

NOTES TO BASIC FINANCIAL STATEMENTS--Continued

OKLAHOMA STATE REGENTS FOR HIGHER EDUCATION

June 30, 2013

NOTE A--NATURE OF OPERATIONS--Continued

- professorships, lectureships and to provide scholarships for the Academic Scholar Program at constituent institutions.
- *Other assistance programs* involve providing certain two year colleges and regional universities with financial assistance. These programs are funded by state resources.

The State Regents also operate Oklahoma's telecommunication and information network, known as OneNet. OneNet electronically links public schools, vocational-technical schools, colleges and universities, courts, libraries and local, county, state, tribal and federal government agencies across the state. This network is funded from state resources and user fees.

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared as required by generally accepted accounting principles promulgated by the Governmental Accounting Standards Board ("GASB"). The State Regents has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board ("FASB") pronouncements and Accounting Principles Board ("APB") opinions issued on or before November 30, 1989, unless those pronouncements conflict with, or contradict, GASB pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

Reporting Entity: The accompanying financial statements include only the accounts for operations and activities directly supervised by the State Regents, including its principal offices and core operations and the Oklahoma College Assistance Program ("OCAP"), both located in Oklahoma City.

Basis of Presentation: The State Regents follow GASB Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments" and related pronouncements in the preparation of its financial statements. Under the provisions of the standard, the State Regents are considered a special-purpose government engaged in governmental and business-type activities and are thereby required to provide both government-wide statements and fund financial statements, along with required supplementary information (RSI) that includes management's discussion and analysis (MD&A). The financial statement presentation required by GASB Statement No. 34 and as modified by GASB Statement No. 63 and 65 provides a comprehensive, entity-wide perspective of the State Regents' assets, liabilities, net position, revenues, expenses, changes in net position and cash flows. The implementation of these standards reduced previously reported net position as of the beginning of the year-end June 30, 2013 by approximately \$27,000 to eliminate unamortized debt issuance costs.