



Sam Houston State University

Annual Financial Report



For the Fiscal Year Ended August 31, 2020

MEMBER THE TEXAS STATE UNIVERSITY SYSTEM



Alisa White

Sam Houston State University

MEMBER THE TEXAS STATE UNIVERSITY SYSTEM

OFFICE OF THE PRESIDENT

November 20, 2020

Honorable Greg Abbott, Governor
Honorable Glenn Hegar, State Comptroller
John McGeady, Assistant Director, Legislative Budget Board
Lisa R. Collier, First Assistant State Auditor

Ladies and Gentlemen:

We are pleased to submit the Annual Financial Report of Sam Houston State University for the year ended August 31, 2020, in compliance with TEX.GOV'T CODE ANN §2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts.

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

If you have any questions, please contact Amanda Withers, Controller, at (936) 294-2289.

Sincerely,

Dr. Alisa White
President

Annual Financial Report

for the fiscal year ended August 31, 2020

for

**Sam Houston
State University**
Huntsville, TX

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Sam Houston State University

MEMBER THE TEXAS STATE UNIVERSITY SYSTEM

CONTROLLER'S OFFICE

November 20, 2020

Dr. Alisa White, President
Sam Houston State University
Huntsville, Texas 77341

Dear Dr. White:

Submitted herein is the Annual Financial Report of Sam Houston State University for the fiscal year ended August 31, 2020.

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 Annual Financial Report will be audited by the State Auditor as part of the audit of the Statewide 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 Amanda Withers, Controller, at (936) 294-2289.

Respectfully submitted,

Amanda Withers, MBA, CPA
Controller

Jennifer Jones, CPA
Associate Controller

Approved:

J. Carlos Hernandez, EdD, CPA
Vice President for Finance and Operations

**BOARD OF REGENTS
TEXAS STATE UNIVERSITY SYSTEM
August 31, 2020**

<u>Member</u>	<u>Member's City (Texas)</u>	<u>Term Expiration</u>
William F. Scott, Chairman	Nederland	2025
David Montagne, Vice Chairman	Beaumont	2021
Charlie Amato	San Antonio	2025
Duke Austin	Houston	2023
Garry Crain	The Hills	2023
Dr. Veronica Muzquiz Edwards	San Antonio	2021
Don Flores	El Paso	2025
Nicki Harle	Baird	2023
Alan L. Tinsley	Madisonville	2021
Amanda Lee, Student Regent	Huntsville	2021

**SENIOR ADMINISTRATIVE OFFICIALS
TEXAS STATE UNIVERSITY SYSTEM**

Dr. Brian McCall, Ph.D.	Chancellor
Dr. John Hayek	Vice Chancellor for Academic and Health Affairs
Dr. Fernando Gomez	Vice Chancellor and General Counsel
Sean Cunningham, JD	Vice Chancellor for Governmental Relations
Daniel Harper, MBA	Vice Chancellor and Chief Financial Officer
Mike Wintemute	Deputy Vice Chancellor for Marketing and Communication
Carole Fox, CPA	Chief Audit Executive

**ADMINISTRATIVE OFFICIALS
SAM HOUSTON STATE UNIVERSITY**

PRESIDENT

Alisa White, Ph.D.

FISCAL OFFICE

J. Carlos Hernandez, EdD, CPA	Vice President for Finance and Operations
Amanda Withers, MBA, CPA	Controller

Sam Houston State University

Management's Discussion and Analysis

Sam Houston State University

Management's Discussion and Analysis *For the Year Ended August 31, 2020*

INTRODUCTION

The following Management's Discussion and Analysis (MD&A) section of Sam Houston State University ("SHSU") annual financial report has been prepared to provide an overview of the activities and the financial performance of SHSU for the fiscal year ended August 31, 2020. This presentation is intended to offer a summary of significant current year activities, resulting changes, and currently known economic conditions and facts. This analysis should be read in conjunction with SHSU's basic financial statements and the notes to the financial statements.

BACKGROUND

Home to over 20,000 students, SHSU is located in Huntsville, Texas, which is located 70 miles north of Houston, Texas and 170 miles south of Dallas, Texas on Interstate 45. For more than 140 years, SHSU has been preparing students for meaningful lives of achievement. Named for Sam Houston, Texas' greatest hero, SHSU continually strives to honor its historical roots through academic excellence. While embracing its legacy, SHSU also strives to meet the needs of contemporary students, both traditional and online. SHSU offers over 80 bachelor's degree programs, more than 55 master's degree programs, and 11 doctoral programs, including nationally-recognized programs in Business, Fine Arts, Education, Mathematics, and Criminal Justice. SHSU is classified as a "Doctoral Research University" by the Carnegie Commission on Higher Education and was recently recognized by U. S. News and World Report for being among the best in the country for online graduate programs. In addition, the Carnegie Commission on Higher Education classified SHSU as a "Community Engaged" university. This honor has been awarded to 119 U.S. colleges and universities, and acknowledges the university's significant commitment to serving the community. SHSU is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools.

SHSU is part of the Texas State University System (TSUS). TSUS was founded in 1911 and is the first higher education system established in Texas. Beginning as an administrative means to consolidate the support and management of state teacher colleges, TSUS has evolved into a network of higher education institutions stretching from the Texas-Louisiana border to the Big Bend region of west Texas. Today, eight component institutions offer a broad range of academic and career opportunities. Those eight institutions are located throughout the State and include Lamar University, Sam Houston State University, Sul Ross State University, Texas State University, Lamar Institute of Technology, Lamar State College-Orange, Lamar State College-Port Arthur, and Sul Ross State University Rio Grande College.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements for fiscal year 2020 have been prepared in accordance with accounting pronouncements promulgated by the Governmental Accounting Standards Board (GASB). Additionally, these statements conform to reporting requirements of the Texas Comptroller of Public Accounts and to guidelines issued by the National Association of College and University Business Officers. GASB requires SHSU to include three financial statements in the annual financial report. They are (1) the Statement of Net Position; (2) the Statement of Revenues, Expenses, and Changes in Net Position; and (3) the Statement of Cash Flows. The information contained in the financial statements of SHSU is part of and included within TSUS which is included in the State of Texas's Comprehensive Annual Financial Report.

