the University if the borrowers fail to return the securities. The policy is to match the maturities of the collateral investments and the securities loans. There were no significant violations of legal or contractual provisions, no borrower or lending agent default losses, and no recoveries of prior-period losses during the year.

As of August 31, 1999, the University was not participating in securities lending transactions.

**Derivative Investing**

Derivatives are financial instruments (securities or contracts) whose value is linked to, or “derived” from, changes in interest rates, currency rates, and stock and commodity prices. Derivatives cover a broad range of financial instruments, such as forwards, futures, options, swaps, and mortgage derivatives. These mortgage derivatives are influenced by changes in interest rates, the current economic climate, and the geographic make-up of underlying mortgage loans. There are varying degrees of risk associated with mortgage derivatives. For example, some Planned Amortization Class (PACs) with narrow collars would be considered moderate to high risks. In contrast, principal only (PO) and interest only (IO) strips are considered higher risk Collateralized Mortgage Obligations (CMOs).

As of August 31, 1999, Stephen F. Austin State University owned no derivatives.

**NOTE 3: Bonds Payable**

General information related to bonds payable is summarized below:

**Consolidated University Revenue Refunding Bonds - Series 1991 A**

- To advance refund \$24,789,000 principal of existing Stephen F. Austin State University bonds payable as shown below:

<u>Bond Issue</u>	<u>Issued</u>	<u>Principal</u>
Housing System Revenue Bonds - Series 1962 A	10-1-62	\$220,000
Housing System Revenue Bonds - Series 1962 B	10-1-62	553,000
Housing System Revenue Bonds - Series 1962 D	10-1-62	2,822,000

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Housing System Revenue Bonds - Series 1963 A	10-1-63	1,169,000
Housing System Revenue Bonds - Series 1964	10-1-64	985,000
Building Revenue Bonds - Series 1965 B	10-1-65	2,715,000
Student Housing System Revenue Bonds - Series 1967	04-1-67	1,205,000
Student Housing System Revenue Bonds - Series 1968	04-1-68	1,435,000
Student Housing System Revenue Bonds - Series 1979	04-1-79	880,000
Building Use Fee Revenue Bonds - Series 1968	06-1-68	470,000
General Fee Revenue Bonds - Series 1972	02-1-72	2,640,000
General Fee Revenue Bonds - Series 1973	02-1-73	3,225,000
General Fee Revenue Bonds - Series 1977	12-1-77	345,000
Combined Fee Revenue Bonds - Series 1979	02-1-79	4,040,000
Combined Fee Revenue Bonds - Series 1988	01-1-88	885,000
Combined Fee Revenue Bonds - Series 1990	4-15-90	<u>1,200,000</u>
Total		<u>\$24,789,000</u>

- Issued 4-15-91
  - \$18,630,000; all authorized bonds have been issued.
  - Source of revenue for debt service:
    - Gross Revenues of the University Building System
    - Pledged Student Tuition
    - General Fee
    - University Center Fee
    - Investment income on Interest and Sinking Fund, the Reserve Fund, and any other Fund maintained pursuant to the Resolution
- Any additional revenue pledged to the payment of the Bonds or Additional Bonds

**Consolidated University Revenue Refunding Bonds - Series 1991 B**

- To advance refund \$6,015,000 principal of existing Stephen F. Austin State University bonds payable as shown below:
- | <u>Bond Issue</u>                                  | <u>Issued</u> | <u>Principal</u>   |
|--|---------------|--------------------|
| Student Housing System Revenue Bonds - Series 1984 | 04-1-84       | \$3,640,000        |
| Combined Fee Revenue Bonds - Series 1985           | 08-1-85       | <u>2,375,000</u>   |
| Total  |               | <u>\$6,015,000</u> |

- Issued 4-15-91
  - \$5,990,000; all authorized bonds have been issued.
  - Source of Revenue for debt service:
    - Gross Revenues of the University Building System
    - Pledged Student Tuition
    - General Fee
    - University Center Fee
    - Investment income on Interest and Sinking Fund, the Reserve Fund, and any other Fund maintained pursuant to the Resolution
- Any additional revenue pledged to the payment of the Bonds or Additional Bonds

**State of Texas Constitutional Appropriation Bonds (Stephen F. Austin State University) - Series 1995**

- To acquire funds for renovations and capital improvements to the Music Building, the Austin Building and the Education Building.
- Issued 6-15-95
- \$6,800,000; all authorized bonds have been issued.
- Source of Revenue for debt service: solely from an irrevocable pledge of the Pledged Revenues allocated to Stephen F. Austin State University pursuant to article VII, section 17 of the Texas Constitution (Higher Education Assistance Funds).

**State of Texas Constitutional Appropriation Bonds (Stephen F. Austin State University) - Series 1996**

- To acquire funds for renovations and capital improvements to the Austin Building and the Utility Loop.
- Issued 1-1-96

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- \$3,590,000; all authorized bonds have been issued.
- Source of Revenue for debt service: solely from an irrevocable pledge of the Pledged Revenues allocated to Stephen F. Austin State University pursuant to article VII, section 17 of the Texas Constitution (Higher Education Assistance Funds).

**Stephen F. Austin State University Consolidated Revenue Pledge - Series 1996**

- To provide funds for capital improvements to the air conditioning systems in six dormitories, to install a lighting system on the Intramural Field, and to improve accessibility in the University Center.
- Issued 1-1-96
- \$4,135,000; all authorized bonds have been issued.
- Source of Revenue for debt service:
  - Gross Revenues of the University Building System
  - Pledged Student Tuition
  - General Fee
  - University Center Fee
  - Investment income on Interest and Sinking Fund, the Reserve Fund, and any other Fund maintained pursuant to the Resolution
  - Annual interest grants received from the United States Department of Education
  - Any additional revenue pledged to the payment of the Bonds or Additional Bonds

**Stephen F. Austin State University Revenue Financing System, Texas Public Finance Authority Revenue Bonds - Series 1998**

- To provide funds for renovations to Miller Science Building
- Issued 9-1-98
- \$6,000,000; all authorized bonds have been issued.
- Source of Revenue for debt service:
  - Pledged Student Tuition
  - Other Pledged Revenues

Bonds payable are due in annual installments varying from \$355,000 to \$3,910,000 with interest rates from 3.5% to 6.75% with the final installment due in 2018. The principal and interest expense for the next five years and beyond is summarized below for bonds issued.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	3,535,000	1,364,706	4,899,706
2001	3,790,000	1,164,096	4,954,096
2002	3,910,000	952,298	4,862,298
2003	3,900,000	735,674	4,635,674
2004	2,580,000	561,543	3,141,543
Beyond Five Years	<u>9,750,000</u>	<u>2,601,547</u>	<u>12,351,547</u>
TOTAL	<u>\$27,465,000</u>	<u>\$7,379,864</u>	<u>\$34,844,864</u>

**Advance Refunding Bonds**

No bonds were advance refunded during the year.

<b>NOTE 4: Notes and Loans Payable (Non Applicable)</b>
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<b>NOTE 5: Employees' Retirement Plan</b>
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The State of Texas has joint contributory retirement plans for substantially all of its employees. One of the primary plans in which the University participates is administered by the Teacher Retirement System of Texas (TRS). The contributory percentages of participant salaries currently provided by the State and by each participant are 6.0% and 6.4 %, respectively, of annual compensation.

NOTES TO THE FINANCIAL STATEMENTS  
AUGUST 31, 1999

The Teacher Retirement System does not separately account for each of its component government agencies, since the Retirement System itself bears sole responsibility for retirement commitments beyond contributions fixed by the State Legislature. According to an independent actuarial evaluation as of August 31, 1998, the present value of the Retirement System's actual and projected liabilities, including projected benefits payable to its retirees and active members and their beneficiaries, was in excess of the assets of the Retirement System. However, the actuary projected that such assets, augmented by projected future contributions and earnings, would be sufficient to amortize the unfunded difference over a period of .6 years assuming payroll growth of 4%. Further information regarding actuarial assumptions and conclusions, together with audited financial statements are included in the Retirement System's annual financial report.

The State has also established an optional retirement program (ORP) for institutions of higher education. Participation in the optional retirement program is in lieu of participation in the Teacher Retirement System. The optional retirement program provides for the purchase of annuity contracts. The contributory percentages on salaries for participants entering the program prior to September 1995 are 8.5% and 6.65% by the State and each participant, respectively. The State's contribution is comprised of 6.00% from the ORP appropriation and 2.5% from other funding sources. The 6.00% contribution is mandatory with the other two State contributions being at the discretion of the Board. The Board has approved the additional contributions for employees of Stephen F. Austin State University. The contributory percentages on salaries for participants entering the program after August 31, 1995, are 6.00% and 6.65% by the State and each participant, respectively. Since these are individual annuity contracts, the State has no additional or unfunded liability for this program.

**NOTE 6: Deferred Compensation Program**

University employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in the Tex. Gov't Code Ann. § 609.001. Two plans are available for employees' deferred compensation plan. Both plans are administered by the Employees Retirement System.

The State's 457 plan complies with the Internal Revenue Code Sec. 457. GASB Statement No. 32, effective for financial statements for periods beginning after December 31, 1998, rescinds GASB Statement No. 2 and amends GASB Statement No. 31. GASB Statement No. 2, *Financial Reporting of Deferred Compensation Plans Adopted under the Provisions of Internal Revenue Code Section 457*, established reporting requirements for IRC Section 457 plans. Based on the laws in effect at the time of its passage, that Statement required that all amounts deferred by the plan participants be reported as assets of the employer until made available to the participants or their beneficiaries. The laws governing these plans were changed to state that, as of August 20, 1996, new plans will not be considered eligible plans "unless all assets and income of the plan described in subsection (b)(6) are held in trust for the exclusive benefit of the participants and their beneficiaries." Existing plans are also required to comply with this requirement by January 1, 1999.

The State also administers another plan: 'TexaSaver' created in accordance with Internal Revenue Code Sec. 401(k). The assets of this plan do not belong to the State. The State has no liability related to this plan.

**NOTE 7: Compensated Absences**

Full-time employees earn annual leave from seven to fourteen hours per month depending on the respective employees' 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 376 for those employees with 20 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 University recognizes the accrued liability for the unpaid annual leave in the Unrestricted Current Fund. 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 University's policy



NOTES TO THE FINANCIAL STATEMENTS  
AUGUST 31, 1999

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.

The University made lump sum payments totaling \$122,153.15 for accrued vacation and compensatory time to employees who separated from State service during the fiscal year ending August 31, 1999.

**NOTE 8: Pending Lawsuits and Claims**

At August 31, 1999, various lawsuits and claims involving Stephen F. Austin State University were pending. While the ultimate liability with respect to litigation and other claims asserted against the University 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 University.

**NOTE 9: Rebatable Arbitrage**

Rebatable arbitrage is defined by Internal Revenue Code Section 148 as earnings on investments purchased with the gross proceeds of a bond issue in excess of the amount that would have been earned if the investments were invested at a yield equal to the yield on the bond issue. This rebatable arbitrage must be paid to the federal government. The University is entitled to invest its bond proceeds at an unrestricted yield for various temporary periods ranging from six months to three years. This unrestricted earnings period begins on the date of delivery of the bond issue. Earnings on any funds held by the University after the temporary period must be restricted to the yield of the University's bond issue.

The most recent calculation of the amount of Stephen F. Austin State University's rebatable arbitrage was done as of August 31, 1998. That amount was \$133,009.15.

**NOTE 10: Capital Lease Obligations**

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

The original capitalized cost of all property under capital lease as of August 31, 1999, is as follows:

<u>Class of Property</u>	<u>Amount</u>
Vehicles and Equipment	<u>\$481,506</u>

The following is a schedule of the future minimum lease payments for leased property and the present value of the net minimum lease payments as of August 31, 1999.

<u>Fiscal Year</u>	<u>Minimum Lease Payments</u>
2000	\$94,959
2001	87,525
2002	80,573
2003	48,880
2004	0
2005 and beyond	<u>0</u>
Subtotal	\$311,937
Less:	
Interest	(34,715)
Present Value of Net Minimum Lease Payments	<u>\$277,222</u> (Exh. A)

STEPHEN F. AUSTIN STATE UNIVERSITY  
 NOTES TO THE FINANCIAL STATEMENTS  
 AUGUST 31, 1999

**NOTE 11: Operating Lease Obligations and Rental Agreements**

Included in current expenditures are the following amounts of rent paid or due under operating leases.

<u>Fund Group</u>	Year Ended Aug. 31,	
	1999	1998
Education and General	\$50,135	\$67,626
Auxiliary-Non Pledged	0	0
Auxiliary-Pledged	16,899	14,527
Current Restricted	1,546	11,319
Designated	44,762	33,982
Unexpended Plant	0	0
Totals	<u>\$113,342</u>	<u>\$127,454</u>

Future minimum lease rental payments under noncancelable operating leases having an initial term in excess of one year as of August 31, 1999, are as follows:

<u>Fiscal Year</u>	<u>Minimum Future Lease Payments</u>
2000 and beyond	<u>\$-0-</u>

**NOTE 12: Funds Held in Trust by Others**

The balances, or transactions, of funds held in trust by others on behalf of Stephen F. Austin State University are not reflected in the financial statements. At August 31, 1999, there were three such funds for the benefit of the University. Based upon the most recent available information, the assets of these funds are reported by the trustees at values totaling \$22,517,393.

**NOTE 13: Contract and Grant Awards**

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, *Audits of Colleges and Universities*. Funds received, but not expended during the reporting period, are shown as additions to fund balance on Exhibit B. Revenues are recognized on Exhibit C as funds are actually expended. For federal contract and grant awards, funds expended, but not collected, are reported as Federal Receivables on Exhibit A. Non-federal contract and grant awards for which funds are expended, but not collected, are reported as Accounts Receivable or Due From for State Pass-Throughs on Exhibit A. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. Contract and grant awards funds already committed, e.g. multi-year awards, or funds awarded during FY99 for which monies have not been received nor funds expended totaled \$5,477,311. Of this amount, \$744,623 was from Federal Contract and Grant Awards, \$28,934 was from State Contract and Grant Awards, \$0 from Local Contract and Grant Awards and \$4,703,754 from Private Contract and Grant Awards.

**NOTE 14: Risk Financing and Related Insurance**

The University has various self-insured arrangements for coverage in the areas of employee health insurance, workers' compensation, unemployment compensation and medical malpractice. Employee health and medical malpractice plans are funded.

The State provides coverage for workers' compensation and unemployment benefits from appropriations made to other State agencies for University employees. The current General Appropriations Act provides that the University must reimburse General Revenue Fund - Consolidated, from University appropriations, one-half of the unemployment benefits and 25% of the workers' compensation benefits paid for former and current employees. The

NOTES TO THE FINANCIAL STATEMENTS  
AUGUST 31, 1999

Comptroller of Public Accounts determines the proportionate amount to be reimbursed from each appropriated fund type. The University must reimburse the General Revenue Fund 100% of the cost for workers' compensation and unemployment compensation for any employees paid from funds held in local bank accounts and local funds held in the State treasury. Workers' compensation and unemployment plans are on a pay-as-you-go basis, in which no assets are set aside to be accumulated for the payment of claims. No material outstanding claims are pending as of August 31, 1999.

The University is required by certain bond covenants to carry fire and extended coverage and boiler insurance on buildings financed through the issuance of bonds using pledged Auxiliary Enterprise or other non-Educational and General Funds. The insurance protects the bond holders from a disruption to the revenue stream that is being utilized to make the bond interest and principal payments. There were no claims filed against this insurance during the fiscal year ended August 31, 1999.

The Texas Motor Vehicle Safety Responsibility Act requires that every non-governmental vehicle operated on a State highway be insured for minimum limits of liability in the amount of \$20,000/\$40,000 bodily injury and \$15,000 property damage. However, Stephen F. Austin State University has chosen to carry liability insurance on its licensed vehicles in the amount of \$1,000,000 combined single limit for bodily injury and property damage.

The University is exposed to a variety of civil claims resulting from the performance of its duties. It is Stephen F. Austin State University's policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed.

The University assumes substantially all risks associated with tort and liability claims due to the performance of its duties. Currently there is no purchase of commercial insurance, nor is the University involved in any risk pools with other government entities for these risks.

**NOTE 15: Post Employment Health Care and Life Insurance Benefits**

In addition to providing pension benefits, the State provides certain health care and life insurance benefits for retired employees, in accordance with State statutes. Substantially all of the employees may become eligible for those benefits if they reach normal retirement age while working for the State. Stephen F. Austin State University participates in the ERS insurance plans. The information regarding the State's contribution, the number of eligible retirees, and the cost of providing those benefits is included in the notes to the annual financial report of the ERS.

**NOTE 16: Related Parties**

Three entities exist to benefit Stephen F. Austin State University: Stephen F. Austin State University Foundation, Inc., Stephen F. Austin State University Alumni Association, Inc., and Stephen F. Austin State University Alumni Foundation, Inc. Since the University's Board of Regents is not financially accountable for these entities and does not appoint their board members, they are not considered Related Parties per GASB 14. Accordingly, their financial data are not included in this financial report.

The Stephen F. Austin State University Foundation, Inc., is a nonprofit organization with the sole purpose of supporting the educational and other activities of the University. The Foundation solicits donations and acts as coordinator of gifts made by other parties for the use and benefit of the University. During the fiscal year, the University furnished certain services, such as office space, utilities, and some staff assistance to the Foundation.

The Stephen F. Austin State University Alumni Association, Inc. is a non-profit organization dedicated to serving the alumni, friends, and current students of the University through programs, scholarships, and activities that create an attitude of continued loyalty and support. The Alumni Association provided services on behalf of the University for which the University paid \$179,706 during the 1999 fiscal year. These services included maintaining records on the

## STEPHEN F. AUSTIN STATE UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS  
AUGUST 31, 1999

students who had graduated from the University. In addition to the amount paid, the University provided utilities and custodial services to the Association.

The Stephen F. Austin State University Alumni Foundation, Inc. is a non-profit organization which exists to award scholarships to students at the University. The Alumni Foundation is housed with the Alumni Association. Therefore, the University provides the same utilities and custodial services for the Alumni Foundation as it does for the Alumni Association.

**NOTE 17: Reporting Entity**

Stephen F. Austin State University is an agency of the State of Texas. The nine members of its Board of Regents are appointed by the Governor.

**NOTE 18: Interfund Borrowing**

All interfund borrowing has been made from unrestricted funds and is payable within one year without interest.

**NOTE 19: Subsequent Events**

On October 26, 1999, the Stephen F. Austin State University Board of Regents authorized the issuance of bonds in an amount not to exceed \$7,000,000. The bond proceeds will be used for improvements to campus residence halls and student apartments.

**NOTE 20: Fund Balance Restatement (Non Applicable)****NOTE 21: Due From/Due To Other State Agencies**Due From Other State Agencies:

<u>Agency Name</u>	<u>Agency #</u>	<u>Amount</u>	<u>Subfund</u>	<u>Source</u>
Texas Dept of Transportation	601	\$ 2,275	2100	State
TX Dept. Protective & Reg. Services	530	<u>27,402</u>	2100	Federal

Total Due From Other State Agencies      \$29,677  
(Exh. A)

**NOTE 22: Federal Pass-Through Grants from Other State Agencies**

<u>Agency Name</u>	<u>Agv#</u>	<u>CFDA#</u>	<u>D23 Fund</u>	<u>Exh. B Amount</u>	<u>Exh. C Amount</u>	<u>Diff</u>	<u>Subfund</u>
Angelina College	989	84.048	0001	\$ 25,000	\$ 21,782	\$ 3,218	2100
TX Dept. Protective & Reg. Services	530	93.658	0001	402,359	429,762	(27,402)	2100
Univ. of Texas Medical Branch TX Engineering	723	93.824	0001	22,418	11,999	10,419	2100

STEPHEN F. AUSTIN STATE UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS  
AUGUST 31, 1999

Experiment Station	712	84.116P	0001	7,481	7,771	(290)	2100
Texas Higher Ed Coordinating Board	781	84.281	0001	<u>244,918</u>	<u>171,213</u>	<u>73,704</u>	2100
Total Restricted				\$702,176	\$642,527	\$59,649	2100
Angelina College	989	84.048	0001		1,158	1,158	1100
TX Dept. Protective & Reg. Services	530	93.658	0001		83,985	83,985	1100
Univ. of Texas Medical Branch	723	93.824	0001		1,196	1,196	1100
TX Engineering							
Experiment Station	712	84.116P	0001		508	508	1100
Texas Higher Ed Coordinating Board	781	84.281	0001		<u>12,861</u>	<u>12,861</u>	1100
Total E&G				0	99,708	(99,708)	1100
Grand Total Federal Pass-Through				<u>\$702,176</u>	<u>\$742,235</u>	<u>\$(40,059)</u>	

**NOTE 23: State Pass-Through Grants from Other State Agencies**

<u>Agency Name</u>	<u>Agy#</u>	<u>D23 Fund</u>	<u>Exh. B Amount</u>	<u>Exh. C Amount</u>	<u>Diff</u>	<u>Subfund</u>
TX Education Agency	701	0001	<u>\$466,213</u>	<u>\$459,122</u>	\$ <u>7,091</u>	2100
Total Restricted			\$466,213	\$459,122	\$ 7,091	2100
TX Education Agency	701	0001		\$31,653	\$ 31,653	1100
Texas Higher Ed Coordinating Board	781	0001		115,862	115,862	1100
Texas Higher Ed Coordinating Board	781	0106		<u>7,915</u>	<u>7,915</u>	1100
Total E&G			0	\$ 155,430	\$(155,430)	1100
Grand Total State Pass-Through			<u>\$466,213</u>	<u>\$614,552</u>	<u>\$(148,339)</u>	

**NOTE 24: Interfund Receivable/Interfund Payable (Non Applicable)**

**NOTE 25: Advance to Other Agencies/Advance from Other Agencies (Non Applicable)**

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## SUPPORTING SCHEDULES

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE A-1  
 SCHEDULE OF CASH AND TEMPORARY INVESTMENTS  
 For the Year Ended August 31, 1999

	CURRENT FUNDS				
	Total	Educational & General	UNRESTRICTED Designated	Auxiliary Enterprises	Restricted
Cash in Banks					
Regions Bank, Nacogdoches, Texas Demand Deposit	\$ 581,862	\$	\$ 581,862	\$	\$
Fredonia State Bank, Nacogdoches, Texas Demand Deposit	685,479			300,520	
Commercial Bank of Texas, N.A. Nacogdoches, Texas Demand Deposit	1,321,503				124,040
Citizens 1st Bank Nacogdoches, Texas Demand Deposit	619,465				
Firststar Bank Milwaukee Milwaukee, Wisconsin Demand Deposit	22,409				
Total Cash in Banks	3,230,718		581,862	300,520	124,040
Cash in State Treasury Fund	13,390,108	6,698,662	3,920,949		
Total Cash in Banks & State Treasury	16,620,826	6,698,662	4,502,811	300,520	124,040
Temporary Investments	26,969,881		3,255,355	6,994,824	3,809,042
Total Cash in Banks & Temp. Investments	43,590,707	6,698,662	7,758,166	7,295,344	3,933,082
Change Fund on Hand	192,060	137,029	736	54,295	
Total Cash & Temp. Invests (Exh. A)	\$ 43,782,767	\$ 6,835,691	\$ 7,758,902	\$ 7,349,639	\$ 3,933,082



Loan Funds	Endowment & Similar Funds	PLANT FUNDS			Agency Funds
		Unexpended	Renewals & Replacements	Retirement of Indebtedness	
\$	\$	\$	\$	\$	\$
					384,959
		12,463		1,185,000	
619,465					
22,409					
641,874		12,463		1,185,000	384,959
		2,430,277	340,220		
641,874		2,442,740	340,220	1,185,000	384,959
1,089,134	1,880,244	6,027,855			3,913,427
1,731,008	1,880,244	8,470,595	340,220	1,185,000	4,298,386
<u>\$ 1,731,008</u>	<u>\$ 1,880,244</u>	<u>\$ 8,470,595</u>	<u>\$ 340,220</u>	<u>\$ 1,185,000</u>	<u>\$ 4,298,386</u>

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE A-2  
 SCHEDULE OF LONG TERM INVESTMENTS BY FUND GROUP  
 For The Year Ended August 31, 1999

	Total	CURRENT FUNDS		Endowment and Similar Funds
		Designated Funds	Auxiliary Funds	
U. S. Government Securities	\$ 13,456,490	\$ 4,906,750	\$ 4,276,414	\$ 4,273,326
Corporate Stocks - Common	4,699,101			4,699,101
Certificates of Deposit	10,075			10,075
Total (Exh. A)	<u>\$ 18,165,666</u>	<u>\$ 4,906,750</u>	<u>\$ 4,276,414</u>	<u>\$ 8,982,502</u>

STEPHEN F. AUSTIN STATE UNIVERSITY  
SCHEDULE A-3  
SCHEDULE OF LEGISLATIVE APPROPRIATIONS  
For the Year Ended August 31, 1999

**OPTIONAL  
SCHEDULE NOT USED**

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE A-4  
 SCHEDULE OF DEPOSITS HELD IN CUSTODY FOR OTHERS  
 AGENCY FUNDS  
 For the Year Ended August 31, 1999

Description	Balances Sept 1, 1998	Additions	Deductions	Balances Aug 31, 1999
98-99 Scholarship Fund	\$ 91,655	\$ 455,905	\$ 546,056	\$ 1,504
99-00 Scholarship Fund	0	698,730	601,347	97,383
A Burkhalter	0	3,000	2,565	435
AEC Users Group	1,495		700	795
Agency Contingency Fund	622			622
AGSSW	985	611	1,017	579
Alpha Chi	3,248	8,935	8,933	3,250
Alpha Delta Mu	231	28	251	8
Alpha Psi Omega Speech	2,710	4,257	4,536	2,431
Amateur Radio Club	0	100		100
ARA Dining Services	5,772	1,294	10,267	(3,201)
Beta Alpha Psi	196	500	102	594
Biology Club	13			13
Biotechnology Club	0	3,220	1,516	1,704
Campus Crusade For Christ	376	1,050	917	509
Charter School Activities	0	3,276	200	3,076
Chemistry Honor Society	448			448
Child Development Club	115	35		150
Computer Center Employees	295			295
DEBITECH	2,937			2,937
Declining Balance System	14,644		105	14,539
East Tx Historical Assn	498	4,504	4,849	153
Fashion Merchandising	106	1,232	1,167	171
Fisheries Society	156			156
Follet Partner in Ed	0	464,000	459,000	5,000
Forest Service Lab	13	70	55	28
Forestry NAI	220		1	219
Funds to be Distributed to Students	0	4,025,479		4,025,479
GSL Clearing Acct	173,929	27,015,205	27,066,020	123,114
GSL Recovery	(14,947)	613		(14,334)
Hinson Hwood Loan	(5,471)		(5,471)	0
Home Economics Club	108	58		166
Hospitality Administration	307	117	115	309
Interfraternity Council	670	2,701	2,654	717
Interior Design Club	465	5,137	5,557	45
Intramural Fund	5,363	3,095	840	7,618
Kappa Delta Pi	4,376	12,264	12,029	4,611
Men's Faculty Club	226	1,061	872	415
Michael K Reel-HLS&R	2,500	88,000	85,500	5,000
Natalie Franks	2,790		2,790	0
National FFA CDE	114	369	221	262
Omicron Delta Epsilon	387			387
Panhellenic Council	399	3,000	2,652	747
PHEAA Scholarship	0	360	360	0
Phi Alpha Theta	703	1,923	1,820	806
Phi Delta Kappa	2,798	619	1,271	2,146
Phi Upsilon Omicron	74	1,482	1,437	119
Pi Sigma Alpha	60			60
Rescue Club	2,580			2,580
SASW	638	2,033	2,207	464
SBI Dir Assoc. Support	0	6,057	6,057	0
Scholarship-Agency Fund	(1,740)	1,740		0
SFA Aikido Budo Club	140		140	0
SFA Alumni Association	(9,335)	70,760	69,086	(7,661)
SFA Foundation Funds	35			35
SFA Maintenance	1,350			1,350

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE A-4  
 SCHEDULE OF DEPOSITS HELD IN CUSTODY FOR OTHERS  
 AGENCY FUNDS  
 For the Year Ended August 31, 1999

Description	Balances Sept 1, 1998	Additions	Deductions	Balances Aug 31, 1999
SFA Spanish Club	73	117	157	33
Sigma Delta Pi	92			92
Sigma Xi Club	1,082	564		1,646
Smithers	10,713	10,000	16,342	4,371
Southwestern Social Science Assc.	85	729	732	82
Special Programs/ UA	(62)	4,030	3,845	123
SSIG Resident Clearing	326		326	0
SSIG-Nonresident Clearing	2,000		2,000	0
Student Dietitians Assn	576	646	699	523
Student Ambassadors	261	795	1,056	0
Student Coun. Except. Child	326	238	14	550
Student Deposit Clearing	32,516	(29,036)	3,480	0
TAIR	(157)	5,343	5,086	100
TAPPA Fund	2,441		2,035	406
TASSCUBO Fund	11			11
Texas Folklore Society	404	1,500	1,790	114
Texas Interscholastic League Fdn	615		596	19
The Jack Pack	13		13	0
University Prof Women	299	483	337	445
University Women's Club	2,867	4,590	6,556	901
Upsilon Pi Epsilon	395	463	337	521
Vocational Home Ec Club	146	420	450	116
<b>TOTAL</b>	<b>\$ 350,276</b>	<b>\$ 32,893,702</b>	<b>\$ 28,945,592</b>	<b>\$ 4,298,386</b>

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STEPHEN F. AUSTIN STATE UNIVERSITY  
SCHEDULE B-1  
SCHEDULE OF CHANGES IN FUND BALANCE  
UNRESTRICTED CURRENT FUNDS  
EDUCATIONAL AND GENERAL  
For the Year Ended August 31, 1999

**OPTIONAL  
SCHEDULE NOT USED**

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE B-2  
 SCHEDULE OF CHANGES IN FUND BALANCES  
 UNRESTRICTED CURRENT FUNDS-DESIGNATED FUNDS  
 For the Year Ended August 31, 1999

	Balances Sept 1, 1998	ADDITIONS	
		Revenues	Transfers
<b>INSTRUCTIONAL AND DEPARTMENTAL</b>			
Academic Asst Research Center	\$ 667	\$ 7,750	\$
Accounting Course Fee	9,025	21,671	
Accounting Publications	2,991	3,289	
Advanced Placement Workshop	(122)		122
Ag Projects	162		
Agriculture Course Fee	1,410	25,898	
Agriculture Student Travel Fee	150	5,492	1,390
Anthropology Lab Manuals	1,424	1,100	17
Applied Studies Course Fee	7,649	14,940	
Art Academy	(1,871)	6,310	
Art Course Fee	(10,271)	36,493	
Art Incidental Fees	21,675	24,353	
Art Lab Supplies	(26,416)	8,595	
Arts Info Office	8,804	13,400	
Biology Course Fee	19,218	25,030	
Biology Vehicle Fund	4,169	9,608	
Bowling-Golf-Etc	22,910	17,525	
Center for Forage Developed Bulls	3,176	29,425	
Chemistry Course Fee	3,651	22,055	
Chemistry Transportation	2,015		
Cinematography Movie Series	575	82	
Communication Course Fee	1,635	40,538	
Computer Science Course Fee	20,550	57,988	
Contingency Course Fee	28	43,028	
Counsel/Spec Ed Course Fee	2,424	34,267	
Criminal Justice Course Fee	4,851	12,041	
Dance Production	8,162	1,742	
East Texas Plant Materials Center	26,287	5,213	
Eco/Finance Course Fee	5,775	21,006	
Education Media Center	6,867	3,420	
Ed Transportation	5,569	355	
Elementary Ed Course Fee	(598)	35,122	
English Lab Manuals	1,766		
English/Philosophy Course Fee	1,617	47,070	
Fine Arts Vehicle Fund	(403)		
Forestry Course Fee	(807)	19,346	334
Forestry Student Travel	23,553	44,252	
Freshman Seminar	12,268	161,987	
General Business Course Fee	15,505	22,900	
Geology Course Fee	13,177	37,323	
Geology Lab Manuals	16,520	10,550	
Grade School Language Program	240		
Griffith Arts Center	4,442	10,544	
H. S. Social Studies Contest	(1,070)		
History Course Fee	14,754	27,723	
Honors Program	1,846	24,582	
HPE Transportation Fee	3,011	2,600	
Human Sciences Course Fee	4,543	23,341	
Human Sciences Travel	1,419		
Karate Instruction Program	13		
Kinesiology Course Fee	9,405	43,375	
Mathematics Course Fee	5,605	28,657	
Mgt/Marketing Course Fee	3,157	37,137	
Microbiology Lab Manuals	917		
Military Science Course Fee	453	8,237	
Modern Languages Course Fee	6,914	4,964	
Music Course Fee	16,295	56,572	
Music Performance	(2,056)		
Music Preparatory Division	22,403	114,964	
Music Summer Activities	(5,083)		
Nursing Course Fee	2,446	18,533	
Nursing Liability Insurance	631	16,350	
PBIC Internship	0	400	
Performing Arts	75		
Photography Operating Account	14,175	11,655	1,717
Physics Course Fee	12,976	20,106	
Physics Lab Manuals	6,146	28,042	
Political Sci/Geo Course Fee	29,635	36,343	
Prep Program	8,800		
Pre-Professional Program	15,936	7,957	
Psychology Course Fee	15,089	28,200	
RE Arts and Letters	1,201	5,671	
Regents Professorship	9,718	4,000	100
Scuba Instruction Fee	290	18,335	
Secondary Ed Course Fee	6,308	26,589	



Other Changes	DEDUCTIONS			Balances Aug. 31, 1999
	Expenditures	Transfers	Other Changes	
\$	\$ 6,418	\$	\$	\$ 1,999
	29,017			1,679
	2,250			4,030
	52			0
	22,387			110
	7,265			4,920
	2,111			(233)
	4,954			429
	4,831			17,635
	30,356			(393)
	40,469			(4,134)
	6,101			5,559
	13,545			(23,922)
	9,913			8,659
	9,081			34,334
	16,725			4,697
	29,820			23,710
	22,869			2,780
	555			2,837
	38,919			2,015
	35,825			102
				3,254
				42,712
			42,830	226
	38,083			(1,393)
	14,064			2,829
	2,935			6,968
	2,100			29,401
	25,607			1,174
	7,156			3,131
	1,763			4,161
	34,270			254
	500			1,266
	45,716	225		2,746
	178			(581)
137	18,941			68
	50,449			17,357
	166,064			8,191
	24,009			14,395
3,606	36,785			17,322
	9,612			17,459
		240		0
4,450	17,539			1,897
1,070				0
	35,100			7,376
	24,622			1,805
	2,289			3,321
	23,179			4,704
				1,419
				13
	44,060			8,720
	31,050			3,212
	36,075	100		4,119
				917
	7,201			1,489
	6,212			5,666
	73,010			(144)
				(2,056)
	86,945			50,422
				(5,083)
	15,332			5,647
	6,059			10,922
				400
	36			39
	10,614	1,717		15,216
	26,638			6,444
	19,120			15,067
	44,782			21,196
	2,701			6,099
	1,386			22,508
	39,224			4,065
	5,792			1,079
	1,279			12,538
	17,765			860
4,325	30,659			6,563

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE B-2  
 SCHEDULE OF CHANGES IN FUND BALANCES  
 UNRESTRICTED CURRENT FUNDS-DESIGNATED FUNDS  
 For the Year Ended August 31, 1999

	Balances Sept 1, 1998	ADDITIONS	
		Revenues	Transfers
Social Work Course Fee	(161)	8,119	
Social Work Graduate Studies	450	8,000	
Social Work Internship	1,062	16,483	
Social Work Professional Service	607		
Sociology Course Fee	8,764	22,977	
Student Horticulture Programs	1,690	2,331	
Teacher Certification	19,437	43,338	
Theatre	55,877	57,227	
Theatre Textbooks	2,575	195	
Theatre Course Fee	546	12,873	
<b>Total Instructional and Departmental</b>	<b>537,214</b>	<b>1,647,581</b>	<b>3,679</b>
<b>RESEARCH</b>			
Forestry GIS Lab	63,798		
Recycling Program	(48)		48
<b>Total Research</b>	<b>63,750</b>	<b>0</b>	<b>48</b>
<b>PUBLIC SERVICE</b>			
Advance Music Workshop	1,671	7,345	
Agriculture Heifer Test	12,113	20,695	
Agriculture Judging Contest	2,381	5,238	
Art On Campus	(302)		
Band Clinics	(42,042)	325,538	
CAD Supplies	19		
Census Data Center	1,814		
Central Stores Sales	(2,411)	2,993	
Cheerleaders Clinic	5,404		18,885
Choir Productions	(6)		
Choir Workshops	2,363	56,774	
Community "Messiah" Fund	(5,408)	2,585	
Community School of the Arts	(399)		
Computer Based Testing	0	38,375	
Continuing Ed Workshop	(20,120)	639,389	40,000
Counseling Clinic	4,314	818	
Early Childhood Lab Incidental Fee	3,081	17,886	
Early Childhood Resource Room	735	1,695	
Early Childhood Supply Fee	821	3,795	
Fabulous Friday	1,777	159	
HS Student Pub Workshop	11		
Madrigal Dinners	(84)	9,200	
Mathematics Seminar	1,170		
NCAA Events	9,912		
Opera Workshop	(982)	15,457	
Orchestra Workshops	(5,570)	25,110	
Piano Workshop	(501)	156	
Planetarium	2,064	7,240	
Psychology Clinic	8,092	3,185	
SFASU Banking Center	(4,558)	16,443	
Soil Lab Campus Research	24,646	13,641	
Special Events	(1,280)		1,280
Speech and Hearing Clinic	5,704	16,634	
Stone Fort Museum Sales	731	3,738	
Summer Repertory Theatre - Rusk	17,947	7,950	
Testing Fees	6,867	34,627	
U.C. Programs Special Events	4,184	1,917	
U.C. Travel Program	15,748	13,199	
University Interscholastic League	(2,719)	7,550	
<b>Total Public Service</b>	<b>47,188</b>	<b>1,299,332</b>	<b>60,165</b>
<b>ACADEMIC SUPPORT</b>			
Enrichment Hall	6,110		
Library Fee	0	346,216	
Library	101,054	359,449	
Library Services	92,680	101,740	
<b>Total Academic Support</b>	<b>199,844</b>	<b>807,406</b>	<b>0</b>
<b>STUDENT SERVICES</b>			
Academic Comp Laser Printing	556	1,227	
Band Uniform Cleaning	6,500		
Commencement	5,918		
Certificate Plans	6,720	21,846	
Foreign Student Services	795	3,125	
Graduate Application Fee	0	5,130	
Graduation Videos	2,375	5,944	
Inventory Control, Postage	578		
Kiosk Stations	178	1,374	

DEDUCTIONS				
Other Changes	Expenditures	Transfers	Other Changes	Balances Aug. 31, 1999
1,481	7,894			1,544
	8,361			88
	13,965			3,580
	27,467			607
	1,415			4,274
	57,728			2,606
	48,570			5,046
	2,577			64,534
	13,084			192
15,068	1,601,427	2,282	42,830	335
				557,004
	13,291			50,507
0	13,291	0	0	0
	8,696			320
	33,093			(285)
	4,689			2,930
	270,570			(302)
				12,926
				19
	2,462			1,814
	162			(1,879)
	39,022			24,127
	220			(6)
	22,290			20,115
	670,714	18,885		(3,043)
	1,305			(399)
	19,371			16,084
	1,444			(30,330)
	3,819			3,828
				1,596
				986
				796
				1,936
	8,220			11
				897
				1,170
	14,182			9,912
	19,037			293
				503
	5,857			(345)
	6,058			3,446
	9,731			5,218
	3,523			2,154
				34,764
				0
	16,394			5,943
	3,867			602
	9,454			16,443
	13,818			27,676
	(92)			6,194
	21,175			7,772
6,600	12,367			(936)
6,600	1,221,449	18,885	0	172,950
				6,110
				0
	398,888		346,216	61,615
	166,180			28,241
0	565,067	0	346,216	95,966
	461			1,323
	2,726			3,774
	1,000			4,918
	19,299	308		8,958
	1,562			2,359
	1,250			3,880
	6,893			1,427
	(370)		948	0
	1,225			327

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE B-2  
 SCHEDULE OF CHANGES IN FUND BALANCES  
 UNRESTRICTED CURRENT FUNDS-DESIGNATED FUNDS  
 For the Year Ended August 31, 1999

	Balances Sept 1, 1998	ADDITIONS	
		Revenues	Transfers
Ladyjack Basketball Camp	669		
Ladyjack Exhibition Game	2,532	10,188	
Ladyjack Softball Events	443		
Ladyjack Track	948	1,875	
Ladyjack Volleyball	2,323	1,000	
Liberal Arts Computing Lab	0	57	
Men's Athletic Tournament	8,388	37,475	
Placement/Career Opportunities	4,471	27,723	
Postage Vending UC	(1,566)	24,936	
Recruiting & Retention	10,022	123,812	
Reunion '95	427		
RHA Parent's Day	16,373	15,188	
Summer Orientation Program	133,810	301,395	
Total Student Services	202,460	582,294	0
<b>SCHOLARSHIPS</b>			
Admissions Top 10 Scholarship	(17,050)	520,000	
Sesquicentennial Scholars	(10,000)		
SSER - State Scholarship Ethnic	18,949		
Texas Ranger Scholarship	0		
TPEG-Non-Resident	9,966		15,410
TPEG-Resident	928,880		1,629,645
Audit Only	0		
Veteran Exemptions	0		
Blind and Deaf Students	0		
Orphans of Public Employees	0		
Foster Care	0		
Students age 65 and over	0		
Total Scholarships	930,745	520,000	1,645,055
<b>INSTITUTIONAL SUPPORT</b>			
Accounting Sys Implementation	(26,164)		26,164
ACE/Kellog Functions	1,479		
ACE Fellow-Ludorf	0		750
Adm Software Upgrade	332		
Adm Computing Office	8,090		
Adm Expenses - T&F Installments	160,533	289,179	
Adm Monthly Allowance	1,000	5,370	
Administrative Network	1,613		
ADV/FDN Coop Programs	451		36
AHEC Continuing Ed	975	630	
Athletic Motor Pool	9,170		26,735
ATM Income	0	6,600	
Audit Services	3,076	66,447	
Baker Street Rental	1,466	40	
Board of Regents	0		
Business Affairs Discretionary	1,643		
Campus Wellness	(194)	32,337	
Capital Campaign	10,832	235,500	
Coliseum & Stadium Rental	5,055	98,026	
Commencement Chairs and Tables	85		
Computer Use Fee	0	2,321,719	
Contingency	700,773	118,894	
Debt Service	0	1,266,330	
Designated Tuition	0	5,213,982	
External Relations	3,719	34,680	
Facilities Use Rental	7,271		
Faculty Discretionary	(3,497)		
General Counsel Discretionary	182		
Indirect Cost Recovery Reserve	74,489		67,193
Institutional Expense	6,730		
Investment Income	0	537,388	
Long Term Investment Income	209,689	192,591	
Management Services	(335,015)	70,000	
Media Services	2,394	2,586	
Military Science Postal	467		
Minority Faculty and Staff Recruiting	6,245		
95 Bond Proceeds Interest	0		
NCHEMS Admission Students	11,902		
Physical Plant Vehicles	0	5,834	
Pineywoods Conservation Center	62,009	226,942	
Presidential Allowance	(6,606)		
President's Home	7,779	34,866	
President's Rent Car	18,136	9,576	
President's Staff Awards	476	360	
Printing Services	0	381,247	34,457

DEDUCTIONS				
Other Changes	Expenditures	Transfers	Other Changes	Balances Aug. 31, 1999
669	11,097		669	0
	124			2,291
	2,506			319
	77			317
				3,246
	45,301			57
	19,753			561
	23,370			12,441
2,799	131,733			0
	16,607			4,900
	316,167			427
3,468	600,781	308	1,617	14,954
				119,038
				185,515
	444,866			58,084
31,050	11,196			9,854
				18,949
1,500	1,500			0
	27,780			(2,404)
	2,029,539	104,715		424,271
113	113			0
22,771	22,771			0
37,979	37,979			0
1,214	1,214			0
3,273	3,273			0
334	334			0
98,235	2,580,566	104,715	0	508,753
				0
4,750	5,314			915
1,500	2,180			70
	30			302
	544			7,546
	201,833	27,566		220,312
	4,861			1,509
				1,613
	451	36		0
	1,245			360
	33,463			2,442
			6,600	0
	63,009			6,515
				1,506
10,000	8,007			1,993
				1,643
	27,206			4,936
	180,243			66,089
73,526	187,181			(10,574)
				85
			2,321,719	0
350,000		40,000	348,431	781,236
		1,266,330		0
		3,363,204	1,850,778	0
				38,399
	1,001			6,271
				(3,497)
	32			150
	10,011	24,376	137	107,159
60,000	61,145			5,585
	206,113		331,275	0
	838		401,442	0
80,000				(185,015)
	4,309			671
	5			462
	5,089			1,156
10,801		10,801		0
	8,550			3,352
60,211	61,522			4,523
	270,641			18,310
5				(6,601)
	32,527			10,118
	9,461	18,251		0
2,344	2,644			536
	334,398			81,307