The financial statements of SHSU are presented for the fiscal year ended August 31, 2020. The format of the Texas statewide financial statements presents a comprehensive perspective of the State's financial activities. The State's activities are divided into three types for presentation in the primary financial

Sam Houston State University

Management's Discussion and Analysis For the Year Ended August 31, 2020

statements. They are Governmental Activities, Business-type Activities, and Component Units. The financial operations of SHSU are considered a business-type activity because SHSU charges a fee, in the form of tuition, to customers in order to pay for a significant percentage of the cost of the services provided. Under this classification, SHSU financial statements conform to the guidelines and presentation formats prescribed for proprietary funds; revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of when cash is exchanged.

Statement of Net Position

The first schedule presented is the Statement of Net Position. The statement reflects SHSU's financial position as of the conclusion of the fiscal year. This is a point in time financial presentation and presents a snapshot view of the financial status as of August 31, 2020. Assets and liabilities are presented as either current or non-current to provide an indication of their anticipated liquidation. Net position is equal to total assets plus deferred outflows of resources less total liabilities plus deferred inflows of resources. Net position is divided into three major categories. The first, net investment in capital assets, provides SHSU's equity in property, plant, and equipment owned by SHSU. The restricted net position category is subdivided into nonexpendable and expendable classifications. Restricted non-expendable net position consists solely of SHSU's permanent endowment funds and is only available for investment purposes. Restricted expendable net position is available for expenditure by SHSU, but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final major category, unrestricted net position, is available to SHSU for any lawful purpose, but may have significant constraints on resources, which are imposed by management or implied by statutes or regulations, but can be removed or modified. Additional net position balances are reserved for specific purposes by nature of their origin.

The Statement of Net Position presents information on all of SHSU's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of SHSU is improving or deteriorating. Other non-financial factors, such as SHSU's enrollment and the condition of SHSU's infrastructure, need to be considered in order to assess the overall health of SHSU.

Statement of Revenues, Expenses, and Changes in Net Position

The next statement comprising the primary financial statements is the Statement of Revenues, Expenses, and Changes in Net Position. This schedule identifies operating and non-operating revenues received by SHSU. Additionally, both the operating and non-operating expenses incurred by SHSU during the fiscal year are displayed. Finally, any other gains and losses or other forms of revenue and expenses are reported. The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how SHSU's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Revenues and expenses are classified as either operating or non-operating in the financial statements. Operating revenues are received and recognized as a result of providing services. Tuition and fee revenues are reported net of any scholarship discounts and allowances. A scholarship allowance is the difference between the stated charge for services provided by SHSU and the amount that is paid by the student or third parties making payments on behalf of the student. Funds received to satisfy student tuition and fee charges are reported as revenue only once. Institutional resources provided to students as financial aid are reported as a scholarship allowance in amounts up to and equal to amounts owed by the students to SHSU. Operating expenses are the costs necessary to provide services to customers and to fulfill the mission of

Sam Houston State University

Management's Discussion and Analysis For the Year Ended August 31, 2020

SHSU. Operating expenses are displayed in the statement using the natural method of presentation, which displays operating expenses in a manner that categorizes the objects of expenditure within various cost centers. Non-operating revenues are those received for which no services are directly provided. State appropriations are classified as non-operating revenue because they are provided by the Legislature to SHSU without the Legislature directly receiving goods or services for those revenues. Additionally, certain federal resources for student financial aid, as well as most gift revenue, are classified as non-operating revenue. Significant portions of SHSU's recurring resources are classified as non-operating.

Statement of Cash Flows

The third primary statement included in the financial statements is the Statement of Cash Flows. This schedule explains the change during the fiscal year in cash and cash equivalents, regardless of whether there are restriction on their use. The Statement of Cash Flows should be used in conjunction with related disclosures and information in the other financial statements. The statement can provide relevant information about an entity, such as the ability to generate future net cash flows, the ability to meet obligations when due, or reasons for differences between operating income and associated cash receipts and payments. The statement is comprised of five sections. The first section recognizes the cash flows from operating activities as well as the net cash used by operating activities. The second section identifies the cash flows from non-capital financing activities. The third section reflects the cash flows from capital and related financing activities. The next section details the cash flows from investing activities. The final section reconciles net cash used to the operating loss or income reflected on the Statement of Revenues, Expenses, and Changes in Net Position.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes are the last section of the basic financial statements.

FINANCIAL HIGHLIGHTS

Statement of Net Position

- Investments in capital asset additions were \$72 million, of which \$63.5 million consisted of new projects in progress.
- Building Projects placed into service in 2020 include:
 - Life Sciences Building, \$56 million
 - East Plant Infrastructure, \$6 million
 - HVAC renovation on ABIII, \$2.3 million
- Payroll liability increased \$2.7 million in relation to the CARES Act Payroll Tax Deferrals.

Sam Houston State University

Management's Discussion and Analysis For the Year Ended August 31, 2020

The following table reflects the condensed Statement of Net Position:

Condensed Statement of Net Position			
As of August 31			
	2020	2019	
ASSETS			
Current Assets			
Cash and Cash Equivalents	109,223,118.33	90,076,174.06	
Restricted current assets	9,292,633.81	2,497,175.70	
Short Term Investments	12,775,127.29	12,323,076.55	
Legislative Appropriations	23,806,217.12	23,651,417.74	
Receivables	51,372,722.07	51,680,460.00	
Other Current Assets	31,093,513.14	32,204,065.80	
Total Current Assets	237,563,331.76	212,432,369.85	
Non-Current Assets			
Investments	195,121,923.23	182,262,364.01	
Gifts, Pledges and Donations	1,646,266.04	2,118,810.61	
Capital Assets	641,477,985.70	601,626,725.54	
Total Non-Current Assets	838,246,174.97	786,007,900.16	
Total Assets	1,075,809,506.73	998,440,270.01	
LIABILITIES			
Current Liabilities			
Payables	13,159,587.34	17,049,209.72	
Unearned Revenues	129,690,056.96	126,494,544.60	
Other Current Liabilities	9,169,058.04	7,470,058.53	
Total Current Liabilities	152,018,702.34	151,013,812.85	
Non-Current Liabilities	4,184,338.11	4,393,645.35	
Total Liabilities	156,203,040.45	155,407,458.20	
NET POSITION			
Invested in Capital Assets, Net of Related Debt	641,477,985.70	601,626,725.54	
Restricted For			
Capital Projects	7,896,776.23	2,662,314.98	
Funds Held As Permanent Investments:			
Non-Expendable	92,192,455.76	88,684,759.11	
Expendable	37,642,600.77	31,711,031.77	
Other	22,469,578.22	18,349,070.67	
Unrestricted	117,927,069.60	99,998,909.74	
Total Net Position	919,606,466.28	843,032,811.81	

Total assets increased by \$76 million or 9%. This is consistent with the prior year increase from FY 2018 to FY 2019 of 10%. Capital assets net of depreciation and funds restricted for capital projects represent 59% of the increase. This is reflective of SHSU's continued investment into campus facilities.

Sam Houston State University

Management's Discussion and Analysis For the Year Ended August 31, 2020

Statement of Revenues, Expenses, and Changes in Net Position

- SHSU received \$21.3 million of CARES Act funding as disclosed in Note 1.
- Auxiliary enterprises realized a decline in revenue. This is due to an institutional decision to refund spring dining, housing, and parking charges to eligible students because of the global pandemic (COVID-19). Institutional CARES funds were used to recapture part of this lost revenue.
- In fall 2020, SHSU welcomed their first class of 75 students into the College of Osteopathic Medicine. As this new college is brought online, there has been and will continue to be an increase in instruction expenditures.
 - ❖ The College of Osteopathic medicine also operates a clinic located in Conroe, Texas. The expenditures related to this are reported in the clinic line of operating expenses. Associated revenues are reported in the auxiliary revenue line.
- Because of favorable market conditions, SHSU had a total increase in fair market value of \$9.4 million.
- During FY 20, SHSU settled a large property claim related to Hurricane Harvey.

The following table reflects the condensed Statement of Revenues, Expenses, and Changes in Net Position:

	2020	2019
Operating Revenues:		
Tuition and Fees – Net	169,592,538.72	165,358,085.67
Auxiliary Enterprise – Pledged	31,107,632.68	37,279,085.37
Other Operating Revenues	60,233,231.27	41,770,066.06
Total Operating Revenues	260,933,402.67	244,407,237.10
Operating Expenses:		
Instruction	108,463,706.71	103,061,985.32
Research	9,523,183.11	9,000,748.44
Public Service	13,038,627.62	12,353,689.18
Clinic	1,177,024.69	17,814.08
Academic Support	45,154,761.92	46,042,231.94
Student Services	30,179,825.63	28,939,982.65
Institutional Support	26,389,451.06	22,528,285.55
Operation and Maintenance of Plant	23,162,096.66	23,059,240.34
Scholarships and Fellowships	35,325,146.24	30,981,653.34
Auxiliary	45,617,552.85	48,433,381.78
Depreciation & Amortization	33,165,313.42	29,545,339.54
Total Operating Expenses	371,196,689.91	353,964,352.16
Operating Income (Loss)	(110,263,287.24)	(109,557,115.06)
Nonoperating (Revenues) Expenses:		
Legislative Revenue and Appropriations	74,980,335.68	71,685,627.16
Federal Revenue	36,847,290.59	38,994,372.13
Other Nonoperating Revenue (Expenses) - Net	19,433,209.40	2,594,350.81
Total Nonoperating Revenues (Expenses)	131,260,835.67	113,274,350.10
Income (Loss) before Capital Contributions, Endowments and Transfers	20,997,548.43	3,717,235.04
Capital Contributions, Endowments and Transfers	53,581,919.33	74,494,707.58
Change in Net Position	74,579,467.76	78,211,942.62
Beginning Net Position, September 1	843,032,811.81	764,820,869.19
Restatements	1,994,186.71	0.00
Total Net Position, September 1, as Restated	845,026,998.52	764,820,869.19
Total Net Position, August 31	919,606,466.28	843,032,811.81

Sam Houston State University

Management's Discussion and Analysis *For the Year Ended August 31, 2020*

During the 2020 fiscal year, SHSU recognized operating revenues of \$260 million and operating expenses of \$371 million. After recognizing nonoperating activities and other gains and losses, SHSU realized a net increase in net position of \$74 million. The disparity between operating revenues and expenses results from legislative appropriations which are utilized to help subsidize public State universities. Legislative appropriations were \$74 million or 20% of operating expenses.

CAPITAL ASSETS

As fundamental as instruction and research are to SHSU, these endeavors cannot take place without the land, buildings, facilities, equipment, and information technology infrastructure needed to support them. Sustaining these assets requires a significant investment in renovations, improvements, expansion, and maintenance. The goal of expending resources for these investments is achieving a safe, modern, and efficient campus environment that is conducive to learning, teaching, research, and community service. SHSU remains focused on its continuing efforts to implement long-range capital plans.

At the end of the 2020 fiscal year, SHSU had \$641 million of capital assets, net of accumulated depreciation and amortization. These assets included land, buildings, infrastructure and improvements, furniture and equipment, library books, computer systems software, and works of art. Several major capital construction projects are in various stages of completion, and the cumulative investment in these assets is reported as construction in progress. As required by GASB reporting standards, SHSU reports accumulated depreciation and amortization on its capital assets. Additionally, SHSU recognizes a current year charge for depreciation and amortization expense.

DEBT ADMINISTRATION

SHSU engages in the prudent use of debt to finance capital projects as a means of maximizing the management of financial and physical resources. To date, TSUS has issued debt on behalf of SHSU, which is not included within SHSU's financial statements. A portion of TSUS's debt service is funded by biennial State appropriations. SHSU has no debt outstanding.

CONTACTING SHSU's FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of SHSU's finances. Questions concerning this report or requests for additional financial information should be directed to Amanda Withers; Controller, Finance Office; Sam Houston State University; PO BOX 2183; Huntsville, TX 77341; Phone: 936.294.2289. General Information about SHSU may be found on the website: www.SHSU.edu.