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE B-2  
 SCHEDULE OF CHANGES IN FUND BALANCES  
 UNRESTRICTED CURRENT FUNDS-DESIGNATED FUNDS  
 For the Year Ended August 31, 1999

	Balances		ADDITIONS	
	Sept 1, 1998		Revenues	Transfers
Property & Casualty	20,789		25,000	
Public Affairs	3,260		3,238	
Publication Fee	0		216,024	
Registration Fee	0		102,935	
Retirement Committee	11,944		5,625	
Sale of Surplus Equipment	18,724		30,214	
SFA 98	45,835		30,036	
SFASU Health Plan	92,410			
Special Mineral Fund	52,518		3,909	
Staff Prof Development	(150)			
Staff Salary Study	(31,966)			
Sweat Equity	0		20,000	
Telephone Exchange	(295,729)		1,091,787	
Unemployment Compensation	130,400		13,174	
University Affairs Discretionary	1,502			
University Publications	447		58,000	
University Support	15,908			
VP Administrative Allowance	2,754		22,500	
Workers Compensation	101,008		22,280	
Unappropriated Balance	552,896		4,007	
Total Institutional Support	<u>1,669,133</u>		<u>12,799,853</u>	<u>155,336</u>
TOTAL DESIGNATED FUNDS	<u>\$ 3,650,333</u>		<u>\$ 17,656,465</u>	<u>\$ 1,864,283</u>
			[a]	[b]

## [a] Analysis of Additions - Revenues

Net Decrease in the Fair Value of Investments	\$ (89,264)
Endowment Income	1,999
Interest	817,904
Sales & Services	1,040,818
Student Fees	6,310,418
Service Departments	1,473,035
Designated Tuition	8,101,556
Total Revenues	<u>\$ 17,656,465</u>

## [b] Analysis of Additions - Transfers

Non-Mandatory	
Educational & General	\$ 1,725,262
Restricted	2,922
Auxiliary Enterprises	26,735
Intrafund	109,364
Total Transfers	<u>\$ 1,864,283</u>

DEDUCTIONS				
Other Changes	Expenditures	Transfers	Other Changes	Balances Aug. 31, 1999
	32,468			13,321
	3,570			2,928
			216,024	0
			102,935	0
	6,018			11,551
	31,690			17,249
12,328	83,531	4,000		668
	12			92,398
				56,427
				(150)
				(31,966)
	15,106			4,894
459,662	1,146,825			108,895
				143,574
	293			1,209
11,692	49,787			20,352
	15,803			104
	19,043			6,211
				123,289
(1,260,190)			(5,970,003)	5,266,716
(123,371)	3,127,997	4,754,564	(390,663)	7,009,053
<u>\$ 0</u>	<u>\$ 9,710,578</u>	<u>\$ 4,880,753</u>	<u>\$ 0</u>	<u>\$ 8,579,749</u>
		[c]		(Exh. B)

[c] Analysis of Deductions - Transfers

Mandatory:

Retirement of Debt	\$ 1,266,330
Restricted	104,715
<b>Total Mandatory:</b>	<u>\$ 1,371,044</u>

Non-Mandatory:

Restricted	\$ 26,340
Auxiliary Enterprises	3,363,204
Unexpended Plant	10,801
Intrafund	109,364
<b>Total Non-Mandatory:</b>	<u>\$ 3,509,709</u>

<b>Total Transfers</b>	<u>\$ 4,880,753</u>
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STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE B-2a  
 SCHEDULE OF CHANGES IN FUND BALANCES  
 UNRESTRICTED CURRENT FUNDS  
 DESIGNATED FUNDS - SERVICE DEPARTMENTS  
 For the Year Ended August 31, 1999

	ADDITIONS				DEDUCTIONS					Balances Aug. 31, 1999	Net Recovered Expenses
	Balances Sept. 1, 1998	Recovered Expenses	Transfers	Other Changes	Salaries and Wages	Other Operating	Capital Outlay	Transfers	Other Changes		
<b>UNPLEDGED</b>											
Printing Services	\$ 92,410	\$ 381,247	\$ 34,457	\$	\$ 150,088	\$ 184,310	\$	\$	\$	\$ 81,306	\$ 46,849
SFASU Health Plan	92,410									92,410	
Telephone Exchange	(295,729)	1,091,787		459,662	199,673	944,268	2,884			108,895	(55,038)
Total Unpledged	(203,319)	1,473,034	34,457	459,662	349,761	1,128,577	2,884			282,611	(8,189)
Total Service Dept.	\$ (203,319)	\$ 1,473,034	\$ 34,457	\$ 459,662	\$ 349,761	\$ 1,128,577	\$ 2,884	\$ -	\$ -	\$ 282,611	\$ (8,189)

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE B-3  
 SCHEDULE OF CHANGES IN FUND BALANCES  
 UNRESTRICTED CURRENT FUNDS-AUXILIARY ENTERPRISES  
 For the Year Ended August 31, 1999

	Balances Sept. 1, 1998	Additions	
		Allocated Fees	Revenues
<b>NON-PLEDGED</b>			
Alumni Services	\$ 0		
Athletic Facilities	12,486		
Athletic Reserve	448		
Cheerleaders	0	46,000	
Christmas Lights	0		
Drama	0	27,000	
Fine Arts Exhibits	0	20,000	
Fine Arts Series	2,134	35,000	39,050
Health and Hospital Services	5,450	540,629	7,965
I.C. Athletics-Academic Support	1,920	45,000	
I.C. Athletics-Basketball	0		23,269
I.C. Athletics-Departmental	8,583		251,568
I.C. Athletics-Football	0		103,030
I.C. Athletics-Game Operations	529		
I.C. Athletics-Golf	0		
I.C. Athletics-Merchandising	1,214		56,753
I.C. Athletics-Scholarships	0	1,150,440	
I.C. Athletics-Track	30		
I.C. Athletics-Trainer	278	100,000	
I.C. Athletics-Women's Basketball	174	31,560	23,867
I.C. Athletics-Women's Soccer	0		
I.C. Athletics-Women's Softball	0		
I.C. Athletics-Women's Tennis	0		
I.C. Athletics-Women's Track	0		
I.C. Athletics-Women's Volleyball	397	4,000	
International Student Exchange	0		
Intramural Activities	559	233,000	
Military Science	0	6,200	
Mini Bus	0		38,806
Miscellaneous Enterprises	261		7,143
MultiCultural Center	240	82,700	
Music Activities	59	164,305	
Pep Band	1,068	15,000	
Pom Pom Squad	0	39,850	
Returned Check Fees	0		11,991
Road Bus - Eagle	8,635		38,806
SGA Homecoming	0	2,100	2,600
SGA Leadership Development	0	16,500	
Shuttle Bus	0	44,000	
Sports Club	1,279	32,000	
Student Service Fee Student Travel	867	15,000	
Student Awards	0	2,500	
Student Publications	258		123,907
Student Senate	0	33,000	
Student Service Fee Organizations	665	48,000	
Twirl-O-Jacks	1,926	14,000	
Wellness Center	2,643		
Wellness Program	0	12,000	
<b>SCHOLARSHIPS</b>			
Audit Only	0		
Visually Impaired	0		
Hearing Impaired	0		
Orphans of Public Employees	0		
Foster Care	0		
Students 65 years of age and over	0		
Unappropriated Balance	613,546	38,567	
Total Non-Pledged Enterprises	665,648	2,798,351	728,755
<b>PLEDGED</b>			
Administrative Costs	0		
Auxiliary Services Special Benefits	0		
Auxiliary Services	21,497		
Auxiliary Utilities	27,376	12,494	
Campus Apartments	16,761		862,942
Declining Balance Program	0		
Disabled Student Services	6,703		
Dormitory No. 1, 2 & 3	0		354,270
Dormitory No. 10	0		339,331
Dormitory No. 12	0		190,126
Dormitory No. 13	0		444,097
Dormitory No. 14	0		707,778
Dormitory No. 15	0		970,245
Dormitory No. 16	0		716,317
Dormitory No. 17	0		1,575,247
Dormitory No. 18	0		1,020,822
Dormitory No. 20	0		1,064,619

Additions		Deductions			Balances Aug. 31, 1999
Other Changes	Transfers In	Expenditures	Other Changes	Transfers Out	
\$	\$	\$	\$	\$	\$
	197,255	179,706	17,549		0
33,619	196,483	242,588			0
	96,953	50,660	6,441	40,000	300
87		46,087			0
12,718	35,000	47,718			0
		26,985	15		1
692		20,692			0
6,415	30,000	112,500			100
	168,614	693,188	19,110		10,361
	3,965	42,633	5,980		2,272
20,841	60,000	103,931			179
	1,723,975	1,840,996	133,040		10,090
92,229	75,000	263,189		7,040	30
771	190,268	191,568			0
1,296	15,000	16,236			60
	18,420	18,166	58,220		0
		1,061,136	81,704	7,600	0
6,521	41,000	47,551			0
	66,365	161,949	466	3,995	233
24,891	35,440	115,880			52
7,048	32,000	38,110			938
7,102	33,000	34,315		5,600	188
	15,000	12,993	904		1,103
6,772	41,000	45,074		2,500	199
5,850	29,000	39,184			62
	11,666	10,284	1,382		0
	171,785	374,758	27,366		3,219
		6,200			0
	12,510		51,316		0
4,923		12,133			195
	6,642	82,408	6,722		452
5,362		169,490			237
3,256		19,324			0
		39,753	8		88
			11,991		0
	68,605	87,977	27,569		500
		4,298	379		23
		16,500			0
	45,422	81,011	7,933		478
		29,097	1,849		2,332
		15,867			0
		2,499	1		0
59,961		182,255			1,871
658		33,408			250
		43,842	294		4,529
85		14,248			1,762
	84,067	80,188	3,202		3,319
94		12,069			25
25		25			0
6,334		6,334			0
2,290		2,290			0
264		264			0
728		728			0
74		74			0
(310,907)	1,727	(296)	(463,442)	32,000	774,672
0	3,506,162	6,780,063	0	98,735	820,118

403,587		403,113			474
301,553		301,553			0
100,089	180,050	81,951		189,000	30,686
1,797,691		1,643,337	275,884	300,000	194,224
		294,943			8,876
107,172		107,172			0
19,748		18,694			7,757
			354,270		0
			339,331		0
			190,126		0
			444,097		0
			707,778		0
			970,245		0
			716,317		0
			1,575,247		0
			1,020,822		0
			753,265		311,354

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE B-3  
 SCHEDULE OF CHANGES IN FUND BALANCES  
 UNRESTRICTED CURRENT FUNDS-AUXILIARY ENTERPRISES  
 For the Year Ended August 31, 1999

	Balances Sept. 1, 1998	Additions	
		Allocated Fees	Revenues
Dormitory No. 7	0		192,824
Dormitory No. 9	0		207,022
Food Vending	5,920		450,331
Garner Hall	0		554,572
General Service Garbage Crew	0		
Grounds Maintenance	0		
Housing Forfeits	0		111,719
Housing General Maintenance	31,375		37,073
Housing Study	27,095		
Housing System Debt	0		
Housing Systems	0		
ID Cards	0		44,824
Investment Income	182,731		167,851
Laundry Vending	21,478		31,177
Mays Hall #11	0		345,808
Miscellaneous Revenue	0		15,867
OSA Administration	19,320		10,097
OSA Graphics	3,913		65,728
OSA Major Events	4,395		103,480
Pledged Auxiliary Functions	5,721		
Residence Halls Class 1	19,948		
Residence Halls Class 2	24,946		
Residence Halls Class 3	4,387		
Residence Halls Program	428		
Residence Halls Special Interest	6,216		
Sales Tax Discount	0		4,194
Security and Parking-Pledged	20,683		897,220
SFA Post Office	1,768		145,059
SFA Theatre Maintenance	0		
SFA Ticket Office	0		
Summer Camps	0		651,251
UC Bookstore Cap & Gown	23,339		67,995
UC Bookstore	191,032		3,771,500
University Food Service	50,801		6,488,067
UC Games	0		36,057
University Projects	9,384		
University Center Administration	1,772	149,976	
Wisely Hall # 5	0		127,247
SCHOLARSHIPS			
Audit Only	0		
Visually Impaired	0		
Hearing Impaired	0		
Orphans of Public Employees	0		
Foster Care	0		
Students 65 years of age and over	0		
Unappropriated Balance	5,705,417	(25,130)	
Total Pledged	6,434,425	137,340	22,772,754
<b>TOTAL AUXILIARY ENTERPRISES</b>	<b>\$ 7,100,073</b>	<b>\$ 2,935,691</b>	<b>\$ 23,501,509</b>
			[a]
[a] Analysis of Additions- Revenues			
Non-pledged			
Student Service Fee	\$ 2,798,351		
Sales & Services	728,755		
		\$ 3,527,105	
Pledged			
Student Center Fee	137,340		
Sales & Services	22,604,904		
Investment Income	245,647		
Net Decrease in the Fair Value of Investments	(77,797)		
		22,910,094	
Total Auxiliary Income		\$ 26,437,200	

Additions		Deductions			Balances Aug. 31, 1999
Other Changes	Transfers In	Expenditures	Other Changes	Transfers Out	
			192,824		0
			207,022		0
		361,075	64,820		30,356
			554,572		0
64,130		64,130			0
71,245		71,245			0
			111,719		0
260,288		297,870			30,866
		24,501	2,594		0
1,716,351				1,716,351	0
2,737,471		2,537,471		200,000	0
			44,824		0
		729	349,872		0
58,650		107,146			4,158
			345,808		0
			15,867		0
153,656	176,046	353,479			5,640
12,276	41,507	118,762			4,662
46,403	9,714	163,836			157
4,856	20,657	26,438			4,796
375,366		373,575			21,758
631,564		626,561			29,949
66,087		66,437			4,037
25,923		26,122			228
206,862		208,451			4,627
			4,194		0
	9,508	837,845	54,321		35,245
		137,323	9,104		401
1,348		1,348			0
69,642		69,405			237
		40,676	610,575		0
		64,435	5,229		21,670
		3,471,787	340,247	100,000	50,498
		4,851,176	1,266,835	200,000	220,857
			36,057		0
10,704	132,224	151,857			455
912,120		1,051,292			12,575
			127,247		0
5		5			0
322		322			0
115		115			0
10		10			0
34		34			0
10		10			0
(10,155,275)		(5,626)	(11,691,111)	3,204,774	4,016,975
0	569,706	18,950,606	0	5,910,125	5,053,494
\$ 0	\$ 4,075,868	\$ 25,730,669	\$ 0	\$ 6,008,860	\$ 5,873,613

[b]

[c]

[b] Analysis of Additions - Transfers

Non-pledged	
Non-mandatory	
Pledged	\$ 500,000
Designated	3,005,548
Unexpended Plant	614
Total Non-pledged	<u>3,506,162</u>
Pledged	
Non-Mandatory	
Designated	357,656
Non-pledged	32,000
Restricted	174,961
Unexpended Plant	5,090
	<u>569,706</u>
Total Additions - Transfers	<u>\$ 4,075,868</u>

[c] Analysis of Deductions - Transfers

Non-pledged	
Non-mandatory	
Designated	\$ 26,735
Pledged	32,000
Renewal and Replacement	40,000
Total Non-pledged	<u>98,735</u>
Pledged	
Mandatory	
Loan Funds	67,150
Retirement of Debt	1,716,351
	<u>1,783,501</u>
Non-mandatory	
Designated	
Restricted	239,454
Non-Pledged Auxiliary	500,000
Renewals & Replacements	189,000
Unexpended Plant	3,198,170
	<u>4,126,624</u>
Total Pledged	<u>5,910,125</u>
Total Deductions - Transfers	<u>\$ 6,008,860</u>

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE B-4  
 SCHEDULE OF CHANGES IN FUND BALANCES-RESTRICTED CURRENT FUNDS  
 For the Year Ended August 31, 1999

	Balances Sept. 1, 1998	ADDITIONS				DEDUCTIONS			Balances Aug. 31, 1999
		Gifts, Grants & Receipts	Endowment & Interest Income	Transfers	Other Changes	Expenditures	Transfers	Other Changes	
Instructional and Departmental	969,553	3,687,303	152,360	435,069	642,679	4,445,663	102,314	878	1,338,109
Public Service	83,501	621,960	0	2,000	77,252	731,891	8,820	0	44,001
Research	736,300	4,112,216	36,817	15,619	391,500	2,044,322	722,915	0	2,525,214
Total Scholarships	304,583	6,483,551	319,848	132,896	(70,107)	6,639,961	176,120	0	354,690
Total Institutional Support	(41,193)	5,890	0	18,251	(46,154)	(350,431)	0	305,315	(18,090)
<b>TOTAL RESTRICTED FUNDS</b>	<b>\$ 2,052,746</b>	<b>\$ 14,910,920</b>	<b>\$ 509,025</b>	<b>\$ 603,835</b>	<b>\$ 995,170</b>	<b>\$ 13,511,406</b>	<b>\$ 1,010,167</b>	<b>\$ 306,193</b>	<b>\$ 4,243,930</b>
		[a]	[b]	[c]	[d]		[e]	[f]	(Exh. B)

[a] Analysis of Additions-Gifts and Grants

Federal Grants	\$ 7,793,708
Federal Grants Pass-Through	702,176
State Grants	852,633
State Grants Pass-Through	466,213
Private Gifts & Grants	4,470,167
Private - Other	626,023
<b>Total Gifts &amp; Grants</b>	<b>\$ 14,910,920</b>

[b] Analysis of Additions-Income

Endowment Income	\$ 214,698
Interest Income	294,327
<b>Total Interest Income</b>	<b>\$ 509,025</b>

[c] Analysis of Transfers - Additions

Mandatory	
From Designated Funds	\$ 104,715
Non-mandatory	
From Designated Funds	26,340
From Pledged Auxiliary Funds	239,454
From Endowment Funds	1,500
From Loan Funds	99,542
Intrafund Transfer	132,284
<b>Total Transfers - Additions</b>	<b>\$ 603,835</b>

[d] Analysis of Additions-Other

Change in Accounting Method	\$ 995,170
<b>Total Other</b>	<b>\$ 995,170</b>

[e] Analysis of Transfers - Deductions

To Designated Funds	\$ 2,922
To Auxiliary Funds	174,961
To Endowment Funds	700,000
Intrafund Transfer	132,284
<b>Total</b>	<b>\$ 1,010,167</b>

[f] Analysis of Deductions-Other

IDC	\$ 305,315
Refunds to Grantors	878
<b>Total</b>	<b>\$ 306,193</b>

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE B-5  
 SCHEDULE OF CHANGES IN FUND BALANCES  
 LOAN FUNDS  
 For the Year Ended August 31, 1999

	Balances Sept 1, 1998	ADDITIONS				DEDUCTIONS		Balances Aug 31, 1999
		Gifts and Grants	Interest & Fees Income	Transfers	Other Changes	Transfers	Other Changes	
<b>U S Government Grants Refundable</b>								
National Direct Student Loan	\$ 6,010,364	\$ 201,451	\$ 96,851	\$ 67,150	\$ 55,370	\$ 99,542	\$	\$ 6,331,644
Allowance for Uncollectible Loans	(282,628)						20,377	(303,005)
United Student Aid Loan	2,624							2,624
Allowance for Uncollectible Loans	0							0
<b>Total U.S. Government Grants</b>	<b>5,730,360</b>	<b>201,451</b>	<b>96,851</b>	<b>67,150</b>	<b>55,370</b>	<b>99,542</b>	<b>20,377</b>	<b>6,031,263</b>
<b>University Loan Funds- Restricted</b>								
Baines-Crump Memorial	15,043							15,043
Allowance for Uncollectible Loans	(226)							(226)
Carr P. Collins	20,361							20,361
Allowance for Uncollectible Loans	(388)							(388)
Emergency T&F Res	2,210,144			181,072				2,391,216
Allowance for Uncollectible Loans	(5,819)				52			(5,767)
Emergency T&F Non-Res	29,785			1,712				31,497
Allowance for Uncollectible Loans	(576)							(576)
Ex-Student Memorial	109,150							109,150
Allowance for Uncollectible Loans	(4,917)							(4,917)
Nadine Nesbit	5,070							5,070
Allowance for Uncollectible Loans	(5)							(5)
Ralston	157,625							157,625
Allowance for Uncollectible Loans	(2,543)							(2,543)
Student Property Deposit	84,051		12					84,063
Allowance for Uncollectible Loans	(2,838)				27			(2,811)
University Short-term Loans	329,321		52,850					382,171
Allowance for Uncollectible Loans	(156,509)						7,680	(164,189)
<b>Total University Loan Funds</b>	<b>2,786,729</b>	<b>-</b>	<b>52,862</b>	<b>182,784</b>	<b>79</b>	<b>-</b>	<b>7,680</b>	<b>3,014,773</b>
<b>Total Loan Funds (Exh B.)</b>	<b>\$ 8,517,089</b>	<b>\$ 201,451</b>	<b>\$ 149,713</b>	<b>\$ 249,934</b>	<b>\$ 55,449</b>	<b>\$ 99,542</b>	<b>\$ 28,057</b>	<b>\$ 9,046,037</b>
		[a]	[b]	[c]	[d]	[e]	[f]	(Exh. B)

[a] Analysis of Additions - Gifts & Grants  
 Federal Grants

\$ 201,451

[b] Analysis of Additions - Interest and Fees Income

Interest on Notes Receivable  
 Penalties and Late Fees  
 Service Charges on S/T loans

\$ 84,995  
 11,909  
 52,809  
\$ 149,713

[c] Analysis of Additions - Transfers  
 Mandatory

From Pledged Auxiliary  
 Non-mandatory  
 From E&G

\$ 67,150  
  
 182,784  
\$ 249,934

[d] Analysis of Additions - Other Changes  
 U.S. Replenishment of Cancelled Loans for 1998  
 Reclassification of Uncollectible Accts