Sam Houston State University

Proprietary Fund Financial Statements

Texas State University System
Sam Houston State University
Statement of Net Position
August 31, 2020

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents: (Note 3)		
Cash on Hand (Including Petty Cash)	\$ 16,541.00	\$ 16,261.00
Cash in Bank	4,343,028.11	3,681,846.96
Cash in Transit/Reimburse from Treasury	1,422,328.56	1,100,368.59
Cash in State Treasury (Schedule 3)	24,729,296.43	18,089,905.47
Cash Equivalents	78,711,924.23	67,187,792.04
Restricted:		
Cash and Cash Equivalents: (Note 3)		
Cash in Bank	98,252.91	144,590.57
Cash Equivalents	9,194,380.90	2,352,585.13
Short Term Investments (Note 3)	12,775,127.29	12,323,076.55
Legislative Appropriations	23,806,217.12	23,651,417.74
Receivables:		
Federal	5,609,823.05	2,535,798.80
Other Intergovernmental	-	175,248.23
Interest	-	1,611.56
Accounts - Tuition	52,460,484.16	52,759,597.37
Allowance Accounts	(12,457,887.66)	(11,052,749.56)
Other	4,807,974.41	7,260,953.60
Due From Other Agencies (Note 12)	952,328.11	765,368.08
Merchandise Inventories	371,796.46	337,088.61
Prepaid Items	115,391.48	300,076.88
Loans and Contracts	14,613,426.70	14,255,485.80
Other Current Assets	15,992,898.50	16,546,046.43
Total Current Assets	<u>\$ 237,563,331.76</u>	<u>\$ 212,432,369.85</u>
Non-Current Assets:		
Restricted:		
Investments (Note 3)	\$ 130,722,189.99	\$ 121,047,017.00
Investments (Note 3)	64,399,733.24	61,215,347.01
Receivables:		
Gifts/Pledges	1,646,266.04	2,118,810.61
Capital Assets: (Note 2)		
Non-Depreciable or Non-Amortizable		
Land and Land Improvements	47,257,703.46	46,197,472.61
Construction in Progress	219,513,783.90	237,514,039.20
Other Capital Assets	1,891,665.55	1,536,665.55

Texas State University System
Sam Houston State University
Statement of Net Position
August 31, 2020

	<u>2020</u>	<u>2019</u>
Depreciable or Amortizable		
Buildings and Building Improvements	617,557,964.67	547,775,982.67
Less Accumulated Depreciation	(314,062,787.27)	(288,015,801.34)
Infrastructure	37,711,183.21	27,711,747.28
Less Accumulated Depreciation	(11,786,894.44)	(10,362,923.08)
Facilities and Other Improvements	44,308,245.09	40,150,703.19
Less Accumulated Depreciation	(18,409,315.33)	(16,925,946.83)
Furniture and Equipment	46,060,070.18	42,989,372.09
Less Accumulated Depreciation	(32,882,633.51)	(31,442,958.83)
Vehicles, Boats, and Aircraft	5,778,101.53	5,403,979.94
Less Accumulated Depreciation	(4,605,417.13)	(4,336,350.48)
Computer Software - Intangible	3,243,398.02	3,243,398.02
Less Accumulated Amortization	(3,243,398.02)	(3,243,398.02)
Other Capital Assets	12,084,590.36	13,484,857.90
Less Accumulated Depreciation	(8,938,274.57)	(10,054,114.33)
Total Non-Current Assets	<u>\$ 838,246,174.97</u>	<u>\$ 786,007,900.16</u>
Total Assets	<u>\$ 1,075,809,506.73</u>	<u>\$ 998,440,270.01</u>
 DEFERRED OUTFLOWS OF RESOURCES		
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>
 LIABILITIES		
Current Liabilities:		
Payables from:		
Accounts Payable	\$ 5,998,887.71	\$ 13,158,195.76
Payroll Payable	5,564,761.28	3,000,972.21
Due to Other Agencies (Note 12)	1,595,938.35	890,041.75
Unearned Revenues	129,690,056.96	126,494,544.60
Employees' Compensable Leave (Note 5)	4,646,249.17	3,905,893.23
Funds Held for Others	3,438,089.98	3,564,165.30
Other Current Liabilities	1,084,718.89	-
Total Current Liabilities	<u>\$ 152,018,702.34</u>	<u>\$ 151,013,812.85</u>
 Non-Current Liabilities:		
Employees' Compensable Leave (Note 5)	\$ 4,184,338.11	\$ 3,203,126.46
Other Non-Current Liabilities	-	1,190,518.89
Total Non-Current Liabilities	<u>4,184,338.11</u>	<u>4,393,645.35</u>
Total Liabilities	<u>\$ 156,203,040.45</u>	<u>\$ 155,407,458.20</u>

UNAUDITED

**Texas State University System
Sam Houston State University
Statement of Net Position
August 31, 2020**

	<u>2020</u>	<u>2019</u>
DEFERRED INFLOWS OF RESOURCES		
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>
NET POSITION		
Net Investment in Capital Assets	\$ 641,477,985.70	\$ 601,626,725.54
Restricted For:		
Capital Projects	7,896,776.23	2,662,314.98
Other	22,469,578.22	18,349,070.67
Funds Held As Permanent Investments:		
Non-Expendable:		
Endowment Funds	92,192,455.76	88,684,759.11
Expendable:		
Endowment Funds	37,642,600.77	31,711,031.77
Unrestricted	117,927,069.60	99,998,909.74
Total Net Position	<u><u>\$ 919,606,466.28</u></u>	<u><u>\$ 843,032,811.81</u></u>

Texas State University System
Sam Houston State University
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended August 31, 2020