\$ 55,370  
 79  
\$ 55,449

[e] Analysis of Deductions - Transfers  
 Non-Mandatory  
 To Restricted

\$ 99,542

[f] Analysis of Deductions - Other Changes  
 Reclassification of Uncollectible Accts

\$ 28,057

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE B-6  
 SCHEDULE OF CHANGES IN FUND BALANCES  
 ENDOWMENT AND SIMILAR FUNDS  
 For the Year Ended August 31, 1999

	Balances Sept. 1, 1998	ADDITIONS				DEDUCTIONS		Balances Aug. 31, 1999	Memorandum Income of Fund
		Gifts	Investment Income	Other Changes	Transfers	Other Changes	Transfers		
<b>ENDOWMENT FUNDS</b>									
Accounting Development	\$ 116,980	\$ 50	\$ 4,551	\$ 18,140	\$	\$	\$	\$ 139,721	\$ 4,551
Addijo Williams	11,497	14,800		1,974				28,272	575
Anna Tipps Carnes	57,065			8,185				65,250	2,853
Art Alliance	6,907			990				7,897	345
Auline & Travis Whitaker (Cushing)	10,822	25,000		2,142				37,964	541
Auline & Travis Whitaker (Woden)	14,031			2,016				16,047	702
Ballinger-Long	13,035	1,000		1,886				15,922	652
Bennie & Pat O'Rear	30,885			4,428				35,313	1,544
Bert/Mary Applebery	3,650	230		524				4,404	183
Burr Biology Lecture Series	22,453		873	3,479		1,500		25,306	873
C. E. Ferguson	28,686			4,110				32,796	1,434
C. J. Davidson	26,784			3,845				30,629	1,339
Celcie Edwards Slechta	6,206			893				7,099	310
Center for Economic Education	119,280			17,104				136,384	5,964
Chester E. Harris	6,206			893				7,099	310
Clint Sanderson	65,481			9,387				74,868	3,274
D.A.R.	32,505	104		4,661				37,270	1,625
David C. Haney	6,128		238	946				7,312	238
David Kennedy Recital	6,229			893				7,121	311
Debra Schlitz	6,330			911				7,241	316
Dirk & Lean Foshee	6,772			972				7,745	339
Don Barkett	3,259	475		481				4,215	163
Doug Peabody	12,338			1,768				14,106	617
Doyle Alexander	2,482			353				2,836	124
E. D. Lockey	8,090			1,158				9,248	405
E. H. Blount	53,371			7,655				61,026	2,669
Effie Hill Bush Athletic	31,029			4,446				35,475	1,551
Ellis Hunt	3,128			451				3,579	156
Ferguson Creative Writing	17,379			2,493				19,872	869
Frank J. Lauderdale	8,192			1,176				9,367	410
Franks	12,405			1,777				14,181	620
Gail O. King Jr.	18,617			2,669				21,287	931
Ganmill Voice	44,307			6,356				50,663	2,215
Gene Samford	9,805			1,405				11,211	490
Goethe-Miller	4,744			681				5,424	237
H. Mast	14,077		548	2,179				16,804	548
Hardy & Ira Hairston	8,381			1,202				9,583	419
Harry and Mabel Brewton	96,617			13,851				110,467	4,831
Henry & Mildred Schmidt	5,767			831				6,598	288
Honor's Program	64,641			9,015				73,656	1,999
Houston Livestock Show	662,849			95,058				757,908	33,142
J. T. Cox	4,795	5,333		698				10,826	240
Jackie Cannon	14,266			2,042				16,308	713
James Terry	25,895	10,500		3,993				40,388	1,295
Jeff Weir	24,823			3,562				28,386	1,241
Jim Towns	3,709			530				4,239	185
Joe and Grace Lacy	11,590			1,662				13,252	580
John & Beverly Linney	4,126	300		601				5,027	206
John O. Hayes Library	5,072			725				5,797	254
June Irwin	242,997			34,854				277,851	12,150
Kenneth Nelson Professorship			10,298		350,000			360,298	10,298
Kerr Estate	48,582			6,965				55,547	2,429
Kirk & Inez Sitton	5,642			814				6,456	282
Lacy H. Hunt Lecture	86,882			12,464				99,346	4,344
Larry Milton	13,956			1,997				15,954	698
Laz Corley	209,037	35,000		30,908				274,945	10,452
Lera Thomas	3,723			530				4,253	186
Lewis Buckner	14,294			2,051				16,345	715
Lloyd Biskamp	6,504	150		942				7,596	325
Lovena Rachel Perry	62,138			8,910				71,048	3,107
Lula Crawford Hunt	807			115				921	40
M. J. Deuth	19,239	1,000		2,788				23,028	962
M. L. King Jr.	1,801			256				2,057	90
M. M. Wedgworth	455		18	67				540	18
M. Victor Bilan	20,778			2,979				23,757	1,039
Maco Stewart	14,731	7,080		2,300				24,111	737
Mary Ann T. Sharrock	15,613			2,236				17,849	781
McGovern/Harvin Library	16,239	500		2,340				19,079	812
Melinda Hafner	1,774			256				2,030	89



STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE B-6  
 SCHEDULE OF CHANGES IN FUND BALANCES  
 ENDOWMENT AND SIMILAR FUNDS  
 For the Year Ended August 31, 1999

	Balances Sept. 1, 1998	ADDITIONS				DEDUCTIONS		Balances Aug. 31, 1999	Memorandum Income of Fund
		Gifts	Investment Income	Other Changes	Transfers	Other Changes	Transfers		
<b>ENDOWMENT FUNDS</b>									
Mike Summers	15,578	3,000		2,328			20,906	779	
Mikhael Ricks	2,029			292			2,321	101	
Murry & Martha Lilly	40,907	5,000		6,011			51,918	2,045	
Music Department	16,419	7,929	866	2,542			27,757	866	
Nathaniel West	1,402			203			1,606	70	
Onie & William R Miller Sr.	10,550			1,511			12,061	527	
PWCC	50,463			7,240			57,703	2,523	
R.S. Maxwell	16,009					16,009		267	
Reese	1,015			141			1,156	51	
Robert E. Minton Professorship			10,298		350,000		360,298	10,298	
Robert G. Sidnell Jr.	1,586		62	248			1,896	62	
Robert W. Byrd	82,169			11,783			93,952	4,108	
Rockwell	2,587,786			371,092			2,958,878	129,389	
Roger Montgomery	124,118			17,803			141,921	6,206	
Ron & Sylvia Neill	12,412			1,776			14,188	621	
Roy Whitaker	71,808	15,000		10,755			97,562	3,590	
Ruth Ashcroft Stirling	6,206			893			7,099	310	
S & F Montes	2,689			389			3,079	134	
Scott Gambrell	10,688	2,000		1,559			14,247	534	
SFA Alumni	14,309	1,348		2,089			17,745	715	
SFA Theatre Scholarship	4,764			680			5,444	238	
Shirley Creek Corporation	50,789			7,284			58,073	2,539	
SPEBSQSA	22,577		878	3,498			26,953	878	
T. Eddie & Fran Shafer	5,478			787			6,265	274	
Temple Inland	56,799	2,570	2,288	8,802			70,460	2,288	
Tenneco Building	4,352			628			4,980	218	
Thomas & Kathleen Cox	2,482			353			2,836	124	
Timmy Bronaugh	9,529			1,370			10,899	476	
Twirl-O-Jack	14,434			2,068			16,502	722	
University Scholars	312,095	269		44,759			357,123	15,605	
W E & Barbara Fleetwood	6,815	3,000		1,062			10,877	341	
W. A. Cain	2,868			435			3,302	392	
W. F. Garner	13,601			1,954			15,555	680	
W. Goodrich Jones Forestry	24,203			3,474			27,677	1,210	
Wade & Karen Jones	1,859			265			2,124	93	
WD and Shirley Clark	5,741			822			6,563	287	
Whitaker Brothers	22,528	2,800		3,295			28,622	1,126	
Whitton Yarborough	10,076						10,076	557	
William J. Pitts	3,497	1,000		534			5,031	175	
YOU	13,675			1,962			15,638	684	
Zady Wilson	5,390	300		778			6,468	269	
<b>Total Endowment Funds</b>	<b>6,220,571</b>	<b>145,737</b>	<b>30,918</b>	<b>894,438</b>	<b>700,000</b>	<b>16,009</b>	<b>1,500</b>	<b>7,974,155</b>	<b>327,609</b>
<b>QUASI ENDOWMENT FUNDS</b>									
General Operations	2,992,481					65,511		2,926,970	174,960
<b>Total Quasi Endowment</b>	<b>2,992,481</b>					<b>65,511</b>		<b>2,926,970</b>	<b>174,960</b>
<b>TOTAL ENDOWMENT AND SIMILAR FUNDS</b>	<b>\$ 9,213,051</b>	<b>\$ 145,737</b>	<b>\$ 30,918</b>	<b>\$ 894,438</b>	<b>\$ 700,000</b>	<b>\$ 81,520</b>	<b>\$ 1,500</b>	<b>\$ 10,901,125</b>	<b>\$ 502,569</b>
			(a)	(b)	(c)	(d)	(Exh. B)	(e)	
(a) Analysis of Additions - Other Changes Net increase in fair value of investments		<u>\$ 894,438</u>							
(b) Analysis of Additions - Transfers Non-mandatory: From Restricted		<u>\$ 700,000</u>							
(c) Analysis of Deductions - Other Changes Net decrease in fair value of investments Service charges Liquidation		<u>\$ 65,361</u>							
		150							
		<u>16,009</u>							
		<u>\$ 81,520</u>							
(d) Analysis of Deductions - Transfers Non-mandatory: Restricted						<u>\$ 1,500</u>			
(e) Income of Fund Added to Restricted Added to Designated Added to Endowment							<u>\$ 469,652</u>		
							1,999		
							<u>30,918</u>		
							<u>\$ 502,569</u>		

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STEPHEN F. AUSTIN STATE UNIVERSITY  
SCHEDULE B-7  
SCHEDULE OF CHANGES IN FUND BALANCE  
ANNUITY AND LIFE INCOME FUNDS  
For the Year Ended August 31, 1999

**SCHEDULE NOT USED**



STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE B-8  
 SCHEDULE OF CHANGES IN FUND BALANCES  
 UNEXPENDED PLANT FUNDS  
 For the Year Ended August 31, 1999

[a] Analysis of Additions - Transfers In

Non-Mandatory:	
Pledged Auxiliary	\$ 3,198,170
HEAF	1,413,722
Designated	10,801
Renewal and Replacement	180,784
Intrafund	936,563
	<u>\$ 5,740,040</u>

[b] Analysis of Additions - Other Changes

Private Gifts, Grants and Contracts	\$ 74,536
Interest Income	349,950
	<u>\$ 424,486</u>

[c] Analysis of Deductions-Transfers Out

Non-Mandatory:	
Non-Pledged Auxiliary	\$ 614
Pledged Auxiliary	5,090
HEAF	8,614
Intrafund	936,563
	<u>\$ 950,881</u>

[d] Analysis of Deductions-Other Changes

Bond Issuance Expense	\$ 133,470
Service Charges	5,560
	<u>\$ 139,030</u>

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE B-9  
 SCHEDULE OF CHANGES IN FUND BALANCES  
 RENEWAL AND REPLACEMENT FUNDS  
 For the Year Ended August 31, 1999

	Balances Sept 1, 1998	ADDITIONS		DEDUCTIONS		Balances Aug 31, 1999
		Transfers	Capitalized Expenditures	Uncapitalized Expenditures	Transfers	
<b>RESTRICTED</b>						
Office Painting	10,829			142	10,687	0
Geology Bldg	8,000			3,227		4,773
Social Work Office	24,653	40,232	1,975	62,674	236	0
Austin Bldg Rel	24,115	19,878	42,145	1,848		0
Financial Aid Renovation	6,047				6,047	0
Honors Prog Rdn	3,991				3,991	0
Ag Pond Erosion	603				603	0
Elevator Repairs	29,232			517		28,715
Outside Light	50,000			1,327		48,673
Raguet Line Repairs	11,630					11,630
Street Repairs	0	80,000		35,882		44,118
Utility Loop RP	50,000					50,000
Math/Nursing Roof	3,257				3,257	0
Math/Nursing Repairs	4,800				4,800	0
Austin Bldg Windows	11,685			102	11,583	0
Austin Bldg 2nd Floor	103,654		29,003	10,841	50,537	13,273
Total Restricted	342,496	140,110	73,123	116,560	91,741	201,182
<b>UNRESTRICTED</b>						
Auxiliary - R&R	1,760					1,760
Ladyjack Office Renovation	0	40,000				40,000
Aux R & R Roofs	0	189,000	41,221	74,374		73,405
Dorm 20 Parking Lot	43,914			20,041		23,873
Bryce Stadium Repairs	388,551		137,587	70,180	180,784	0
Total Unrestricted	434,225	229,000	178,808	164,595	180,784	139,038
Total Renewal & Replacement	\$ 776,722	\$ 369,110	\$ 251,931	\$ 281,155	\$ 272,525	\$ 340,220
		[a]			[b]	(Exh. B)

## [a] Analysis of Additions -Transfers In

Non-Mandatory:	
Pledged Auxiliary	\$ 189,000
Non-Pledged Auxiliary	40,000
HEAF	89,573
Intrafund	50,537
	<u>\$ 369,110</u>

## [b] Analysis of Additions -Transfers Out

Non-Mandatory:	
Heaf	\$ 41,204
Unexpended Plant	180,784
intrafund	50,537
	<u>\$ 272,525</u>

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE B-10  
 SCHEDULE OF CHANGES IN FUND BALANCES  
 RETIREMENT OF INDEBTEDNESS FUNDS  
 For The Year Ended August 31, 1999

	Balances Sept. 1, 1998	ADDITIONS		DEDUCTIONS			Balances Aug. 31, 1999
		Transfers	Other Changes	Bonds Matured	Interest Expense	Other Changes	
<b>RESTRICTED</b>							
Revenue Bonds							
Cons Rev Refund Bonds Series 1991	\$ 1,035,000	\$ 2,816,706	\$ 75,532	\$ 2,070,000	\$ 751,238	\$ 1,000	\$ 1,105,000
Cons Rev Bonds Series 1996	75,000	324,940		150,000	169,690	250	80,000
TPFA Bonds Series 1998	0	158,404	18,185		176,589		0
General Obligation (H.E.A.F)							
Const Appr Bonds Series 1995	0	839,100		620,000	219,100		0
Const Appr Bonds Series 1996	0	439,993		315,000	124,743	250	0
<b>Total Retirement of Indebtedness (Exh. B)</b>	<b>\$ 1,110,000</b>	<b>\$ 4,579,143</b>	<b>\$ 93,717</b>	<b>\$ 3,155,000</b>	<b>\$ 1,441,360</b>	<b>\$ 1,500</b>	<b>\$ 1,185,000</b>
		[a]	[b]			[c]	(Exh. B)

## [a] Analysis of Additions - Transfers

Mandatory:	
From E & G	\$ 158,965
From TPFA	158,404
From HEAF	1,279,093
From Designated Funds	1,266,330
From Pledged Auxiliary Funds	1,716,351
<b>Total Transfers</b>	<b>\$ 4,579,143</b>

## [b] Analysis of Additions - Other Changes

HUD Interest Subsidy Grant	75,532
Accrued Interest Income	18,185
<b>Total</b>	<b>\$ 93,717</b>

## [c] Analysis of Deductions - Other Changes

Fees and Administrative Expenses	\$ 1,500
<b>Total</b>	<b>\$ 1,500</b>

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE B-11  
 SCHEDULE OF CHANGES IN INVESTMENT IN PLANT  
 For the Year Ended August 31, 1999

	Total	Land	Buildings
Net Investment in Plant, Sept 1, 1998	\$ 175,965,659	\$	\$
Add:			
Investment in Plant Portion of Bonds Payable at Sept 1, 1998	23,029,409		
Lease Purchase Agreements Payable at Sept 1, 1998	159,497		
Carrying Value of Plant, Sept 1, 1998	<u>199,154,565</u>	<u>2,398,832</u>	<u>124,564,040</u>
Additions:			
From Expenditures:			
Educational and General Designated Funds	3,270,515		80,053
Auxiliary Enterprise Funds	397,733		
Restricted Current Funds	452,522		73,761
Unexpended Plant Funds	396,956		3,670
Renewal & Replacement Funds	6,305,370	22,614	307
Total Additions from Expenditures	<u>11,075,027</u>	<u>22,614</u>	<u>382,451</u>
Other Additions:			
Private Gifts, Grants, and Contracts	35,000		
Total Other Additions	<u>35,000</u>	<u>-</u>	<u>-</u>
Deductions:			
Deletions of Equipment Less Than \$1,000	320,049		
Equipment Disposed Of	1,615,689		
Library Books Withdrawn From Circulation	53,200		
Total Deductions	<u>1,988,938</u>	<u>-</u>	<u>-</u>
Transfers:			
Intrafund From	7,649,651		7,183,597
Intrafund To	(7,649,651)		
Total Transfers	<u>-</u>	<u>-</u>	<u>7,183,597</u>
Carrying Value of Plant at Aug 31, 1999	<u>\$ 208,275,654</u>	<u>\$ 2,421,446</u>	<u>\$ 132,130,088</u>
Less			
Investment in Plant Portion of Bonds Payable at Aug 31, 1999	23,378,820		
Lease Purchase Agreements Payable at Aug 31, 1999	277,222		
Net Investment in Plant, Aug 31, 1999	<u>\$ 184,619,612</u>		
	(Exh. B)		



Improvements Other Than Buildings	Equipment	Library Holdings	Livestock	Construction In Progress
\$	\$	\$	\$	\$
<u>13,873,421</u>	<u>31,495,557</u>	<u>17,292,522</u>	<u>197,395</u>	<u>9,332,798</u>
4,800	2,222,925	954,982	7,755	
	396,631	1,102		
	378,761			
	375,059	18,227		
	17,516			6,264,933
	27,271			
<u>4,800</u>	<u>3,418,163</u>	<u>974,311</u>	<u>7,755</u>	<u>6,264,933</u>
	35,000			
-	<u>35,000</u>	-	-	-
	320,049			
	1,615,689			
-	<u>1,935,738</u>	53,200		
		<u>53,200</u>	-	-
376,627	89,427			
<u>376,627</u>	<u>89,427</u>	-	-	<u>(7,649,651)</u>
				<u>(7,649,651)</u>
<u>\$ 14,254,848</u>	<u>\$ 33,102,409</u>	<u>\$ 18,213,633</u>	<u>\$ 205,150</u>	<u>\$ 7,948,079</u>

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STEPHEN F. AUSTIN STATE UNIVERSITY  
SCHEDULE B-12  
SCHEDULE OF CHANGES IN FUND BALANCES  
AVAILABLE UNIVERSITY FUND  
For the Year Ended August 31, 1999

**SCHEDULE NOT USED**

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE B-13  
 SCHEDULE OF TRANSFERS  
 For the Year Ended August 31, 1999

	FUNDS	FUNDS				
	TRANSFERRED FROM	TRANSFERRED TO				
	Amount	Educational & General	HEAF	Designated Funds	Auxiliary	
	Transferred				Non-Pledged Funds	Pledged Funds
MANDATORY						
Educational and General Funds	\$ 158,965	\$	\$	\$	\$	\$
TPFA	158,404					
HEAF	1,279,093					
Designated Funds	1,371,045					
Auxiliary Enterprises Fund						
Pledged	1,783,501					
Subtotal - Mandatory	<u>4,751,008</u>					
NON-MANDATORY						
Educational and General Funds	2,482,691		574,645	1,725,262		
HEAF	5,777,725	4,274,430				
Designated Funds	3,509,709			109,364	3,005,548	357,656
Auxiliary Enterprises Fund						
Pledged	4,126,624				500,000	
Non-Pledged	98,735			26,735		32,000
Restricted Funds	1,010,167			2,922		174,961
Loan Funds	99,542					
Endowment Funds	1,500					
Unexpended Plant Funds	950,881		8,614		614	5,090
Renewals and Replacements	272,525		41,204			
Subtotal - Non-Mandatory	<u>18,330,099</u>	<u>4,274,430</u>	<u>624,463</u>	<u>1,864,283</u>	<u>3,506,162</u>	<u>569,707</u>
TOTAL TRANSFERS	<u>\$ 23,081,107</u>	<u>\$ 4,274,430</u>	<u>\$ 624,463</u>	<u>\$ 1,864,283</u>	<u>\$ 3,506,162</u>	<u>\$ 569,707</u>

FUNDS  
TRANSFERRED TO

Restricted Funds	Loan Funds	Endowment Funds	Unexpended Funds	R&R Funds	Retirement of Debt
\$	\$	\$	\$	\$	\$
					158,965
					158,404
					1,279,093
104,715					1,266,330
	67,150				1,716,351
<u>104,715</u>	<u>67,150</u>				<u>4,579,143</u>
	182,784				
26,340			1,413,722	89,573	
			10,801		
239,454			3,198,170	189,000	
				40,000	
132,284		700,000			
99,542					
1,500					
			936,563		
			180,784	50,537	
<u>499,120</u>	<u>182,784</u>	<u>700,000</u>	<u>5,740,040</u>	<u>369,110</u>	
\$ 603,835	\$ 249,934	\$ 700,000	\$ 5,740,040	\$ 369,110	\$ 4,579,143

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE C-1  
 SCHEDULE OF CURRENT FUNDS REVENUES  
 For the Year Ended August 31, 1999