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES:		
Tuition and Fees - Pledged	\$ 233,560,979.53	\$ 222,893,934.07
Tuition and Fees - Discounts/Allowances	(63,968,440.81)	(57,535,848.40)
Auxiliary Enterprises - Pledged	39,914,277.99	45,436,082.81
Auxiliary Enterprise – Discounts/Allowances	(8,806,645.31)	(8,156,997.44)
Other Sales of Goods and Services - Pledged	3,736,586.11	4,059,912.74
Federal Revenue	23,999,244.73	6,490,025.65
Federal Pass-Through Revenue	3,240,901.28	1,555,327.09
State Grant Revenue	245,896.63	88,990.63
State Grant Pass-Through Revenue	19,465,423.86	18,815,049.16
Other Grants and Contracts -Non-pledged	3,490,948.53	3,982,664.03
Other Operating Revenues - Pledged	6,054,230.13	6,778,096.76
Total Operating Revenues	<u>\$ 260,933,402.67</u>	<u>\$ 244,407,237.10</u>
OPERATING EXPENSES:		
Instruction	\$ 108,463,706.71	\$ 103,061,985.32
Research	9,523,183.11	9,000,748.44
Public Service	13,038,627.62	12,353,689.18
Hospitals and Clinic	1,177,024.69	17,814.08
Academic Support	45,154,761.92	46,042,231.94
Student Services	30,179,825.63	28,939,982.65
Institutional Support	26,389,451.06	22,528,285.55
Operation and Maintenance of Plant	23,162,096.66	23,059,240.34
Scholarship and Fellowships	35,325,146.24	30,981,653.34
Auxiliary	45,617,552.85	48,433,381.78
Depreciation and Amortization	33,165,313.42	29,545,339.54
Total Operating Expenses	<u>\$ 371,196,689.91</u>	<u>\$ 353,964,352.16</u>
Operating Income (Loss)	<u>\$ (110,263,287.24)</u>	<u>\$ (109,557,115.06)</u>
NONOPERATING REVENUES (EXPENSES):		
Legislative Revenue (GR)	\$ 58,530,469.00	\$ 56,608,700.00
Additional Appropriations (GR)	16,449,866.68	15,076,927.16
Federal Revenue	36,847,290.59	38,654,720.98
Federal Pass-Through Revenue	-	339,651.15
Gifts - Pledged	748,474.00	147,734.39
Gifts - Non-Pledged	3,075,767.54	10,188,411.33
Investment Income - Non-Pledged	1,944,779.49	2,102,130.34
Investment Income - Pledged	2,659,475.85	3,170,285.06
Gain (Loss) on Sale of Capital Assets	(220,558.65)	(372,380.78)
Net Increase (Decrease) Fair Value - Pledged	1,791,319.02	(700,586.46)

Texas State University System
Sam Houston State University
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended August 31, 2020

	<u>2020</u>	<u>2019</u>
Net Increase (Decrease) Fair Value - Non-pledged	7,621,687.98	(12,234,036.68)
Judgements and Settlements	1,888,646.78	-
Settlement of Claims	-	194,646.72
Other Nonoperating Revenue (Expenses)-Pledged	104,161.96	147,492.51
Other Nonoperating Expenses	(180,544.57)	(49,345.62)
Total Nonoperating Revenues (Expenses)	<u>\$ 131,260,835.67</u>	<u>\$ 113,274,350.10</u>
 Income (Loss) before Capital Contributions, Endowments and Transfers	 \$ 20,997,548.43	 \$ 3,717,235.04
 Capital Contributions, Endowments and Transfers		
Capital Appropriations (HEAF)	\$ 17,329,858.00	\$ 17,329,858.00
Additions to Permanent and Term Endowments	3,392,082.97	7,595,127.75
Transfer In (Note 12)	66,503,464.84	76,734,713.62
Transfer Out (Note 12)	(27,882,083.48)	(22,165,208.79)
Legislative Transfer In (Note 12)	614,958.00	967,102.00
Legislative Transfer Out (Note 12)	(5,646,168.31)	(5,966,885.00)
Legislative Appropriations Lapsed	(730,192.69)	-
Total Capital Contributions, Endowments and Transfers	<u>\$ 53,581,919.33</u>	<u>\$ 74,494,707.58</u>
 Change in Net Position	 <u>74,579,467.76</u>	 <u>78,211,942.62</u>
Beginning Net Position	843,032,811.81	764,820,869.19
Restatements (Note 14)	1,994,186.71	-
Beginning Net Position, as restated	<u>845,026,998.52</u>	<u>764,820,869.19</u>
Ending Net Position	<u><u>\$ 919,606,466.28</u></u>	<u><u>\$ 843,032,811.81</u></u>

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Texas State University System
Sam Houston State University
Matrix of Operating Expenses Reported by Function
For the Fiscal Year Ended August 31, 2020

Operating Expenses	Instruction	Research	Public Service	Hospitals & Clinics	Academic Support
Cost of Goods Sold	\$ 19.72	\$ -	\$ 27,619.50	\$ -	\$ 5,961.14
Salaries and Wages	80,310,835.21	5,845,137.56	6,998,475.83	321,817.58	21,234,802.48
Payroll Related Costs	21,959,819.43	858,931.60	2,158,012.06	106,454.34	6,186,337.49
Professional Fees and Services	169,862.33	128,510.12	551,721.13	117,113.85	411,950.11
Federal Grant Pass-Through Expense	-	120,671.42	-	-	-
State Grant Pass-Through Expense	-	-	-	-	-
Travel	1,206,515.00	318,433.17	124,615.32	-	417,329.24
Materials and Supplies	2,703,527.89	486,549.33	650,045.68	373,790.73	12,356,381.88
Communications and Utilities	161,061.40	30,407.18	119,955.05	26,211.78	620,437.60
Repairs and Maintenance	263,462.44	16,896.61	42,312.28	3,112.48	1,521,272.90
Rentals and Leases	218,226.74	15,872.46	538,772.25	168,081.79	143,819.11
Printing and Reproduction	24,511.33	-	1,216.81	432.00	19,594.93
Depreciation and Amortization*	-	-	-	-	-
Bad Debt Expense	375,481.38	26,642.26	37,795.19	1,066.47	(115,936.11)
Interest	13.41	-	29.42	-	7.89
Scholarships	67,400.00	893,102.00	14,500.00	-	46,725.00
Claims and Judgments	-	-	-	-	-
Other Operating Expenses	1,002,970.43	782,029.40	1,773,557.10	58,943.67	2,306,078.26
Total Operating Expenses	\$ 108,463,706.71	\$ 9,523,183.11	\$ 13,038,627.62	\$ 1,177,024.69	\$ 45,154,761.92

* Depreciation and Amortization may be allocated to the various functions or shown entirely in the Depreciation and Amortization column

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Texas State University System
Sam Houston State University
Matrix of Operating Expenses Reported by Function
For the Fiscal Year Ended August 31, 2020

Student Services	Institutional Support	Operation and Maintenance of Plant	Scholarship and Fellowships	Auxiliary Enterprises	Depreciation and Amortization	Total Expenses
\$ 48,082.71	\$ 4,846.44	\$ -	\$ -	\$ 52,209.89	\$ -	\$ 138,739.40
16,854,324.06	16,133,808.18	9,742,029.46	1,100,737.93	12,966,377.98	-	171,508,346.27
5,140,845.28	4,684,819.05	3,550,776.79	70.53	3,836,280.14	-	48,482,346.71
188,457.84	1,026,026.33	373,153.94	-	1,024,846.58	-	3,991,642.23
-	-	-	-	-	-	120,671.42
-	-	-	-	-	-	-
330,008.47	163,609.01	17,894.81	-	1,883,584.56	-	4,461,989.58
3,026,538.67	1,991,144.89	2,757,351.13	-	14,608,108.48	-	38,953,438.68
796,397.23	471,322.63	2,982,364.74	-	2,257,560.89	-	7,465,718.50
118,556.10	40,930.19	2,273,034.52	-	924,202.83	-	5,203,780.35
158,752.45	141,185.67	35,557.75	-	190,951.79	-	1,611,220.01
97,887.65	230,238.98	-	-	202,494.70	-	576,376.40
-	-	-	-	-	33,165,313.42	33,165,313.42
894,596.67	84,913.91	283.24	-	107,620.59	-	1,412,463.60
-	33.13	78.94	-	-	-	162.79
-	-	-	34,224,337.78	4,521,132.00	-	39,767,196.78
-	-	-	-	-	-	-
2,525,378.50	1,416,572.65	1,429,571.34	-	3,042,182.42	-	14,337,283.77
\$ 30,179,825.63	\$ 26,389,451.06	\$ 23,162,096.66	\$ 35,325,146.24	\$ 45,617,552.85	\$ 33,165,313.42	\$ 371,196,689.91

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Texas State University System
Sam Houston State University
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2020

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from Tuition and Fees	\$ 132,868,456.74	\$ 134,431,026.86
Proceeds from Research Grants and Contracts	50,840,680.18	31,010,358.31
Proceeds from Auxiliaries	31,107,632.68	37,279,085.37
Proceeds from Other Operating Revenues	9,790,816.24	10,838,009.50
Payments to Suppliers for Goods and Services	(67,033,131.98)	(64,346,841.67)
Payments to Employees for Salaries	(169,786,778.68)	(161,175,830.68)
Payments to Employees for Benefits	(48,482,346.71)	(45,867,245.02)
Payments for Loans Provided	(357,940.90)	(567,173.55)
Payments for Other Operating Expenses	(13,831,488.55)	(15,052,736.20)
Net Cash Provided by Operating Activities	\$ (74,884,100.98)	\$ (73,451,347.08)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from Debt Issuance	\$ 92,008,819.35	\$ 82,458,220.19
Proceeds from State Appropriations	4,296,786.11	10,336,145.72
Proceeds from Gifts	3,392,082.97	7,595,127.75
Proceeds from Endowments	288,038.07	-
Proceeds of Transfers from Other State Agencies	36,847,290.59	38,994,372.13
Proceeds from Grant Receipts	2,175,809.94	669,404.61
Payments for Other Noncapital Financing Uses	(3,174,539.00)	(2,549,569.40)
Net Cash Provided by Noncapital Financing Activities	\$ 135,834,288.03	\$ 137,503,701.00
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Debt Issuance	\$ 65,851,881.00	\$ 76,315,000.00
Proceeds from Capital Contributions	-	-
Payments for Additions to Capital Assets	(72,790,732.60)	(117,597,290.45)
Payments of Principal on Debt	(18,030,810.24)	(13,343,930.88)
Payments of Interest on Debt Issuance	(12,291,562.29)	(11,874,905.89)
Net Cash Provided by Capital and Related Financing Activities	\$ (37,261,224.13)	\$ (66,501,127.22)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Investment Income	\$ 4,604,255.34	\$ 5,272,415.40
Payments to Acquire Investments	(3,898,602.96)	(9,943,755.36)
Net Cash Provided by Investing Activities	\$ 705,652.38	\$ (4,671,339.96)
Net Increase (Decrease) in Cash and Cash Equivalents	24,394,615.30	(7,120,113.26)
Beginning Cash and Cash Equivalents	92,573,349.76	99,693,463.02
Restatements to Beginning Cash and Cash Equivalents	1,547,787.08	-
Beginning Cash and Cash Equivalents, as restated	\$ 94,121,136.84	\$ 99,693,463.02
Ending Cash and Cash Equivalents	\$ 118,515,752.14	\$ 92,573,349.76
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (110,263,287.24)	\$ (109,557,115.06)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Amortization and Depreciation	33,165,313.42	29,545,339.54
Bad Debt Expense	1,412,463.60	1,518,367.48

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Texas State University System
Sam Houston State University
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2020

	<u>2020</u>	<u>2019</u>
Operating Income (Loss) and Cash Flow Categories:		
Classification Differences		
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	(152,397.56)	(545,140.67)
(Increase) Decrease in Due from Other Funds	(186,960.03)	(11,054.85)
(Increase) Decrease in Inventories	(34,707.85)	7,408.61
(Increase) Decrease in Prepaid Expenses	184,685.40	(241,467.04)
(Increase) Decrease in Loans & Contracts	(357,940.90)	(567,173.55)
(Increase) Decrease in Other Assets	553,147.93	(2,088,602.19)
Increase (Decrease) in Payables	(4,595,518.98)	1,104,631.18
Increase (Decrease) in Due to Other Funds	705,896.60	346,385.06
Increase (Decrease) in Unearned Revenue	3,195,512.36	5,215,700.77
Increase (Decrease) in Compensated Absence Liability	1,721,567.59	488,965.74
Increase (Decrease) in Other Liabilities	(231,875.32)	1,332,407.90
Total Adjustments	<u>35,379,186.26</u>	<u>36,105,767.98</u>
Net Cash Provided by Operating Activities	<u>\$ (74,884,100.98)</u>	<u>\$ (73,451,347.08)</u>
Non Cash Transactions		
Donation of Capital Assets	-	3,243,700.00
Net Change in Fair Value of Investments	9,413,007.00	(12,934,623.14)

Sam Houston State University

Notes to the Financial Statements For the Year Ended August 31, 2020

Note 1: Summary of Significant Accounting Policies

Reporting Entity

Sam Houston State University (SHSU) serves the state by providing a high quality education to residents and is based in Huntsville, Texas.