	Educational and General	Designated	Auxiliary Enterprises	Total Unrestricted	Restricted	Total
<b>Tuition and Fees</b>						
Tuition	\$ 12,641,194	\$	\$	\$ 12,641,194	\$	\$ 12,641,194
Designated Tuition		8,101,556		8,101,556		8,101,556
Student Center Fee			136,844	136,844		136,844
Student Service Fee			2,788,636	2,788,636		2,788,636
Laboratory	158,842			158,842		158,842
Remissions & Exemptions						
Blind, Deaf Students	37,700	37,979	9,061	84,740		84,740
High School Valedictorian	17,323			17,323		17,323
Audit Only		113	30	143		143
Lower Rate for Arkansas and Louisiana	432,978			432,978		432,978
Foster Care	3,205	3,273	762	7,240		7,240
Students age 65 and over	341	334	84	759		759
Statutory Waiver of Non -Resident Status	698,950			698,950		698,950
Veteran, Dependents, Etc	34,351	22,771		57,122		57,122
Orphans of Public Employees	1,172	1,214	274	2,660		2,660
Other Student Fees	41,622	6,244,734		6,286,356		6,286,356
Total Tuition and Fees	14,067,678	14,411,974	2,935,691	31,415,343		31,415,343
<b>State Appropriations</b>						
General Revenue	40,325,335			40,325,335		40,325,335
Higher Education Assistance Funds	6,468,273			6,468,273		6,468,273
Total Appropriations	46,793,608			46,793,608		46,793,608
<b>Federal Grants And Contracts</b>						
Research					537,266	537,266
Other Programs					7,316,091	7,316,091
Indirect Cost Recovered	16,811			16,811		16,811
Total Federal Grants and Contracts	16,811			16,811	7,853,357	7,870,168
<b>Federal Pass-Through Grants from Other State Agencies</b>						
Research					642,527	642,527
Other Programs						
Indirect Cost Recovered	99,708			99,708		99,708
Total Federal Pass-Through Grants and Contracts	99,708			99,708	642,527	742,235
<b>State Grants and Contracts</b>						
Research					136,388	136,388
Other Programs					723,336	723,336
Indirect Cost Recovered	32,119			32,119		32,119
Total State Grants and Contracts	32,119			32,119	859,724	891,843
<b>State Pass-Through Grants from Other State Agencies</b>						
Research					459,122	459,122
Other Programs	123,777			123,777		123,777
Indirect Cost Recovered	31,653			31,653		31,653
Total State Pass-Through Grants and Contracts	155,430			155,430	459,122	614,552
<b>Private Gifts, Grants, and Contracts</b>						
Research					1,370,668	1,370,668
Other Programs					1,816,983	1,816,983
Indirect Cost Recovered	125,024			125,024		125,024
Total Private Gifts, Grants, Contracts	125,024			125,024	3,187,651	3,312,675
<b>Endowment Income</b>		1,999		1,999	214,698	216,697
Sales & Services of Educational Act	472,537	2,513,852		2,986,389		2,986,389
Sales & Services of Auxiliary Act.			23,333,659	23,333,659		23,333,659
<b>Other Sources</b>						
Interest Income	444,813	817,904	245,647	1,508,364	294,327	1,802,691
Net Increase(Decrease) of the Fair Value in Investment		(89,264)	(77,797)	(167,060)		(167,060)
Other Misc Income	19,750			19,750		19,750
Total Other Sources	464,562	728,640	167,850	1,361,053	294,327	1,655,380
Total Current Funds Rev (Exh C)	\$ 63,227,478	\$ 17,656,465	\$ 26,437,200	\$ 106,321,143	\$ 13,511,406	\$ 119,832,349

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE C-2  
 SCHEDULE OF CURRENT FUNDS EXPENDITURES BY OBJECT CLASSIFICATION  
 For The Year Ended August 31, 1999

	Salaries and Wages	Other Expenses	Capital Outlay	Total
<u>Educational and General</u>				
Instructional	\$ 25,540,733	\$ 6,591,927	\$ 720,524	\$ 32,853,183
Research	475,426	245,628	58,400	779,453
Public Service	162,127	90,636	19,524	272,287
Academic Support	2,833,466	1,143,722	1,181,264	5,158,452
Student Services	2,218,983	898,187	116,776	3,233,947
Institutional Support	3,848,110	3,079,433	731,681	7,659,224
O & M Plant	3,359,022	3,700,516	442,346	7,501,884
Scholarships		1,300,348		1,300,348
Total Educational and General	<u>38,437,867</u>	<u>17,050,396</u>	<u>3,270,515</u>	<u>58,758,777</u>
<u>Designated</u>				
Instructional	325,104	1,229,819	46,504	1,601,427
Research	2,128	11,163		13,291
Public Service	384,091	834,858	2,500	1,221,449
Academic Support	17,019	403,721	144,327	565,067
Student Services	108,043	475,476	17,263	600,781
Institutional Support	778,777	2,162,082	187,139	3,127,997
Scholarships		2,580,566		2,580,566
Total Designated	<u>1,615,161</u>	<u>7,697,685</u>	<u>397,733</u>	<u>9,710,578</u>
<u>Auxiliary Enterprises</u>				
Auxiliary Enterprises	<u>7,706,978</u>	<u>17,571,169</u>	<u>452,522</u>	<u>25,730,669</u>
Total Auxiliary Enterprises	<u>7,706,978</u>	<u>17,571,169</u>	<u>452,522</u>	<u>25,730,669</u>
<u>Restricted</u>				
Instructional	1,521,137	2,768,889	155,637	4,445,663
Research	1,517,903	319,415	207,004	2,044,322
Public Service	118,362	579,214	34,315	731,891
Institutional Support		(350,431)		(350,431)
Scholarships		6,639,961		6,639,961
Total Restricted	<u>3,157,402</u>	<u>9,957,048</u>	<u>396,956</u>	<u>13,511,406</u>
Total Current Fund Exp.	<u>\$ 50,917,408</u>	<u>\$ 52,276,297</u>	<u>\$ 4,517,725</u>	<u>\$ 107,711,430</u>

(Exh. C)

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE C-2a  
 SCHEDULE OF CURRENT FUNDS E&G EXPENDITURES BY OBJECT CLASSIFICATION  
 For the Year Ended August 31, 1999

	Salaries and Wages	Other Operating Expenses	Capital Outlay	Total
<b>EDUCATIONAL AND GENERAL</b>				
<b>INSTRUCTIONAL AND DEPARTMENTAL</b>				
School of Business Administration				
Accounting	\$ 735,053	\$	\$	\$ 735,053
Economics and Finance	740,344	4		740,348
Management	1,055,691			1,055,691
General Business	627,808	4,067	1,099	632,974
Computer Science	780,859			780,859
Business Admin Adjunct				
Total School of Business	<u>3,939,755</u>	<u>4,071</u>	<u>1,099</u>	<u>3,944,925</u>
School of Education				
Agriculture	540,622	2,305		542,927
Elementary Education	874,449	6,052		880,502
Counseling & Special Ed	1,241,026	16		1,241,042
Secondary Education	917,500			917,500
Teacher Certification	140,728	8		140,736
Off Campus Programs	19,850	25,237		45,087
Kinesiology & Health Science	978,770	25,659	3,447	1,007,875
Human Sciences	725,651	13,404		739,056
Education Adjunct Faculty	322,626			322,626
Total School of Education	<u>5,761,224</u>	<u>72,681</u>	<u>3,447</u>	<u>5,837,352</u>
School of Fine Arts				
Art	817,745			817,745
Music	1,085,014	10,391		1,095,406
Theatre	426,464	20,113		446,577
Fine Arts Adjunct Faculty	63,084			63,084
Total School of Fine Arts	<u>2,392,307</u>	<u>30,505</u>		<u>2,422,811</u>
School of Forestry				
School of Forestry	712,557	2,387	2,147	717,091
Forestry Adjunct Faculty	5,000			5,000
Total School of Forestry	<u>717,557</u>	<u>2,387</u>	<u>2,147</u>	<u>722,091</u>
School of Liberal Arts				
English and Philosophy	1,523,040	78		1,523,118
History	967,054			967,054
Modern Language	416,131	12,274		428,404
Political Science and Geography	678,298	508		678,805
Psychology	667,118	88	1,300	668,506
Sociology	445,307	251		445,558
Liberal Arts Adjunct	2,100			2,100
Academic Enrichment	42,037	860		42,897
AEC Tutors	24,101			24,101
Total School of Liberal Arts	<u>4,765,186</u>	<u>14,058</u>	<u>1,300</u>	<u>4,780,544</u>
School of Science and Math				
Science & Math Adjunct	41,790			41,790
Biology	1,030,974	84,927		1,115,900
Chemistry	598,869	28,692		627,560
Geology	336,838	12,480		349,318
Mathematics	1,291,441			1,291,441
Physics	530,069	15,872	2,478	548,418
Nursing	513,697	9,764		523,461
Total School of Science and Math	<u>4,343,676</u>	<u>151,734</u>	<u>2,478</u>	<u>4,497,888</u>
School of Applied Arts				
Applied Studies	65,115	72		65,187
Military Science/Pavroll	17,294	498		17,792
Criminal Justice	280,273	0		280,273
Social Work	537,214	75		537,289
Communications	830,401	907		831,308
Total School of Applied Arts	<u>1,730,296</u>	<u>1,553</u>		<u>1,731,849</u>
Other Instructional Departments				
Academic Assistance Center	299,357	88		299,445
Professional Programs	52,783			52,783
Instructional Capital		1,754	17,843	19,597
IC Applied Arts		49,938	61,933	111,871
IC Business		55,092	71,944	127,035
IC Education		2,440	14,365	16,805
IC Fine Arts		114,148	75,493	189,641



STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE C-2a  
 SCHEDULE OF CURRENT FUNDS E&G EXPENDITURES BY OBJECT CLASSIFICATION  
 For the Year Ended August 31, 1999

	Salaries and Wages	Other Operating Expenses	Capital Outlay	Total
IC Forestry		25,593	64,124	89,717
IC Liberal Arts		10,742	17,774	28,516
IC Math & Sciences		62,253	70,661	132,914
IC Agriculture		2,031	14,106	16,137
IC Elementary Education		16,400	39,779	56,179
IC Counselling and Special Education		9,150	11,149	20,299
IC Secondary Education		21,051	22,516	43,567
IC Kinesiology		7,625	13,132	20,757
IC Human Sciences		12,029	10,771	22,800
IC English		21,642	45,623	67,265
IC History		14,995	12,927	27,922
IC Modern Languages		2,612	2,905	5,517
IC Political Science & Geography		16,461	22,481	38,942
IC Psychology		4,514	11,928	16,442
IC Sociology		3,512	11,496	15,008
IC Biology		2,967	17,999	20,966
IC Chemistry		10,106	20,243	30,349
IC Geology		3,256	21,308	24,564
IC Math & Statistics		20,649	4,368	25,017
IC Physics & Astronomy		9,333	3,659	12,992
IC Nursing		15,688	13,236	28,924
Professional Development		2,597		2,597
PD Business		22,783		22,783
PD Education		3,828		3,828
PD Fine Arts		14,790		14,790
PD Forestry		4,925		4,925
PD Liberal Arts		31,753		31,753
PD Math & Sciences		27,514	2,850	30,364
PD Applied Arts		8,503		8,503
PD Agriculture		1,865		1,865
PD Elementary Education	100	3,915		4,015
PD Counseling & Special Education		6,405		6,405
PD Secondary Education		4,171		4,171
PD Kinesiology & Health Science		4,644		4,644
PD Human Sciences		3,753		3,753
Teaching Excellence	4,082	954	2,331	7,367
DOE Graduate Assistants	238,732			238,732
Disability Serv	140,000	9,765		149,765
TSO Graduate Assistants	712,052			712,052
TSO Lectureships	2,000			2,000
Remedial Liberal Arts	15,383	261		15,644
Staff Benefits-Insurance		1,829,609		1,829,609
Staff Benefits-OAS		1,843,625		1,843,625
Staff Benefits-Retirement		1,705,012		1,705,012
Staff Benefits-UCI		3,757		3,757
Total Other Instructional Departments	1,464,490	6,050,496	698,944	8,213,931
Organized Activities				
University Dairy Farm	29,545	24,783		54,328
University Beef Farm	35,379	38,787	2,477	76,642
Poultry Farm	5,382	14,524	2,505	22,412
Swine Farm	35,132	22,657	5,278	63,067
SFA Aboretum	8,113	2,821	849	11,783
Early Childhood Laboratory	312,691	64,386		377,077
Staff Benefits-Insurance		45,765		45,765
Staff Benefits-OAS		31,531		31,531
Staff Benefits-Retirement		18,327		18,327
Staff Benefits-UCI		861		861
Total Organized Activities	426,243	264,442	11,109	701,793
Total Instructional and Departmental Operating Cost	25,540,733	6,591,927	720,524	32,853,183

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE C-2a  
 SCHEDULE OF CURRENT FUNDS E&G EXPENDITURES BY OBJECT CLASSIFICATION  
 For the Year Ended August 31, 1999

	Salaries and Wages	Other Operating Expenses	Capital Outlay	Total
<b>RESEARCH</b>				
Faculty Research	129,755	55,233	8,718	193,705
Applied Studies in Forestry	345,671	80,118	49,682	475,472
Staff Benefits-Insurance		48,447		48,447
Staff Benefits-OASI		37,102		37,102
Staff Benefits-Retirement		24,727		24,727
Total Research	<u>475,426</u>	<u>245,628</u>	<u>58,400</u>	<u>779,453</u>
<b>PUBLIC SERVICES</b>				
Soils Testing Laboratory	66,187	40,614	2,669	109,471
Stone Fort Museum	32,762	5,172		37,933
Economic Development	63,178	7,683	16,855	87,716
Staff Benefits-Insurance		17,995		17,995
Staff Benefits-OASI		11,883		11,883
Staff Benefits-Retirement		7,288		7,288
Total Public Services	<u>162,127</u>	<u>90,636</u>	<u>19,524</u>	<u>272,287</u>
<b>ACADEMIC SUPPORT</b>				
<b>Instructional Administration</b>				
Dean of Graduate School	112,619	11,652		124,271
Dean of Business	168,332	10,093		178,425
Dean of Education	143,982	12,725		156,708
Dean of School of Forestry	100,850	10,988		111,839
Dean of School of Liberal Arts	231,565	10,604		242,170
Dean of School of Science and Math	211,270	8,161		219,431
Dean of School of Fine Arts	198,575	17,523		216,098
Applied Studies	125,896	4,335		130,231
HEAF Disability Services		2,064		2,064
HEAF College of Education			4,000	4,000
HEAF Secondary Education		10,000		10,000
HEAF Agriculture		1,660	20,000	21,660
HEAF History		8,369		8,369
HEAF Human Sciences			4,000	4,000
HEAF Kinesiology		34,657		34,657
HEAF Science & Math Classroom		8,976		8,976
HEAF Math and Statistics		9,896		9,896
HEAF Nursing		16,856	1,616	18,472
HEAF Early Childhood Lab		3,616	2,916	6,533
HEAF Chemistry		4,440		4,440
HEAF Physics		2,301	17,500	19,801
HEAF Computer Science		55,833	64,021	119,854
HEAF McGee Room 464		10,197		10,197
HEAF Music Equipment		38,037	112,228	150,265
Staff Benefits-Insurance		77,915		77,915
Staff Benefits-OASI		87,271		87,271
Staff Benefits-Retirement		88,216		88,216
Total Instructional Administration	<u>1,293,091</u>	<u>546,383</u>	<u>226,282</u>	<u>2,065,755</u>
<b>Library</b>				
Operation	1,505,181	7,467	23,977	1,536,626
Texas College Workstudy - Library	35,194			35,194
Books		267,480	931,005	1,198,485
Staff Benefits-Insurance		119,273		119,273
Staff Benefits-OASI		113,945		113,945
Staff Benefits-Retirement		87,541		87,541
Staff Benefits-UCI		1,633		1,633
Total Library	<u>1,540,375</u>	<u>597,339</u>	<u>954,982</u>	<u>3,092,696</u>
Total Academic Support	<u>2,833,466</u>	<u>1,143,722</u>	<u>1,181,264</u>	<u>5,158,452</u>

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE C-2a  
 SCHEDULE OF CURRENT FUNDS E&G EXPENDITURES BY OBJECT CLASSIFICATION  
 For the Year Ended August 31, 1999

	Salaries and Wages	Other Operating Expenses	Capital Outlay	Total
<b>STUDENT SERVICES</b>				
Office of the Registrar	326,342	42,686	2,471	371,498
HEAF Registrar		109	3,603	3,712
Office of Admissions	625,950	178,719		804,670
HEAF Admissions		4,748	3,958	8,706
Vice President for Student Affairs	77,489	4,130		81,618
Dean of Student Development	111,207	12,157	108	123,472
HEAF Student Development		352		352
Student Financial Aid	315,562	76,213		391,775
HEAF Financial Aid		7,106	26,388	33,494
Counseling and Career Services	277,255	33,720	3,244	314,219
HEAF-Counseling and Career Services		2,699	19,607	22,306
Campus Security	485,178	13,507		498,685
HEAF Campus Security		4,367	57,398	61,765
Staff Benefits-Insurance		217,745		217,745
Staff Benefits-OASI		163,198		163,198
Staff Benefits-Retirement		134,610		134,610
Staff Benefits-UCI		2,122		2,122
Total Student Services	2,218,983	898,187	116,776	3,233,947
<b>INSTITUTIONAL SUPPORT</b>				
<b>General Administration</b>				
Board of Regents		6,370		6,370
Office of the President	127,675	29,439	2,841	159,955
Vice President for Academic Affairs	129,960	9,726		139,686
Vice President for Business Affairs	152,225	13,099	3,335	168,659
HEAF Vice President for Business Affairs		579	20,893	21,472
Internal Auditor	40,355	5,602		45,957
University Information Systems	624,838	415,160	87,833	1,127,830
Controllor	98,235	7,337	1,700	107,272
Business Office	208,352	83,259	5,824	297,436
Purchasing and Inventory	260,581	27,176		287,756
HEAF Purchasing		7,549	3,597	11,146
Personnel Services	186,639	23,504	3,408	213,551
Instructional Technology	217,894	55,732	12,727	286,353
Telecommunications	217,816			217,816
HEAF Memory Upgrade		289	54,301	54,590
HEAF Telecommunications		8,967	94,487	103,454
HEAF Distance Learning		2,381	3,775	6,156
Staff Benefits-Insurance		210,546		210,546
Staff Benefits-OASI		160,285		160,285
Staff Benefits-Retirement		138,624		138,624
Total General Administration	2,264,570	1,205,622	294,721	3,764,913
<b>General Institutional</b>				
Commencement	831	407		1,239
Faculty Committee		2,174		2,174
University Legal Counsel	108,115	9,446		117,561
Institutional Research	89,164	7,045	1,530	97,740
Institutional Membership		52,754		52,754
Mail Service	88,834	544		89,378
HEAF Distance Ed		993		993
HEAF Post Office		250		250
HEAF Network Upgrade			17,846	17,846
HEAF Printing Services		3,045	6,552	9,597
Office of Public Information	200,744	48,113	110	248,966
HEAF Public Information		30,690	94,803	125,493
Printing Services		11,166		11,166
Faculty Senate	858	1,665		2,523
Employee Blanket Bond Insurance		4,000		4,000
Officer Employee Auto Liability Insurance		37,506		37,506
Central Stores	56,860	2,341	7,255	66,455
Inv Control. Stores		2,076		2,076
University Advancement	225,488	47,063		272,552
HEAF Advancement		10,767	46,761	57,528
SACS Accreditation		6,165		6,165
Research Services	95,019	17,710	4,869	117,598

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE C-2a  
 SCHEDULE OF CURRENT FUNDS E&G EXPENDITURES BY OBJECT CLASSIFICATION  
 For the Year Ended August 31, 1999

	Salaries and Wages	Other Operating Expenses	Capital Outlay	Total
Risk Management		6,780		6,780
Environmental Science	132,614	45,279	29,143	207,036
Doctorate of Education	266,350	60,061	41,495	367,906
SI Biotech Co.	155,723	27,963		183,686
East Texas Studies	80,959	29,159	1,393	111,511
Social Work Program	81,982	37,076	1,896	120,955
Staff Benefits-Insurance		978,991		978,991
Staff Benefits-OASI		117,317		117,317
Staff Benefits-Retirement		86,318		86,318
Staff Benefits-Worker's Compensation		145,934		145,934
Staff Benefits-UCI		43,013		43,013
Total General Institutional	<u>1,583,540</u>	<u>1,873,811</u>	<u>436,960</u>	<u>3,894,311</u>
Total Institutional Support	<u>3,848,110</u>	<u>3,079,433</u>	<u>731,681</u>	<u>7,659,224</u>
OPERATION AND MAINTENANCE OF PHYSICAL PLANT				
Administration	215,857	19,196	10,496	245,549
Physical Plant Gen Svcs	303,188	(108,212)	14,122	209,097
Building Maintenance	1,304,670	(382,054)	132,564	1,055,180
Custodial Services	927,498	117,374		1,044,873
Grounds Maintenance	367,933	59,776	27,607	455,316
Purchased Utilities		2,703,426		2,703,426
Other Utilities	189,637	425,107	44,883	659,627
Hazardous Material Disposal		4,782		4,782
Safety Office	50,237	10,168		60,405
HEAF Physical Plant		13,118	212,675	225,792
Staff Benefits-Insurance		403,358		403,358
Staff Benefits-OASI		249,412		249,412
Staff Benefits-Retirement		182,231		182,231
Staff Benefits-UCI		2,835		2,835
Total Operation and Maintenance of Physical Plant	<u>3,359,022</u>	<u>3,700,516</u>	<u>442,346</u>	<u>7,501,884</u>
SCHOLARSHIPS				
Scholarships		74,327		74,327
High School Valedictorian		17,323		17,323
Veteran Exemptions		34,351		34,351
Blind and Deaf Students		37,700		37,700
Foster Care		3,205		3,205
Orphans of Public Employees		1,172		1,172
Lowered rate for Arkansas and Louisiana students		432,978		432,978
Students age 65 and over		341		341
Statutory Waiver of Non-Resident Students		698,950		698,950
Total Scholarships		<u>1,300,348</u>		<u>1,300,348</u>
TOTAL UNRESTRICTED CURRENT FUNDS EDUCATIONAL AND GENERAL	<u>\$ 38,437,867</u>	<u>\$ 17,050,395</u>	<u>\$ 3,270,515</u>	<u>\$ 58,758,777</u>

STEPHEN F. AUSTIN STATE UNIVERSITY  
SCHEDULE C-3  
SCHEDULE OF UNRESTRICTED CURRENT FUNDS  
EDUCATIONAL AND GENERAL EXPENDITURES  
SUMMARIZED BY ELEMENTS OF INSTITUTIONAL COSTS  
For the Year Ended August 31, 1999

**OPTIONAL  
SCHEDULE NOT USED**

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE D-1  
 SCHEDULE OF BONDS PAYABLE AND DEBT SERVICE REQUIREMENTS  
 For The Year Ended August 31, 1999

## D-1-a: Miscellaneous Bond Information

	Bonds Issued to Date	Range of Interest Rates	Maturities		
			First Year	Last Year	First Call Date
<b>REVENUE BONDS</b>					
Series 1991 A	\$ 18,630,000	4.6-6.75%	1991	2012	10/15/00
Series 1991 B	5,990,000	4.6-6.5%	1991	2004	10/15/00
Series 1996	4,135,000	3.6-4.625%	1996	2005	n/a
TPFA Series 1998	6,000,000	3.65-5.25%	1999	2018	10/15/08
Subtotal	<u>34,755,000</u>				
<b>CONST APPR BONDS</b>					
Series 1995	6,800,000	3.5-4.9%	1995	2004	n/a
Series 1996	3,590,000	3.6-4.625%	1996	2005	n/a
Subtotal	<u>10,390,000</u>				
<b>TOTAL</b>	<u>\$ 45,145,000</u>				

## D-1-b: Change in Bonded Indebtedness

	Bonds Outstanding Sept 1, 1998	Bonds Issued	Bonds Matured or Retired	Bonds Refunded	Bonds Outstanding Aug 31, 1999
<b>REVENUE BONDS</b>					
Series 1991 A	\$ 9,845,000	\$	\$ 1,500,000	\$	\$ 8,345,000
Series 1991 B	2,845,000		570,000		2,275,000
Series 1996	3,910,000		150,000		3,760,000
TPFA Series 1998		6,000,000			6,000,000
Subtotal	<u>16,600,000</u>	<u>6,000,000</u>	<u>2,220,000</u>	<u>-</u>	<u>20,380,000</u>
<b>CONST APPR BONDS</b>					
Series 1995	5,025,000		620,000		4,405,000
Series 1996	2,995,000		315,000		2,680,000
Subtotal	<u>8,020,000</u>	<u>-</u>	<u>935,000</u>	<u>-</u>	<u>7,085,000</u>
<b>TOTAL</b>	<u>\$ 24,620,000</u>	<u>\$ 6,000,000</u>	<u>\$ 3,155,000</u>	<u>\$ -</u>	<u>\$ 27,465,000</u>

## D-1-c: Debt Service Requirements

	Year Ending August 31,					All Other Years	Total Requirements
	2000	2001	2002	2003	2004		
<b>REVENUE BONDS</b>							
Series 1991 A	\$ 2,091,008	\$ 2,067,248	\$ 2,002,425	\$ 1,803,225	\$ 327,663	\$ 1,936,067	\$ 10,227,636
Series 1991 B	736,998	388,655	379,625	379,475	387,700	418,162	2,690,615
Series 1996	323,370	747,300	721,650	695,550	668,850	1,255,425	4,412,145
TPFA Series 1998	465,427	466,932	466,561	465,664	464,395	6,996,495	9,325,474
Subtotal	<u>3,616,803</u>	<u>3,670,135</u>	<u>3,570,261</u>	<u>3,343,914</u>	<u>1,848,608</u>	<u>10,606,149</u>	<u>26,655,870</u>
<b>CONST APPR BONDS</b>							
Series 1995	841,308	841,545	844,800	845,730	844,265	845,212	5,062,860
Series 1996	441,595	442,416	447,237	446,030	448,670	900,186	3,126,134
Subtotal	<u>1,282,903</u>	<u>1,283,961</u>	<u>1,292,037</u>	<u>1,291,760</u>	<u>1,292,935</u>	<u>1,745,398</u>	<u>8,188,994</u>
<b>TOTAL</b>	<u>\$ 4,899,706</u>	<u>\$ 4,954,096</u>	<u>\$ 4,862,298</u>	<u>\$ 4,635,674</u>	<u>\$ 3,141,543</u>	<u>\$ 12,351,547</u>	<u>\$ 34,844,864</u>

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE D-2  
 SCHEDULE OF ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE  
 FOR GENERAL OBLIGATION BONDS OUTSTANDING  
 For the Year Ended August 31, 1999

	SOURCES		APPLICATIONS				Balance Aug. 31, 1999	
	Balance Sept 1, 1998	Higher Education Assistance Funds	Principal	Interest	Other Applications of Funds	Total Applications	Minimum Required	Actual Balance
Pledged Sources								
Cons Appr Bonds Series 1995	\$ 0	\$ 839,100	\$ 620,000	\$ 219,100	\$	\$ 839,100	\$ 0	\$ 0
Cons Appr Bonds Series 1996	0	439,993	315,000	124,743	250	439,993	0	0
<b>Total</b>	<b>\$ 0</b>	<b>\$ 1,279,093</b>	<b>\$ 935,000</b>	<b>\$ 343,843</b>	<b>\$ 250</b>	<b>\$ 1,279,093</b>	<b>\$ 0</b>	<b>\$ 0</b>

[a]

[a] Analysis of Other Applications  
 Paying Agent Fees \$ 250

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE D-2a  
 SCHEDULE OF ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE  
 FOR REVENUE BONDS OUTSTANDING  
 For The Year Ended August 31, 1999

PLEGGED AND OTHER SOURCES OF FUNDS						
	Operating Revenues	Investment Income	Other Sources	Operating Expenses	Capital Outlay	Net Available for Debt Service
Cons Revenue Bonds						
Series 1991 & 1996	\$ 22,742,244	\$ 167,850	\$ 1,500,827	\$	\$	\$ 24,410,921
TPFA Rev Bonds, 1998			210,000			210,000
<b>TOTAL</b>	<u>\$ 22,742,244</u>	<u>\$ 167,850</u>	<u>\$ 1,710,827</u>	<u>\$</u>	<u>\$</u>	<u>\$ 24,620,921</u>
	[a]		[b]	[c]	[d]	
[a] Analysis of Operating Revenues						
Pledged Revenues	<u>\$ 22,742,244</u>					
[b] Analysis of Other Sources						
Skiles Fee	\$ 158,965					
Designated Tuition	1,266,330					
D.O.E. Grant	75,532					
State Appropriations	210,000					
Total Other Sources	<u>\$ 1,710,827</u>					

[c] and [d] Gross revenues rather than net revenues are pledged for debt service.  
 Expenditures associated with auxiliary operations which generated pledged revenues were \$19,028,877.

[e] Surety bond issued to cover bond reserve requirements.



DEBT SERVICE		RESTRICTED ACCOUNT BALANCES			
Principal	Interest and Fees	INTEREST & SINKING FUND		BOND RESERVE FUND	
		Minimum Required	Actual	Required	Actual
\$ 2,220,000	\$ 922,178 176,589	\$ 1,185,000	\$ 1,185,000	\$ 2,179,653	\$ 2,179,653
<u>\$ 2,220,000</u>	<u>\$ 1,098,767</u>	<u>\$ 1,185,000</u>	<u>\$ 1,185,000</u>	<u>\$ 2,179,653</u>	<u>\$ 2,179,653</u>

[e]

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE D-3  
 SCHEDULE OF DEFEASED BONDS OUTSTANDING  
 For The Year Ended August 31, 1999

Description of Issues	<u>Year Refunded</u>	<u>Par Value Outstanding</u>
Housing System Revenue Bonds - Series 1962 A	1991	\$ 26,000
Housing System Revenue Bonds - Series 1962 B	1991	154,000
Housing System Revenue Bonds - Series 1962 D	1991	2,022,000
Housing System Revenue Bonds - Series 1963 A	1991	849,000
Housing System Revenue Bonds - Series 1964	1991	745,000
Building Revenue Bonds - Series 1965 B	1991	2,055,000
Student Housing System Revenue Bonds - Series 1967	1991	470,000
Student Housing System Revenue Bonds - Series 1968	1991	575,000
Student Housing System Revenue Bonds - Series 1979	1991	370,000
Tuition Fee Revenue Bonds - Series 1968	1990	470,000
General Fee Revenue Bonds - Series 1972	1991	605,000
General Fee Revenue Bonds - Series 1973	1991	1,495,000
Combined Fee Revenue Bonds Series 1979	1991	1,825,000
Combined Fee Revenue Bonds Series 1988	1991	300,000
Combined Fee Revenue Bonds Series 1990	1991	<u>635,000</u>
Total Defeased Revenue Bonds Outstanding		<u>\$ 12,596,000</u>

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE D-4  
 SCHEDULE OF HIGHER EDUCATION ASSISTANCE FUNDS  
 For the Year Ended August 31, 1999

	CURRENT FUNDS				Total
	Educational And General	Unexpended Plant	Renewals and Replacements	Retirement of Indebtedness	
Balance - Sept. 1, 1998	\$ 2,217,325	\$ 1,085,142	\$ 342,496	\$	\$ 3,644,963
Prior Year Corrections	(282,787) *	(492,927) *			(775,714)
Balance - Sept. 1, 1998, restated	1,934,538	592,215	342,496		2,869,249
Revenues					
Appropriations	6,468,273				6,468,273
Expenditures					
Operating Expense	1,088,368				1,088,368
Capital Outlay	1,769,995				1,769,995
Library	931,005				931,005
Construction in Progress		1,466,090			1,466,090
Renewals and Replacements			189,685		189,685
Bonds Retired				935,000	935,000
Interest Expense				343,843	343,843
Other				250	250
Total Expenditures	3,789,368	1,466,090	189,685	1,279,093	6,724,236
Transfers					
Mandatory from HEAF	(1,279,093)			1,279,093	
Non-mandatory:					
From HEAF	(1,503,295)	1,413,722	89,573		
To HEAF	49,818	(8,614)	(41,204)		
Balance - Aug. 31, 1999	<u>1,880,873</u>	<u>\$ 531,233</u>	<u>\$ 201,180</u>	<u>\$</u>	<u>\$ 2,613,286</u>
Balance - Aug. 31, 1999					
Consists of:					
Encumbrances	460,639	199,407	52,581		712,627
Unencumbered	1,420,234	331,826	148,599		1,900,659
	<u>1,880,873</u>	<u>\$ 531,233</u>	<u>\$ 201,180</u>	<u>\$</u>	<u>\$ 2,613,286</u>

\* Restatements include corrections from fiscal year 93 through 95 for expenditures incorrectly reported on this schedule. By making these corrections, the ending balances per this schedule agree to the individual HEAF general ledger accounts of the University.

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE D-5  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended August 31, 1999

Federal/Pass-Through Grantor/ Program Title	CFDA Number	Pass-Through From		
		Agency #	Univ #	Non-State Agy Amount
<b>U.S. Department of Defense</b>				
Direct Programs:				
Military Science	12.113			
<b>Total U.S. Department of Defense</b>				
<b>U.S. Department of Education</b>				
Direct Programs:				
O&M Special Education	84.029			
Early Intervention	84.029			
Graduate Rehab Counseling	84.129			
LTT Undergrad Ed	84.129			
Orientation & Mobility	84.129			
High Incidence	84.325H			
Pass Through From:				
Angelina College				
Tech Prep	84.048		989	9,591
School to Career	84.048		989	12,191
Texas Engineering Experiment Station				
Pre-Engineering Core Curriculum	84.116P	712		7,771
Texas Higher Education Coordinating Board				
Elementary Math	84.281	781		1,917
MMSEC Second Generation	84.281			7,876
MMSEC Third Generation	84.281			48,485
Math Patterns	84.281			78,251
Renewed Focus	84.281			34,685
<b>Total U.S. Department of Education</b>				<b>178,985</b>
				<b>21,782</b>
<b>U.S. Dept of Health and Human Services</b>				
Direct Programs:				
Experiential Learning	93.144			
Pass Through From:				
TX Dept Protective & Reg Services				
Child Welfare	93.658	530		429,761
Univ of Texas Medical Branch at Galveston				
AHEC Program	93.824		723	11,999
<b>Total U.S. Dept of Health &amp; Human Svcs</b>				<b>429,761</b>
				<b>11,999</b>
<b>Student Financial Assistance Cluster</b>				
<b>U.S. Department of Education</b>				
Direct Programs:				
Fed SEOG	84.007			
GSL/SLS/PLUS Loans	84.032			
Federal Work Study	84.033			
Perkins Loans	84.038			
Fed Pell	84.063			
<b>Total Student Financial Asst Cluster Programs</b>				
<b>Research and Development Cluster</b>				
<b>U.S. Department of Agriculture</b>				
Direct Programs:				
Alum Project	10.652			
American Eel	10.652			
Biology Field Experience	10.652			
Catadromous Project	10.652			
Field Experience	10.652			
Field Experience II	10.652			
Inventorying Fuels	10.652			
Rose-Mallw Recovery	10.652			
Longleaf Pine	10.652			
McIntyre Siennis	10.652			
Multi Use Trail Eval	10.652			
9th Biennial Conference	10.652			
Santa Fe National Forest	10.652			
Suppression & Fire	10.652			
Timber Blow Down	10.652			
Timber Harvest Stream	10.652			
Wilderness Symposium	10.652			

Direct Program	Total Pass-Thru From & Direct Prog	Pass-Through To		Expenditures	Total Pass-Through To & Expenditures
		Agy #/ Univ. #	State Entities		
<u>52,294</u>	<u>52,294</u>			<u>52,294</u>	<u>52,294</u>
<u>52,294</u>	<u>52,294</u>	-	-	<u>52,294</u>	<u>52,294</u>
60,335	60,335			60,335	60,335
14,810	14,810			14,810	14,810
22,055	22,055			22,055	22,055
67,464	67,464			67,464	67,464
96,910	96,910			96,910	96,910
191	191			191	191
	9,591			9,591	9,591
	12,191			12,191	12,191
	7,771			7,771	7,771
	1,917			1,917	1,917
	7,876			7,876	7,876
	48,485			48,485	48,485
	78,251			78,251	78,251
	34,685			34,685	34,685
<u>261,765</u>	<u>462,532</u>	-	-	<u>462,532</u>	<u>462,532</u>
117,219	117,219			117,219	117,219
	429,761			429,761	429,761
	11,999			11,999	11,999
<u>117,219</u>	<u>558,979</u>	-	-	<u>558,979</u>	<u>558,979</u>
351,263	351,263			351,263	351,263
29,033,968	29,033,968			29,033,968	29,033,968
694,228	694,228			694,228	694,228
808,413	808,413			808,413	808,413
<u>6,051,926</u>	<u>6,051,926</u>			<u>6,051,926</u>	<u>6,051,926</u>
<u>36,939,798</u>	<u>36,939,798</u>	-	-	<u>36,939,798</u>	<u>36,939,798</u>
1,525	1,525			1,525	1,525
1,955	1,955			1,955	1,955
8,568	8,568			8,568	8,568
625	625			625	625
1,921	1,921			1,921	1,921
1,653	1,653			1,653	1,653
11,538	11,538			11,538	11,538
3,159	3,159			3,159	3,159
11,471	11,471			11,471	11,471
280,460	280,460			280,460	280,460
18,212	18,212			18,212	18,212
47,055	47,055			47,055	47,055
3,760	3,760			3,760	3,760
6,287	6,287			6,287	6,287
4,892	4,892			4,892	4,892
6,815	6,815			6,815	6,815
11,273	11,273			11,273	11,273

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE D-5  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended August 31, 1999

Federal/Pass-Through Grantor/ Program Title	CFDA Number	Pass-Through From			Non-State Agv Amount	
		Agency #	Univ #	Agency Amount		Univ Amount
<b>U.S. Department of the Interior</b>						
Direct Programs:						
Baldcypress	15.FFE					
Herpetofaunal Survey	15.916					
<b>Dept. of Housing &amp; Urban Development</b>						
Direct Programs:						
HUD Interest Subsidy	14.103					
<b>Corp for National &amp; Community Service</b>						
Direct Programs:						
Learn & Serve	94.005					
Total R & D Cluster Programs						
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>				<b>\$ 608,746</b>	<b>\$ 33,781</b>	<b>\$ -</b>

**Note 1: Non-Monetary Assistance**

Stephen F. Austin State University received no Non-Monetary Assistance during fiscal year 1999

**Note 2: Reconciliation:**

Federal Revenues - per Exhibit C:		
Federal Grants and Contracts-Restricted		\$ 7,853,357
Federal Grants and Contracts - Unrestricted (Indirect/Admin Cost Recoveries)		116,519
Federal Pass-Through Grants from Other State Agencies	642,527	
Less Reconciling Items:		
Difference Between Exh. C & Exh. B Revenue		
Total Federal Pass-Through Grants from Other State Agencies		642,527
Total Federal Revenues per Exhibit C		8,612,403
Add Reconciling Items:		
HUD Interest Subsidy		75,532
New Loans Processed:		
GSL/SLS/PLUS Loans		29,033,968
Perkins Loans		808,413
Total Pass-Through & Expenditures Per Federal Schedule		\$ 38,530,316

**Note 2: Student Loans Processed and Administrative Costs Recovered**

Federal Grantor/ CFDA Number/Program Name	New Loans Processed	Administrative Costs Recovered	Total Loans Processed & Adm. Costs Recovered	Ending Balance of Previous Years' Loans
Department of Education				
84.032 GSL/SLS/PLUS Loans	29,033,968		29,033,968	
84.038 Perkins Loan	808,413	93,821	808,413	5,714,261
Total U.S. Department of Education	<u>\$ 29,842,381</u>	<u>\$ 93,821</u>	<u>\$ 29,842,381</u>	<u>\$ 5,714,261</u>

Direct Program	Total Pass- Thru From & Direct Prog	Pass-Through To			Expenditures	Total Pass- Through To & Expenditures
		Agy #/ Univ. #	State Entities	Other Entities		
96 5,443	96 5,443				96 5,443	96 5,443
75,532	75,532				75,532	75,532
14,473	14,473				14,473	14,473
<u>516,713</u>	<u>516,713</u>	<u>-</u>	<u>-</u>		<u>516,713</u>	<u>516,713</u>
<u>\$ 37,887,789</u>	<u>\$ 38,530,316</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ 38,530,316</u>	<u>\$ 38,530,316</u>

STEPHEN F. AUSTIN STATE UNIVERSITY  
SCHEDULE D-6  
SCHEDULE OF MEDICAL SERVICES, RESEARCH AND DEVELOPMENT PLAN -  
SUMMARY OF OPERATIONS - ACCRUAL BASIS OF ACCOUNTING  
For the Year Ended August 31, 1999

**SCHEDULE NOT USED**



STEPHEN F. AUSTIN STATE UNIVERSITY  
SCHEDULE D-7  
APPROPRIATION ITEM TRANSFERS  
For the Year Ended August 31, 1999

**SCHEDULE NOT USED**

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE D-8  
 HUB Strategic Plan Progress Report  
 For the Year Ended August 31, 1999

(Source: Texas Government Code, Title 10, Subtitle D, Section 2161.124)

Goal = Strategic Plan HUB Goal Actual = % Spent with HUBs from HUB Report	Actual for FY '98	Actual for FY '99	Goal for FY '00
Heavy Construction other than building contracts	0%	0%	6.6%
Building Construction, including general contractors and operative builders contracts	0%	0%	25.1%
Special Trade Construction contracts	0%	0%	47.0%
Professional Services contracts	0%	0%	18.1%
Other Services contracts	0.562%	1.49%	33.0%
Commodities contracts	7.14%	8.25%	11.5%

Prepared by: Diana Boubel

Approved: Diana Boubel  
 (Signature Required)

Printed Name: Diana Boubel

Phone Number: (409) 468-2206

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE D-9  
 PROFESSIONAL/CONSULTING AND LEGAL SERVICE FEES  
 For the Year Ended August 31, 1999

Name	Type of Service Rendered	Amount
<b>Professional/Consulting Fees</b>		
Aaron, C. Polk, Jr. MD	Medical	\$ 219
Abel Rodriguez	Guest Speaker/Instructor	300
Acadiana Physical therapy, Inc.	Medical	138
Accord Technology, Inc.	Guest Speaker/Instructor	546
Alison Read	Guest Performer	642
Amy Tange	Guest Speaker/Instructor	2,430
Anastasia Jellison	Guest Performer	440
Andrea Broadhead	Medical Reimbursement	124
Andrew Svoboda	Medical Reimbursement	120
Andy Sumrow	Certified athletic official	100
Angel Martinez Loredo	Guest Speaker/Instructor	700
Angelina College	Guest Speaker/Instructor	541
Ann McCrady	Guest Speaker/Instructor	150
Anna Kloc	Guest Performer	294
Annetta Jeanne Jones Rollins	Guest Speaker/Instructor	280
Anthony Roger	Guest Performer	758
Archie Jones	Guest Performer	592
ARF Architects & Engineers	Architect/Engineer	4,686
Arlene Kimberly Frohsin	Guest Artist	3,000
Arnald Gabriel	Guest Speaker/Instructor	2,550
Arrow Educational Services, Inc.	Guest Speaker/Instructor	750
Art Rivers	Guest Performer	195
Arthur Busby	Guest Performer	490
Asa Peavy	Guest Speaker/Instructor	250
Assn of Texas Colleges & Universities	Guest Speaker/Instructor	500
Athletic Medicine Assoc LLP	Medical	691
Auburn Moon Agency	Guest Performer	1,800
Barbara Colson	Guest Performer	355
Barbara Coppersmith & Associates	Guest Performer	520
Barbara Tetenbaum	Guest Speaker/Instructor	400
Barwin Consultants	Architect/Engineer	1,100
Baylor University Medical Ctr	Medical	184
Becca Dougharty	Guest Speaker/Instructor	300
Becky Griffith	Guest Speaker/Instructor	300
Belinda Stein	Guest Speaker/Instructor	300
Beverly Dewitt	Guest Artist	400
Beverly Manchester	Guest Speaker/Instructor	25
Biddison Hier LTD	Housing Consultant	24,501
Bill Scott	Guest Performer	100
Blue Feather Management	Guest Speaker/Instructor	4,132
Bob Hurst	Guest Speaker/Instructor	400
Bob Roggio	Accreditation Consultant	1,540
Bob Sennhauser	Guest Speaker/Instructor	250
Bobbie Williams-Regan	Guest Speaker/Instructor	350
Borys B. Smolaga	Guest Performer	505
Brandi Parker	Guest Performer	500
Brent Stephens. DDS	Medical	125
Brian Byrnes	Guest Speaker/Instructor	478
Cameron Raecke	Guest Performer	644
Capitol Anesthesiology Assoc	Medical	198
Captain Jack Parker	Guest Speaker/Instructor	850
Caren Heft Associate Curtor	Guest Speaker/Instructor	400
Cargill Associates	Capital Campaign Consultant	97,000
Carl E. Oberholtzer, Jr.	Certified athletic official	100

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE D-9  
 PROFESSIONAL/CONSULTING AND LEGAL SERVICE FEES  
 For the Year Ended August 31, 1999