SHSU is an agency of the State of Texas (the “State”) and a component of the Texas State University System (TSUS). TSUS was founded in 1911 and is the first higher education system established in Texas. Beginning as an administrative means to consolidate the support and management of State teacher colleges, TSUS has evolved into a network of higher education institutions stretching from the Texas–Louisiana border to the Big Bend region of west Texas. Today, eight component institutions offer a broad range of academic and career opportunities. Those eight institutions are located throughout the State and include SHSU, Lamar University, Sul Ross State University, Texas State University, Lamar Institute of Technology, Lamar State College-Orange, Lamar State College-Port Arthur, and Sul Ross State University Rio Grande College.

The TSUS is governed by a nine-member Board of Regents (the “Board”) appointed by the Governor. In addition, a nonvoting student regent is appointed annually to the Board. The Texas State University System Administration (“System Administration”), which is headed by a Board-appointed chancellor, is based in Austin, where it provides support to TSUS components.

TSUS is an agency of the State and is reported as one of six university systems and five independent universities that in total are presented as a major enterprise fund in the State’s Comprehensive Annual Financial Report.

No entities have been identified meeting GASB’s definition of component units, which are legally separate entities and, accordingly, none are included within the reporting entity. As previously noted, SHSU is considered by the State as one of the academic entities that comprise TSUS, however, each entity is considered an agency of the State.

The Sam Houston University Foundation (the “Foundation”) is a separate legal entity registered with the IRS as a 501(c) organization and its efforts benefit SHSU and its students. The Foundation is separately governed and operates autonomously from SHSU, and its related activities are not included in SHSU’s, TSUS’s or the State’s financial statements. The Foundation solicits donations and acts as a coordinator of gifts made by other parties. The Foundation remittance to SHSU and amounts receivable at year end were immaterial to SHSU’s financial statements.

The accounting policies followed by SHSU in maintaining accounts and in the preparation of the financial statements are in accordance with the Texas Comptroller of Public Accounts’ Reporting Requirement for the Fiscal 2020 Annual Financial Reports of State Agencies and Universities (the “Comptroller’s AFR Requirements”) and with generally accepted accounting principles in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments. The Comptroller’s AFR Requirements are designed to assist the Texas Comptroller of Public Accounts in compiling and preparing the State’s CAFR and, accordingly, have some untraditional elements, such as the prohibition of rounding, unique ordering and specific numbering of footnotes, and the inclusion of footnote titles when the subject matter does not apply.

Sam Houston State University

Notes to the Financial Statements For the Year Ended August 31, 2020

Fund Structure

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

Proprietary Fund Types

Business-Type Activity

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

Basis of Accounting

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

Business-type activity funds (proprietary funds) are accounted for on the full accrual basis of accounting. Under the full accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Proprietary funds distinguish operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

Budget and Budgetary Accounting

The State's budget is prepared biennially and represents appropriations authorized by the Legislature and approved by the Governor (the "General Appropriations Act"). Additionally, TSUS prepares an annual budget, which represents anticipated sources of revenues and authorized uses. This budget is approved by TSUS's Board.

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

Assets, Liabilities, and Fund Balances/Net Position

Assets

Current and Non-Current Assets

Current assets are those that are readily available to meet current operational requirements. Non-current assets are those that are not readily available to meet current operational requirements and, instead, are intended to support long-term institutional needs.

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.

Sam Houston State University

Notes to the Financial Statements For the Year Ended August 31, 2020

Restricted Assets

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

Investments

Investments are generally stated at fair value, with certain exceptions, in accordance with GASB Statement No. 72, Fair Value Measurement and Application. Fair value, which is determined based on quoted market prices, is the amount at which an investment could be exchanged in a current transaction between parties other than in a forced or liquidation sale. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the accompanying Comparative Statement of Revenues, Expenses, and Changes in Net Position.

Legislative Appropriations

This item represents the balance of general revenue funds at year end as calculated in the Texas State Comptroller's General Revenue Reconciliation.

Inventories and Prepaid Items

Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued at cost, generally utilizing the last-in, first-out method. The consumption method of accounting is used to account for inventories and prepaid items. The costs of inventories are expensed when they are used or consumed. Prepaid items reflect payments for costs applicable to future accounting periods.

Capital Assets

Assets such as furniture, equipment, and vehicles with an aggregate cost of more than \$5,000 and an estimated useful life in excess of one year are capitalized. Capitalization thresholds are also utilized for buildings and building improvements (\$100,000), infrastructure (\$500,000), and facilities and other improvements (\$100,000). Capital assets are recorded at cost or estimated historical cost if actual historical cost is not available. Donated capital assets are reported at acquisition value. For fabricated assets financed by debt, construction period interest is capitalized as part of the capital asset cost. The capitalized interest is combined with the other costs associated with constructing the asset and depreciated over the appropriate useful life beginning when the asset is placed into service.

Capital assets are depreciated over the estimated useful life of the asset using the straight-line method based on allocation methods and estimated lives prescribed by the Statewide Property Accounting (SPA) system. Depreciation is recorded as a periodic expense and accumulated as an offset to the asset book values. Depreciation expense is not allocated to functional categories for this Annual Financial Report.

Intangible capital assets are defined as assets that lack physical substance, are non-financial in nature, and have an initial useful life extending beyond a single reporting period. These assets are required to be reported if they are identifiable. Land use rights are capitalized if the cost meets or exceeds \$100,000. Purchased computer software is capitalized if the aggregate cost of the purchase meets or exceeds \$100,000. Internally generated computer software has a capitalization threshold of \$1,000,000, and other intangible capital assets must be capitalized if the cost meets or exceeds \$100,000. Intangible assets are amortized based on the estimated useful life of the asset using the straight-line method.