Name	Type of Service Rendered	Amount
Carl Ray Kight	Certified athletic official	400
Carla Sallee	Certified athletic official	580
Carlos G. Gonzalez	Guest Artist	100
Carmen Gonzales	Guest Speaker/Instructor	300
Carol Lee	Guest Performer	265
Carole D Deptula	Guest Performer	600
Carole Makowski	Guest Performer	1,847
Casondra Phillips	Guest Speaker/Instructor	300
Cathy Lysenger	Guest Artist	175
Cecil R Hallum	Excet Exam Consultant	1,000
Charles Lawson	Guest Speaker/Instructor	450
Charles Schultz	Library Consultant	747
Charles Warlick	Computer Consultant	7,373
Charlotte Baker Montgomery	Guest Speaker/Instructor	200
Charlton Mooney	Certified athletic official	190
Chris Ingersoll	Guest Speaker/Instructor	200
Christopher Buddo	Guest Artist	75
Christopher Stenstrom	Guest Performer	405
Cindy Haller	Guest Speaker/Instructor	250
Clay Lassen	Guest Speaker/Instructor	200
Clayton Horan	Tenure Evaluator	100
Clifton Thomas, MD	Medical	18
Cody Russell	Guest Performer	140
Coleman Productions	Guest Speaker/Instructor	1,650
Colin Sean Boyd	Guest Performer	500
Computer Sciences Accreditation Board	Guest Speaker/Instructor	6,100
Craig Karges	Guest Performer	2,750
Creative Inspirations Inc	Guest Speaker/Instructor	1,190
Crowell, Pipes & Associates	Auditing Services	2,800
Crystal Mueller	Guest Speaker/Instructor	2,689
Cynthia Gayle Weston	Guest Speaker/Instructor	450
Dallas Lighthouse for the Blind	Guest Speaker/Instructor	2,000
Dalton Baldwin	Guest Performer	1,434
Dan Lewis	Guest Performer	346
Daniel R. Theesfeld, MD, Inc.	Medical	587
Daniel Saenz	Guest Performer	678
David Johnson	Guest Performer	150
David L. Herbert, Jr.	Guest Speaker/Instructor	52
David L. Petty	Guest Speaker/Instructor	940
David Taylor	Guest Speaker/Instructor	250
Dean Orthopaedic Partners	Medical	54
Debbie Wesson	Guest Speaker/Instructor	240
Delinda Whitley	Guest Speaker/Instructor	300
Denise Stringer Davis	Guest Speaker/Instructor	300
Diagnostic Radiology Of Nac	Medical	44
Diane Fine	Guest Speaker/Instructor	200
Divers Depot	Guest Speaker/Instructor	3,222
Dominick Defranco	Guest Speaker/Instructor	955
Don Turton	Grant Consultant	1,353
Donald E. Cagle, MD	Medical	244
Donna Glover	Guest Speaker/Instructor	2,700
Doug Castle	Certified athletic official	400
Dr Jaclyn Miller	Social Work Consultant	2,172
Dr. Ernest T. Stringer	Guest Speaker/Instructor	200
Dr James O. Freedman	Guest Speaker/Instructor	500

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE D-9  
 PROFESSIONAL/CONSULTING AND LEGAL SERVICE FEES  
 For the Year Ended August 31, 1999

Name	Type of Service Rendered	Amount
Dr. Jonathan Phillips	Guest Speaker/Instructor	202
Dr. Karl Miller	Guest Speaker/Instructor	461
Dr. L.Q. Robinson	Guest Speaker/Instructor	2,800
Dr. Linda Ashworth	Guest Speaker/Instructor	282
Dr. Marcia Weskott	Guest Speaker/Instructor	544
Dr. Marilyn Holt	Tenure Evaluator	100
Dr. Mark Lewis	Grant Consultant	1,918
Dr. Mary Wakefield	Guest Speaker/Instructor	1,252
Dr. Mike Pangburn	Guest Speaker/Instructor	50
Dr. Mike Vanderklok	Guest Speaker/Instructor	243
Dr. Norman Hackerman	Guest Speaker/Instructor	500
Dr. Sarah Bednarz	Guest Speaker/Instructor	202
Dr. Wayne Maddison	Guest Speaker/Instructor	633
Duane M. Bradley	Guest Speaker/Instructor	110
Dwight Anderson	Guest Performer	513
Dwight C. Cornish	Guest Speaker/Instructor	425
Earl Milner	Certified athletic official	400
East Coast Entertainment	Guest Performer	4,660
East Texas Anesthesiology	Medical	58
East Texas Medical Center	Medical	259
Azleway Inc.	Guest Speaker/Instructor	1,500
East Texas Physician Care	Medical	120
East Texas Radiology	Medical	646
Eastex Veterinary Clinic	Veterinary Services	920
Eberhardt Physical Therapy	Medical	555
Ed Dix	Guest Performer	150
Ed Samuels	Guest Speaker/Instructor	1,140
Education Service Center	Guest Speaker/Instructor	280
Edward A. Hartshorn	Guest Speaker/Instructor	110
EKS Enterprises	Guest Speaker/Instructor	847
Elizabeth A. Adams	Guest Speaker/Instructor	916
Elliot Chasanov	Tenure Evaluator	100
Ellis County Anesthesia	Medical	94
Emily Calvert	Guest Speaker/Instructor	3,000
Emily Martin	Guest Speaker/Instructor	200
Emily Payne	Guest Speaker/Instructor	200
Encore Music	Guest Artist	250
ERI Consuting Engineers, Inc.	Guest Performer	400
Eric Little	Guest Artist	90
Estes Group Inc.	Guest Speaker/Instructor	3,500
Eugene Kana	Certified athletic official	50
Evan Drachman	Guest Performer	1,000
Fischer Ross Group Inc	Guest Speaker/Instructor	8,534
Fondren Orthopedic Group LLP	Medical	285
Forrest E. King	Guest Speaker/Instructor	550
Francoise Haskett	Guest Performer	650
Franklin J. Rude, MD	Medical	357
Frenando Bridges	Guest Artist	200
Friberg Associates Inc	Architect/Engineer	48,150
Ft. Worth Symphony	Guest Performer	30,000
G. Pete Fook, Md	Medical	56
Gary Tuerak	Guest Speaker/Instructor	3,250
Gayle A. Greer	Guest Performer	345
Genetta Mcelhaney	Guest Speaker/Instructor	100
George Wagner	Guest Speaker/Instructor	916

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE D-9  
 PROFESSIONAL/CONSULTING AND LEGAL SERVICE FEES  
 For the Year Ended August 31, 1999

Name	Type of Service Rendered	Amount
Gina Poque	Certified athletic official	150
Glenn Smith Presents Inc.	Guest Performer	65,743
Global Roof Consultants	Roof Consultant	17,627
Gwen Gerber	Guest Speaker/Instructor	439
Hardee McCrary	Guest Speaker/Instructor	225
Harold Eavenson & Associates	Guest Speaker/Instructor	1,066
Healthsouth	Medical	86
Healthsouth Surgery Ctr of Forest Park	Medical	2,714
Henry Edwards	Guest Performer	453
Herbert M. Midgley	Guest Performer	200
HES Honesty Environmental Services	Engineering	16,000
Hollye Good	Guest Speaker/Instructor	300
Hong Chen	Computer Consultant	4,500
Houston Ortho Radiology Assoc	Medical	62
Hugh Soape	Guest Speaker/Instructor	400
ImagiNet	Computer Consultant	2,745
Interaction Training Systems	Guest Speaker/Instructor	1,833
International Cancer	Medical	3,283
J Vance McCrary	Guest Speaker/Instructor	363
Jack Massing	Guest Artist	2,580
Jack Nelson	Guest Performer	25
Jack Sharrar	Tenure Evaluator	100
Jackie Shannon	Guest Speaker/Instructor	296
Jacksonville Radiology Assoc	Medical	48
James D. Fuchs, MD	Medical	251
James McGarrell	Guest Artist	5,000
James Wright	Certified athletic official	100
Janet Rogers	Guest Speaker/Instructor	300
Janice H. Aragon	Guest Speaker/Instructor	299
Janice Harris	Guest Speaker/Instructor	171
Janice Simon	Guest Speaker/Instructor	200
Janis Compton	Guest Performer	350
Jean Avery	Guest Performer	340
Jean Phelan	Guest Performer	540
Jean Waldera	Guest Performer	2,500
Jeanne Coupe Ryding	Guest Speaker/Instructor	250
Jeffery Timander	Guest Artist	1,000
Jefko Productions Inc.	Guest Performer	23,000
Jennifer Parkhurst	Guest Performer	210
Jeremy Sharp	Guest Performer	253
Jim Boone	Guest Speaker/Instructor	175
Jim Hagood	Guest Artist	100
Jim Sallee	Certified athletic official	100
Jo Gabriel Castenada	Guest Artist	400
Joan Griffin Bridges	Guest Speaker/Instructor	2,000
Joanne Owners-Nauslar	Guest Speaker/Instructor	2,000
Jodie L Kramer	Guest Speaker/Instructor	2,115
Jody Wesson	Certified athletic official	280
Joe Friberg	Guest Performer	349
Joe Richardson	Certified athletic official	300
Joe White	Certified athletic official	180
John Alex Blair	Guest Performer	1,052
John Engler	Guest Speaker/Instructor	2,500
John Fox	Guest Speaker/Instructor	750
John Goldman	Consulting Forester	7,497

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE D-9  
 PROFESSIONAL/CONSULTING AND LEGAL SERVICE FEES  
 For the Year Ended August 31, 1999

Name	Type of Service Rendered	Amount
John Hahidinyak, MD	Medical	564
John Nutt	Guest Performer	250
Jon Pennington	Guest Speaker/Instructor	1,155
Jonathan Chance	Guest Performer	256
Jonathan Dupree	Guest Speaker/Instructor	250
Jonathan K. Gerland	Guest Speaker/Instructor	200
Judith A. Ponticell	Guest Speaker/Instructor	398
Judith Hoffberg	Guest Speaker/Instructor	200
Julia Hector	Guest Performer	595
Julie Cassity	Guest Speaker/Instructor	300
Karen Ginther	Guest Performer	1,764
Karen J. Parrish	Certified athletic official	300
Karen Lewis	Guest Speaker/Instructor	400
Karen Sikes	Guest Speaker/Instructor	50
Karin H. Ebarb	Guest Speaker/instructor	300
Katy Birdwell	Guest Performer	253
Keith Brion	Guest Performer	8,000
Keith Carter	Guest Artist	1,000
Keith Gisser	Guest Performer	1,350
Keith Kearney	Certified athletic official	230
Keith Kiplinger	Guest Speaker/Instructor	307
Keith Schauder, MD, PA	Medical	497
Ken Barnes	Guest Performer	100
Ken Floyd	Certified athletic official	85
Ken Wheaton	Guest Speaker/Instructor	224
Kenneth Crager, Jr.	Guest Speaker/Instructor	2,948
Kent Rush	Guest Speaker/Instructor	250
Kermit L. McGuire	Guest Speaker/Instructor	300
Kevin Babcock	Guest Performer	200
Kevin Kelley	Guest Performer	777
Kjetil Laukholm	Guest Performer	480
Kramer Entertainment Agency	Guest Performer	5,250
Kristin Jutras	Guest Performer	700
Lab Corp of America Holdings	Medical	122
Lafayette General Med Center	Medical	312
Lafayette Radiology Assoc	Medical	47
Lana Fults	Guest Speaker/Instructor	300
Larry J. Laurich, DPM	Medical	754
Larry Lee	Guest Performer	1,556
Larry Molinare	Medical Reimbursement	225
Larry Walker	Guest Speaker/Instructor	325
Laura Speight	Guest Speaker/Instructor	300
Laurie Weaver	Guest Speaker/Instructor	2,700
Lawerance Memorial Hospital	Medical	103
Lawrence Kaplan	Guest Speaker/Instructor	1,082
Lawrence-Douglas County	Medical	426
Lazy Eye Productions	Guest Performer	20,000
LCS Development GP LCC	Computer Consultant	15,143
Les Ginther	Guest Performer	44
Lianne Mercer	Guest Speaker/Instructor	375
Libby Kay	Guest Speaker/Instructor	300
Life, Inc	Guest Speaker/Instructor	200
Linda Green	Guest Speaker/Instructor	300
Lisa Sims	Guest Performer	284
Lisa Archilla Sims	Guest Performer	698

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE D-9  
 PROFESSIONAL/CONSULTING AND LEGAL SERVICE FEES  
 For the Year Ended August 31, 1999

Name	Type of Service Rendered	Amount
Lisa Heaton	Guest Speaker/Instructor	300
Lisa Orr	Guest Speaker/Instructor	600
Lisa Suzanne Hanson	Guest Speaker/Instructor	2,700
Lonnie Tatum	Guest Speaker/Instructor	520
Lori Scales	Guest Performer	950
Lorna Pelton	Animal ultrasound	1,581
Lou Vicenik	Certified athletic official	100
Lujean Kreisner	Guest Artist	100
Luke James	Certified athletic official	202
Luke Sides	Guest Artist	500
Lyle Thorstenson, MD	Medical	303
Lyn Elam	Guest Speaker/Instructor	300
Lynn Mclean	Guest Speaker/Instructor	500
Lynn Trafzger	Guest Performer	1,950
Mara Wilson	Guest Speaker/Instructor	200
Marc Moran	Guest Performer	1,201
Margeret Wilson	Guest Speaker/Instructor	14,200
Margie Sokolnicki	Guest Speaker/Instructor	477
Maria Filamor	Guest Speaker/Instructor	150
Maria Jeffers	Guest Performer	195
Marian Kelly	Guest Performer	1,245
Mario Laplante	Guest Speaker/Instructor	200
Mark Hellman	Guest Performer	600
Mark Miller	Guest Speaker/Instructor	300
Mark Parks	Guest Speaker/Instructor	210
Mark Scheff	Guest Performer	113
Marvina Kay Keen	Guest Speaker/Instructor	300
Mary Carrilee Adkins	Guest Speaker/Instructor	2,925
Mary Michelle Permenter	Guest Performer	1,176
Mary Wingfield	Guest Speaker/Instructor	76
Mathes Group	Architect/Engineer	4,750
Matt Montgomery	Guest Speaker/Instructor	214
Medic Lane Physicians PLLC	Medical	44
Memorial Hermann Hospital System	Medical	771
Mera Hall	Guest Performer	445
Michael Barriskill	Guest Speaker/Instructor	100
Michael Brinkley	Guest Speaker/Instructor	300
Michael Galbreth	Guest Artist	2,658
Michael Garrett	Medical Reimbursement	66
Michael T. Ricker	Guest Speaker/Instructor	200
Michelle Brians	Guest Performer	767
Midland Physical Therapy	Medical	408
Mike Dezern	Guest Speaker/Instructor	350
Mike Littlejohn	Certified athletic official	202
Mike Watkins	Certified athletic official	85
Millard Countryman	Certified athletic official	303
Morgan Hill Sutton & Mitchell	Architect/Engineer	73,099
Mother Frances Hospital	Medical	102
MPI Talent Agency	Guest Performer	11,076
N T. Samson & Associates	Engineering	803
Nacogdoches Anesthesia Assoc.	Medical	337
Nacogdoches County EMS Volunteer	Medical	1,000
Nacogdoches Eye Associates	Medical	5,324
Nacogdoches Gastroenterology	Medical	65
Nacogdoches Medical Center	Medical	12,770



STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE D-9  
 PROFESSIONAL/CONSULTING AND LEGAL SERVICE FEES  
 For the Year Ended August 31, 1999

<u>Name</u>	<u>Type of Service Rendered</u>	<u>Amount</u>
Nacogdoches Memorial Hospital	Medical	22,286
Nacogdoches Physical	Medical	570
Nancy Gettman	Guest Speaker/Instructor	367
Nancy Zeltsman	Guest Performer	600
Nathan Hollis	Guest Speaker/Instructor	65
Nathaniel Farney	Guest Performer	85
National Cheerleaders Assoc.	Guest Speaker/Instructor	16,782
NCA Collegiate	Guest Speaker/Instructor	20,709
NCHEMS	Academic Consultant	8,550
NCURA	Education/Training	600
Nelson Williams	Guest Speaker/Instructor	650
Networks Presentations LLC	Guest Performer	17,500
Neurocare Network, PA	Medical	384
New Visions	Guest Speaker/Instructor	13,200
Nick Scales	Guest Performer	657
North Monroe Hospital	Medical	96
Occupational Health Center	Medical	130
Omaha Theater Co	Guest Performer	6,000
Omar S. Pound	Guest Speaker/Instructor	1,061
Omni Computer Solutions	Computer Consultant	425
Pamela Alexander	Grant Consultant	600
Pamela Latham Martin	Guest Performer	485
Pat Moses	Guest Speaker/Instructor	311
Pat Westergaard	Guest Speaker/Instructor	88
Patricia J. Lavigne	Guest Speaker/Instructor	320
Patricia, Troth Black	Guest Speaker/Instructor	200
Patsy R. Saucier	Guest Performer	1,796
Paul Caramanian	Grant Consultant	263
Paul Price	Certified athletic official	60
Paula A. Hooks	Guest Speaker/Instructor	150
PBS Anesthesiology Group	Medical	215
Peggy Sefzik	Guest Speaker/Instructor	300
Pelton Marsh Kinsella	Stage Rigging Consultant	4,447
Pete Correale	Guest Performer	2,000
Pete Craig	Certified athletic official	400
Pickett-Jacobs Consultants Inc	Engineering	1,427
Pineywoods Resource Conservation	Grant Partner	6,140
Plano Orthopedic & Sports	Medical	25
Precision Orthopedics	Medical	67
PT Services of Denison	Medical	266
Quimby Hightower	Guest Speaker/Instructor	75
Radiology Assoc of Denison	Medical	43
Radiology Associates	Medical	12
Radiology Consultants	Medical	1,639
Ralph R. Boggs	Certified athletic official	140
Randy Brucker	Guest Speaker/Instructor	500
Randy Bullock	Ceertified athletics official	1,000
Ray Rodriguez	Certified athletic official	50
Raymond Conklin	Tenure evaluator	100
Reva Kuzmick	Guest Performer	535
Richard Aimes	Guest Performer	5,000
Richard Crocker	Certified athletic official	213
Richard Hungerford	Guest Speaker/Instructor	250
Richard James Wallace, Jr.	Certified athletic official	480
Richard San Mignor	Certified athletic official	140

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE D-9  
 PROFESSIONAL/CONSULTING AND LEGAL SERVICE FEES  
 For the Year Ended August 31, 1999

Name	Type of Service Rendered	Amount
Richard Stoizman	Guest Performer	200
Rick Hurst, DDS	Medical	160
Rivet Deoni & Hurst, Inc.	Medical	16
Robert G. Hayes	Certified athletic official	50
Robert Hough Appraisals	Appraisal services	2,825
Robert McLain	Guest Performer	1,668
Robert William McCarter	Guest Speaker/Instructor	920
Robert Ybarbo	Guest Speaker/Instructor	275
Robin Price	Guest Speaker/Instructor	200
Rodney Roth	Certified athletic official	60
Roger G. Feldman	Certified athletic official	300
Ronnie Wolfe	Guest Speaker/Instructor	36
Roosevelt Wright	Guest Speaker/Instructor	121
Rosalie Groendes	Guest Speaker/Instructor	844
Roxanne Villarreal	Guest Speaker/Instructor	300
Russ Havard	Guest Speaker/Instructor	100
S.V. Ramarathnam	Certified athletic official	65
Safe Deposit Specialists	Guest Speaker/Instructor	1,005
Sally Seale	Guest Speaker/Instructor	1,452
Sanderson Ortho & Sports Med	Medical	17,635
Sandor Ostlund	Guest Performer	420
Sandy Greenberg	Guest Performer	4,500
Scott & Strong	Architect/Engineer	66,723
Scott Aaron Hescht	Guest Artist	50
Scott Cowin	Guest Speaker/Instructor	75
Scott Henry	Guest Performer	1,534
Scott Shanks	Guest Speaker/Instructor	10
Scott, Stander & Associates inc	Guest Performer	25,960
Sean Lujan	Guest Speaker/Instructor	40
Second Nature Systems dba Daniel Schellenberg	Grant Oversight	22,560
SFA Mens Soccer Club	Certified athletic official	775
SFA Rodeo Club	Certified Rodeo official	250
Shannon Dobbins	Guest Performer	340
Shari Bostik	Certified athletic official	175
Shari Watterston	Guest Artist	250
Shawn Jones	Guest Performer	265
Sherry Bryant	Guest Speaker/Instructor	300
Sheryl Hartz	Guest Speaker/Instructor	300
Shirlene Solomon	Guest Speaker/Instructor	75
Shirley Crowe	Certified athletic official	100
Sondra Martin	Guest Speaker/Instructor	300
Southland Conference	Certified athletic official	33,248
Southland Football League	Certified athletic official	19,783
Spine Specialists	Medical	1,254
St Luke's Episcopal Hospital	Medical	461
Stan Sisco	Guest Speaker/Instructor	750
Stanley H. Huntsman	Certified athletic official	100
State of Michigan	Guest Speaker/Instructor	95
State Office of Risk Mgmt	Risk management Consultant	6,653
Stephanie Watson	Guest Speaker/Instructor	155
Stephanie Winkelmann	Guest Performer	480
Stephen Burnaman	Guest Performer	175
Stephen D. Wood	Guest Performer	125
Stephen F. Davis	Guest Speaker/Instructor	607
Stephen Reynolds	Guest Speaker/Instructor	500

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE D-9  
 PROFESSIONAL/CONSULTING AND LEGAL SERVICE FEES  
 For the Year Ended August 31, 1999

<u>Name</u>	<u>Type of Service Rendered</u>	<u>Amount</u>
Steve Brown	Guest Performer	1,330
Steven C. Dickhaut, MD	Medical	61
Steven L. Cobb	Guest Speaker/Instructor	230
Sue Ann Robinson	Guest Speaker/Instructor	200
Sunwest Training Corp	Guest Speaker/Instructor	2,133
Susan Hull	Guest Speaker/Instructor	220
SWLOA	Certified athletic official	943
Sylvia Cartwright	Guest Speaker/Instructor	300
T. Lynn Warthan, MD	Medical	145
Tahna Cody	Guest Speaker/Instructor	300
Tales and Scales	Guest Performer	5,000
Tammie Friberg	Guest Performer	349
Tammy McKinnon	Guest Speaker/Instructor	275
Tanya L. Holden	Guest Speaker/Instructor	89
Ted Thompson	Guest Speaker/Instructor	200
Ted W. Ledet, MD	Medical	235
Teresa Radl	Medical Reimbursement	60
Teresa Yarberry	Guest Speaker/Instructor	84
Terry E. Hix	Certified athletic official	204
Terry Wunderlich	Certified athletic official	187
Texas Department of Health	Guest Speaker/Instructor	119
Texas School for the Blind and Visually Impaired	Guest Speaker/Instructor	170
Texas Veterinary medical	Medical	864
The Halftime Shop	Guest Artist	800
The Have Nots	Guest Performer	1,440
The Kennedy Center	Guest Performer	5,200
The Lab	Medical	2,086
The New Theatre TNT	Guest Performer	3,530
The Smith Agency	Guest Performer	1,000
Theatre IV	Guest Performer	4,300
Theatre Works USA	Guest Performer	3,300
Theresa E. Anderson	Guest Performer	891
Theresa McMurray	Guest Speaker/Instructor	100
Thomas Whitehead	Certified athletic official	172
Thu Carey	Guest Artist	175
Tim Gangwer	Guest Speaker/Instructor	300
Timothy McGee	Guest Speaker/Instructor	3,495
Todd Hale	Guest Performer	150
Todd Springfield	Guest Speaker/Instructor	150
Tom Houston	Guest Performer	450
Tom Roberts	Guest Speaker/Instructor	397
Tonu Kalam	Guest Performer	1,200
Tonya Harden	Guest Speaker/Instructor	320
Tracey Johnson	Guest Performer	340
Tracy Honn	Guest Speaker/Instructor	200
Tracy Schupp	Medical Reimbursement	19
Travis Almany	Guest Performer	268
Troy Travis	Certified athletic official	140
Univ Drive Health Center	Medical	1,520
Univ of Texas Medical Branch	Grant Oversight	2,233
University of North Texas	Guest Performer	5,500
UTMB PMCH	Grant Co-investigator	6,020
Vanessa Mason	Guest Speaker/Instructor	150
Vanishing Arts	Guest Performer	2,400
Vernessa Gentry	Guest Speaker/Instructor	241

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SCHEDULE D-9  
 PROFESSIONAL/CONSULTING AND LEGAL SERVICE FEES  
 For the Year Ended August 31, 1999

<u>Name</u>	<u>Type of Service Rendered</u>	<u>Amount</u>
Virginia Wallace	Guest Speaker/Instructor	300
W. C. Smith	Guest Speaker/Instructor	126
W. K. Waters	SACS Consultant	1,200
Wade Eggers	Guest Speaker/Instructor	93
Ward Animal Hospital	Veterinary Services	1,439
Wax 'N More	Guest Performer	2,099
Wayman Chin	Guest Speaker/Instructor	200
Wesley Bates	Guest Speaker/Instructor	250
Wesley Beal	Guest Performer	97
Will Jennings	Guest Artist	1,000
Will Kirkpatrick	Guest Speaker/Instructor	581
William Bootz	Tenure Evaluator	100
William Brown	Certified athletic official	190
William C Siegel	Guest Speaker/Instructor	2,160
William E. Gandy, DDS	Medical	4,978
William G. Rose	Guest Performer	303
William Glenn Bruner	Guest Speaker/Instructor	259
William H. Laufer	Guest Speaker/Instructor	200
William Hoel	Guest Performer	548
William J Lyon & Associates	Appraisal services	2,000
William Purkey	Guest Speaker/Instructor	3,732
William Tolar	Guest Speaker/Instructor	333
William Vermeulen	Guest Speaker/Instructor	500
Wilma Jones	Guest Speaker/Instructor	300
Yuri Mazurkevich	Guest Performer	400
Yvonne Gonzales	Guest Performer	504
Zeleskey Cornelius Hallmark	Mediation services	700
Zenobia Leyva-Martinez	Guest Performer	305
Total Professional/Consulting Fees		<u>1,184,573</u>
Legal Service Fees		
Proprietary Rights	Legal	<u>980</u>
Total Legal Service Fees		<u>980</u>
Total Professional/Consulting and Legal Service Fees		<u>\$ 1,185,553</u>

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SUPPLEMENTARY INFORMATION  
 BONDED EMPLOYEES  
 For the Year Ended August 31, 1999

**Bonded Employees**

Commissioned peace officers bonded at \$1000 each  
 Purchased Blanket Faithful Performance Bond from  
 Old Republic Surety Company

Jason Armstrong	Police Officer 1
William E. Boone	Sergeant
Suzanne Carpenter	Police Officer 2
James E. Fincher	Police Officer 1
William A. Hill	Chief of Police
Keith Hoechten	Police Officer 2
Terry L. Masten	Sergeant
Lawrence C. Murphy	Police Officer 1
Jeremy B. Perry	Police Officer 1
Robert A. Putzke	Assistant Chief of Police
John A. Ragland	Sergeant
Christopher Rivers	Police Officer 1
Kenneth E. Ross	Police Officer 2
Manuel L. Sanders	Sergeant
Angela L. Scroggins	Police Officer 1
Timothy Ray Dugger	Police Officer 1
Billy Saxton	Police Officer 1
Nathan L. Svehla	Police Officer 2
Joann Thacker	Police Officer 2
Hilton Poindexter	Police Officer 1

Blanket Employee Dishonesty Bond

Coverage at \$50,000 per loss or occurrence

The employee definition includes students and is broken down by employee classification and quantity:

Regents and Officers	16
Employees who handle money or maintain records of money	125
All other employees	2830

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SUPPLEMENTARY INFORMATION  
 SPACE OCCUPIED  
 For the Year Ended August 31, 1999

Building No.	Building Name	Date Est	Square Feet
101	Stephen F. Austin Administration	1924	41,572
102	Thomas J. Rusk	1926	42,228
103	Chemistry	1938	26,829
104	Physical Plant	1951	21,680
106	Forestry Laboratories	1949	9,342
108	A. W. Birdwell	1955	32,925
109	L.E. Griffith Fine Arts	1959	63,355
110	Military Science	1965	5,552
113	Agriculture Mechanics Shop	1963	9,200
114	Shelton Gym	1950	28,264
117	Mechanical Plant 1	1949	5,550
120	Kennedy Auditorium	1968	13,546
121	E. L. Miller Science	1968	140,614
122	T.E. Ferguson Liberal Arts	1969	75,000
123	Human Sciences	1970	18,592
124	Music Building	1970	59,105
125	Biology Greenhouse	1970	4,500
131	Art	1982	33,110
132	Art Studio	1972	14,550
133	President's Home	1957	4,626
134	Swimming Pool Bath House	1946	1,640
136	Paul L. Boynton	1957	41,703
137	Forestry Building	1970	51,695
138	Purchasing and Central Stores	1963	25,251
139	Stone Fort	1936	5,060
140	Chemistry Storage	1961	400
146	R. W. Steen Library	1973	237,044
147	Lucille Norton HPE Complex	1974	113,293
148	R.E. McGee Business	1974	89,569
149	Robert T. McKibben Education	1974	89,569
151	Mechanical Plant 2	1973	6,481
152	Early Childhood Laboratory	1975	31,469
153	University Police	1976	6,088
154	Agriculture	1977	23,009
155	Mechanical for Agriculture	1977	495
157	Agriculture Greenhouse 1	1977	5,200
158	Human Sciences South	1981	11,020
159	Geology Annex	1981	1,344
160	Forestry Greenhouse	1982	6,016
161	Nursing and Math	1983	70,177
162	Liberal Arts North	1984	55,517
163	Motor Pool	1984	13,500
164	Agriculture Greenhouse 2	1982	2,688
165	Agriculture Headhouse	1982	1,600
166	Agriculture Lath House	1982	2,400
167	Visitor Information Center	1984	140
168	Geographic Information Systems Center	1986	2,665
169	Observatory	1978	1,500

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SUPPLEMENTARY INFORMATION  
 SPACE OCCUPIED  
 For the Year Ended August 31, 1999

<u>Building No.</u>	<u>Building Name</u>	<u>Date Est</u>	<u>Square Feet</u>
170	Large Dome	1976	500
171	Small Dome	1976	144
172	Intramural Restroom	1987	925
173	Agriculture Science Center	1990	17,950
174	Drivers Education Annex	1969	980
175	Science Storage	1981	1,200
176	Music Annex East	1991	1,120
177	Music Annex West	1991	1,120
178	Grounds Storage	1991	3,100
180	SFA Theater	1995	9,836
182	Science Research Center	1984	34,189
183	Mound Street Property	1949	9,522
801	Temple-Eastex Forestry Laboratory	1986	23,973
810	Dairy Farm Manager Residence	1962	1,279
811	Dairy Hay and Feed Barn	1964	5,720
812	Dairy Calf Barn	1962	1,400
813	Dairy Hay Barn	1962	3,000
814	Farm No. 2 Hay Feeding Rack	1962	60
815	Dairy Implement Shed	1962	1,800
816	Dairy Milking Parlor	1958	702
820	Beef Farm Residence 1	1969	1,260
821	Beef Livestock Barn	1969	6,000
822	Beef Hay Barn	1969	2,808
823	Beef Implement and Repair Shed	1969	3,150
824	Beef Farm Residence 2	1987	1,131
825	Beef Farm Residence 3	1996	2,100
	Total Gross E&G Space		<u>1,681,642</u>
	E&G Net Assignable Square Feet:		
	Teaching Space		532,302
	Library Space		212,345
	Research Space		21,346
	Office Space		207,129
	Support Space		45,147
	Total E&G Net Assignable Square Feet		<u>1,018,269</u>
	Cost Per Square Foot (net assignable sq. ft.)	\$	7.76
	Cost Per Month (net assignable sq. ft.)	\$	0.65
	Annual Cost (net assignable sq. ft.)	\$	8,042,641

STEPHEN F. AUSTIN STATE UNIVERSITY  
 SUPPLEMENTARY INFORMATION  
 VEHICLE PURCHASES  
 For the Year Ended August 31, 1999

Make	Model	Purchase Price	Assigned Use	Manufacturer's Fuel Efficiency Rating
Dodge	PK : Ram Diesel	21,396.00	Service	NOT RATED-diesel 3/4 ton
Ford	TSE : Taurus	15,082.00	* Recruiting	20 / 28
Ford	TSE : Taurus	15,082.00	* Recruiting	20 / 28
Ford	TSE : Taurus	15,082.00	* Recruiting	20 / 28
Ford	TSE : Taurus	15,082.00	* Recruiting	20 / 28
Ford	LXC : Contour	15,082.00	* Recruiting	23 / 31
Jeep	4D : Cherokee 4x4	21,076.21	Research	16 / 22
Chevy	PK : Full size 4WD	26,549.63	Research	15 / 19
Chevy	EXP : 15-pass Van	21,276.00	Service	NOT RATED-large capacity vehicle
Ford	TAX : Taurus	15,082.00	Rental Fleet	20 / 28
Ford	TSE : Taurus	15,082.00	Rental Fleet	20 / 28
Ford	TSE : Taurus	15,082.00	Rental Fleet	20 / 28
Ford	TSE : Taurus	14,965.00	Rental Fleet	20 / 28
Bluebird	BUS : 36-pass	175,000.00	* Rental Fleet	NOT RATED-large capacity vehicle
Chevy	EXP : 8-pass Van	18,368.00	Rental Fleet	14 / 17
GMC	CHASSIS : w/20yd rear loader	73,531.00	Service	NOT RATED- modified vehicle
Ford	VAN : 15-pass LPG	24,535.00	Rental Fleet	NOT RATED-large capacity vehicle
Ford	VAN : 15-pass LPG	24,535.00	Rental Fleet	NOT RATED-large capacity vehicle
Chevy	L/S : Lumina	13,413.17	Police Unmarked	20 / 29
Chevy	L/S : Lumina	13,413.17	Police Unmarked	20 / 29
Ford	CVP : Crown Vic Police Interceptor	19,838.00	Police Vehicle	16 / 22
Ford	CVP : Crown Vic Police Interceptor	19,838.00	Police Vehicle	16 / 22
Ford	CVP : Crown Vic Police Interceptor	20,359.00	Police Vehicle	16 / 22
Ford	CVP : Crown Vic Police Interceptor	20,359.00	Police Vehicle	16 / 22

\* Denotes principle value of vehicles purchased through lease-purchase



STEPHEN F. AUSTIN STATE UNIVERSITY  
SUPPLEMENTARY INFORMATION  
OTHER SUPPLEMENTARY INFORMATION  
For the Year Ended August 31, 1999

**STATE OWNED AIRCRAFT**

NONE

**EXCEPTION LETTERS**

NONE

**INDIRECT COSTS**

NOT APPLICABLE TO HIGHER EDUCATION

STEPHEN F. AUSTIN STATE UNIVERSITY  
 RECONCILIATION OF LEGISLATIVE APPROPRIATIONS IN GENERAL REVENUE  
 For the Year Ended August 31, 1999

Reconciliation of Legislative Appropriations in General Revenue  
 Higher Ed - FY 99 Worksheet

Agency (#, Name) 755 - Stephen F. Austin State University

This completed worksheet is required to be attached to the GR Certification Form and include all NACUBO Subfunds with GR Activity.  
 Calculation I

	Amount per Source (queries, PY rpt, etc.)	Adjustment	Adj. Note AFR Ref.	Amount as Adjusted	Report	Column
From AFR as adjusted - 98 Balance Sheet:						
Legislative Appropriations (PY ending asset balance)	5,853,449.64			5,853,449.64	98 audited AFR	
From Adhoc Reports - FY 99 Data:						
HEAF Appropriation (appn 13047), (per GAA - AY99)	6,468,273.00		Exh C	6,468,273.00	227	1
Committed Legislative Appropriation Revenue (GAA MOF - AY99)	32,743,170.00			32,743,170.00	221A	2
Additional Legislative Appn Revenue: (payroll, misc., & pmt on behalf)						
Payroll Related Revenue:						
OASI Appropriation (amt expensed, appn 91142, BT 15,16,17)	2,270,493.68			2,270,493.68	226	2
BRP Appropriation (Should be zero, appn 23102)					62 screen	
ORP Appropriation (amt expensed, appn 97646, BT 15,16,17)	911,191.17			911,191.17	226	2
Self Insured GIP allocation (A&M & UT appn 95002)					223	2
\$100 per month Salary Increase (appn 25195, BT 15,16,17)	507,156.00			507,156.00	62 screen	
Misc. Revenue Adjustments for AFR: (list appn # and describe)						
a.						
b.						
Payments on behalf of University: (agency noted will provide data)						
Retirement Contribution (Univ. will provide to TRS)	708,446.44			708,446.44		
Group Insurance Contribution (non-self insured) (ERS)	3,037,132.91			3,037,132.91		
Unemployment Contribution (TWC)	39,796.41			39,796.41		
Worker's Compensation (Risk Mgt)	107,948.77			107,948.77		
Total Additional Legislative Appn Revenue (lines 16 through 31)	7,582,165.38			7,582,165.38		
State Appropriations (revenue for AFR); (lines 13 + 32)	40,325,335.38		Exh C	40,325,335.38		
Appropriation Budget Transfers:						
Retirement Contribution Offset (appn 23034 net transfers)					223	1
System Office operation trsf						
Tuition Revenue Bonds from System Office						
Other Budget Transfers: (not itemized above), (list appn# & describe)						
a.			Exh B		223	4
b.			Exh B			
Payroll Related Costs (subtract out lines 28 thru 31)	(3,893,324.53)			(3,893,324.53)		
Committed Appropriations Lapsed (enter sign, same as query)					221A	7
Net Change in Cash (enter sign, same as query)	(42,017,846.72)			(42,017,846.72)	224	1
Restatements for Legislative Activity (comp obj 3897)						
Computed Leg Appn for Balance Sheet (asset balance 8/31) (based on begin bal +/- operating activity), (lines 9 + 12 + 34 - sum lines 36 thru 47)	6,735,886.77		Exh A	6,735,886.77		
Calculation II						
Legislative Appn Balance - at August 31	6,735,886.77			6,735,886.77	221A	8
OASI payable at 8-31 (appn 91142, BT 16,17)					62 screen	
GIP adjustment (appn 95002, BT 16,17)					62 screen	
BRP adjustment (appn 23102, BT 16,17)					62 screen	
ORP payable at 8-31 (appn 97646, BT 16,17)					62 screen	
Salary increase adjustment (appn 25195, BT 16,17)					62 screen	
Computed Leg Appn for Balance Sheet (asset balance 8/31) (based on ending balance as adjusted), (sum lines 54 thru 59)	6,735,886.77		Exh A	6,735,886.77		
Difference (Line 49 should equal line 60)						

Prepared by: Shelly Lackey  
 Reviewed by: Dora Fuselier  
 Queries run date: 9-10-99

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

LAW OFFICES

MC CALL, PARKHURST & HORTON L.L.P.

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**BOARD OF REGENTS OF STEPHEN F. AUSTIN STATE UNIVERSITY  
REVENUE FINANCING SYSTEM,  
TEXAS PUBLIC FINANCE AUTHORITY REVENUE BONDS, SERIES 2000  
\$7,000,000**

WE HAVE EXAMINED into the validity of the referenced issue of bonds (the "Bonds"), being issued by the Texas Public Finance Authority (the "Authority") on behalf of the Board of Regents (the "Board") of Stephen F. Austin State University (the "University"). The Bonds shall be dated March 1, 2000, numbered consecutively from R-1 upward, and shall bear interest from their date, until maturity or redemption prior to maturity, at the following rates per annum:

maturities 2003, 5.125%  
maturities 2004, 5.125%  
maturities 2005, 5.125%  
maturities 2006, 5.250%  
maturities 2007, 5.250%  
maturities 2008, 5.250%  
maturities 2009, 5.375%

payable on October 15, 2000, and semiannually thereafter on each April 15 and October 15 and with said Bonds maturing serially on October 15 in each of the years 2003 through 2009, inclusive. The Bonds are subject to redemption prior to maturity, on the dates and at the prices specified on the face of the Bonds, all in accordance with the resolutions of the Board authorizing the issuance of such Bonds (collectively, the "Bond Resolution"). Terms used herein and not otherwise defined shall have the meaning given in the Bond Resolution.

WE HAVE ACTED AS BOND COUNSEL for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and statutes of the State of Texas, and with respect to the exclusion of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. We have not been requested to investigate or verify, and have not investigated or verified, any records, data or other material relating to the financial condition or capabilities of the Authority, the Board or the University, and have not assumed any responsibility with respect thereto. We have relied solely on representations by officials of the Board or the University as to the availability and sufficiency of the Pledged Revenues of the Board.

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas, a transcript of certified proceedings of the Board relating to the authorization, issuance, sale, and delivery of the Bonds, including the Bond Resolution, certificates and opinions of officials of the Board, and other pertinent instruments relating to the issuance of the Bonds. We have also examined one of the executed Bonds which we found to be in due form and properly executed. We express no opinion with respect to any statement of insurance that may appear on the Bonds. Our role in connection with the Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the Bonds have been duly authorized, issued, and delivered in accordance with law; that, except as may be limited by laws applicable to the Authority or the Board relating to bankruptcy, reorganization, and other similar matters affecting creditors' rights, the covenants and provisions in the Bond Resolution constitute valid and legally binding special obligations of the Authority, issued on behalf of the Board; and that the Bonds constitute valid and legally binding special obligations secured by and payable from, a lien on and pledge of the Pledged Revenues, such lien on and pledge of the Pledged Revenues being subordinate only to the lien on and pledge of the Pledged Revenues securing the Outstanding Revenue Bonds.

THE REGISTERED OWNERS of the Bonds shall never have the right to demand payment thereof out of any funds raised or to be raised by taxation.

THE AUTHORITY AND THE BOARD have reserved the right, subject to the restrictions stated in the resolution authorizing the Bonds, to issue additional parity revenue bonds which also may be secured by and made payable from a first lien on and pledge of the aforesaid Pledged Revenues.

IN OUR OPINION, except as discussed below, the interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not "specified private activity bonds" and that accordingly, interest on the Bonds will not be included as an individual or corporate alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). In expressing the aforementioned opinions, we have relied on, and assume compliance by the Authority and the Board with, certain representations and covenants contained in the Resolution regarding the use and investment of the proceeds of the Bonds. We call your attention to the fact that failure by either the Authority or the Board to comply with such representations and covenants may cause the interest on the Bonds to become includable in gross income retroactively to the date of issuance of the Bonds.

WE CALL YOUR ATTENTION TO THE FACT that the interest on tax-exempt obligations, such as the Bonds, is (a) includable in a corporation's alternative minimum taxable income for purposes of determining the alternative minimum tax imposed on corporations by section 55 of the Code, (b) subject to the branch profits tax imposed on foreign corporations by section 884 of the Code and (c) included in the passive investment income of a Subchapter S corporation and subject to the tax imposed by section 1375 of the Code.

**WE EXPRESS NO OPINION** as to any other federal, state or local tax consequences of acquiring, carrying, owning or disposing of the Bonds, nor do we express any opinion with respect to any legislation affecting the Bonds which is enacted after the date of this opinion.

**Respectfully,**

APPENDIX D

SPECIMEN MUNICIPAL BOND INSURANCE POLICY



**FINANCIAL  
SECURITY  
ASSURANCE®**

**MUNICIPAL BOND  
INSURANCE POLICY**

ISSUER:

BONDS:

Policy No. \_\_\_\_\_

Effective Date: \_\_\_\_\_

Premium: \$ \_\_\_\_\_

FINANCIAL SECURITY ASSURANCE INC. ("Financial Security"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of Financial Security, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment on the Business Day next following the Business Day on which Financial Security shall have received Notice of Nonpayment, Financial Security will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by Financial Security, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in Financial Security. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 5:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by Financial Security is incomplete, it shall be deemed not to have been received by Financial Security for purposes of the preceding sentence and Financial Security shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, Financial Security shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by Financial Security hereunder. Payment by Financial Security to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of Financial Security under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless Financial Security shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment



made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or teleprinted notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to Financial Security which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

Financial Security may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to Financial Security pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to Financial Security and shall not be deemed received until received by both and (b) all payments required to be made by Financial Security under this Policy may be made directly by Financial Security or by the Insurer's Fiscal Agent on behalf of Financial Security. The Insurer's Fiscal Agent is the agent of Financial Security only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of Financial Security to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, Financial Security agrees not to assert and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud, whether acquired by subrogation, assignment or otherwise) to the extent that such rights and defenses may be available to Financial Security to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of Financial Security, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, FINANCIAL SECURITY ASSURANCE INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

[Countersignature]

FINANCIAL SECURITY ASSURANCE INC.

By \_\_\_\_\_

By \_\_\_\_\_  
Authorized Officer

A subsidiary of Financial Security Assurance Holdings Ltd.  
350 Park Avenue, New York, N.Y. 10022-6022

(212) 826-0100

Form 560NY (5/90)