Sam Houston State University

Notes to the Financial Statements For the Year Ended August 31, 2020

Other Receivables

Other receivables include year end accruals not included in any other receivable category. This account can appear in governmental and proprietary fund types.

Liabilities

Accounts Payable

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

Other Liabilities – Current and Non-Current

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

Unearned Revenues

Unearned revenues include amounts for tuition and fees, certain auxiliary activities, and amounts from grant and contract sponsors received prior to the end of the fiscal year but related to the subsequent accounting period.

Funds Held for Others

Current balances in funds held for others result from SHSU acting as an agent or fiduciary for other organizations.

Employees' Compensable Leave

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

Net Position

The difference between fund assets and liabilities is "Net Position" on proprietary fund statements.

Net Investment in Capital Assets

Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that is attributed to the acquisition, construction, or improvement of those assets.

Net Position - Restricted

Restricted net position results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like or imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted assets are available for use, restricted resource are used first, then unrestricted resources are used as needed.

Expendable – net position use is subject to externally imposed stipulations that can be fulfilled by actions pursuant to those stipulations, or that expire by the passage of time.

Non-expendable – net position use is subject to externally imposed stipulations that it be maintained permanently. Such assets include the principal of permanent endowment funds.

Sam Houston State University

Notes to the Financial Statements For the Year Ended August 31, 2020

Net Position - Unrestricted

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

Operating and Non-Operating Revenues and Expenses

Operating revenues and expenses – include activities such as student tuition and fees; net sales and services of auxiliary enterprises; exchange basis federal, state, and local grants and contracts and related expenses including depreciation; scholarships and fellowships; impairment losses; insurance recovery in the year of the loss; and incurred but not reported liabilities.

Non-operating revenues and expenses - included activities such as gifts and contributions, insurance recoveries received in years subsequent to the loss, State appropriations, investment income, nonexchange basis federal and state grants and contracts, and other non-operating items defined by GASB.

Inter-Agency Activities and Transactions

SHSU has the following types of transactions among related agencies:

Transfers

The amount represents legally required transfers that are reported when incurred as “Transfers In” by the recipient agency and as “Transfers Out” by the disbursing agency.

Reimbursements

Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one agency for another are recorded as expenditures in the reimbursing agency and as a reduction of expenditures in the reimbursed fund. Reimbursements are not displayed in the financial statements.

Receivables and Payables

Inter-agency loans are reported as interfund receivables and payables. If repayment is due during the current year or soon thereafter, the balance is classified as “Current”. Balances for repayment due in two (or more) years are classified as “Non-Current.”

Sales and Purchases

These amounts represent charges or collections for services rendered by one agency to another that are recorded as revenues of the recipient agency and expenditures or expenses of the disbursing agency.

The composition of SHSU’s inter-agency activities and balances are presented in Note 12 Interfund Activity and Transactions.

Sam Houston State University

Notes to the Financial Statements For the Year Ended August 31, 2020

CARES Act

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law on March 27, 2020. The CARES Act authorized more than \$2 trillion in relief to individuals, businesses, and nonprofit and government organizations impacted by COVID-19. SHSU received or expects to receive funding primarily under two federal programs, the Governor's Emergency Education Relief Fund (GEERF) and the Higher Education Emergency Relief Fund (HEERF).

GEERF funding, awarded to the State of Texas Governor's Office and passed through the Texas Higher Education Coordinating Board to SHSU, provides direct financial assistance to support students' efforts to continue or restart their progress toward earning a post-secondary credential or degree. Initial GEERF awards totaling \$3,064,688 were awarded to maintain need-based financial aid programs and keep more students enrolled at colleges and universities.

HEERF funding, awarded directly to SHSU, provides support to prevent, prepare for, and respond to COVID-19. SHSU's awards totaled \$17,468,204. Under the terms of the grant agreements, at least 50% of the funds were used to provide emergency financial aid grants to students for expenses related to the disruption of campus operations due to COVID-19. The remainder of the award may be used to cover costs associated with significant changes to the delivery of instruction due to COVID-19, subject to certain restriction outlined in the grant agreements.

In addition to the programs above, SHSU received \$850,956 in federal stimulus funding through the Strengthening Institutions Program.

The revenues from these programs are earned by fulfilling the terms and conditions of the agreements with the funding agencies and are therefore recognized when qualifying expenditures are incurred and eligibility requirements are met.

A summary of CARES Act funding awarded, expensed as of August 31, 2020, and the balance of the unearned amounts are presented below:

Program	Total Awarded	Expensed/Earned	Unearned
HEERF - Student Allocation	8,734,102.00	7,942,839.32	791,262.68
HEERF - Institutional Allocation	8,734,102.00	7,453,690.00	1,280,412.00
GEERF- Emergency Student Financial Aid	3,064,688.00	-	3,064,688.00
Other			
Strengthening Institutions Program (SIP)	850,956.00	850,956.00	-
Total	21,383,848.00	16,247,485.32	5,136,362.68

Sam Houston State University

Notes to the Financial Statements For the Year Ended August 31, 2020

Note 2: Capital Assets

A summary of changes in capital assets for the year ended August 31, 2020 is presented below:

			Reclassifications					
	Balance 9/1/2019	Adjustments/Restatements	Completed CIP	Inc-Int'g'y Trans	Dec-Int'g'y Trans	Additions	Deletions	Balance 8/31/2020
Non-Depreciable Assets								
Land and Land Improvements	46,197,472.61	-	-	-	-	1,060,230.85	-	47,257,703.46
Construction in Progress	237,514,039.20	(470,878.50)	(80,933,959.83)	-	-	63,580,272.40	(175,689.37)	219,513,783.90
Other Assets	1,536,665.55	-	-	-	-	355,000.00	-	1,891,665.55
Total Non-Depreciated Assets	285,248,177.36	(470,878.50)	(80,933,959.83)	0.00	0.00	64,995,503.25	(175,689.37)	268,663,152.91
Depreciable Assets								
Buildings and Building Improvements	547,775,982.67	300,000.00	69,481,982.00	-	-	-	-	617,557,964.67
Infrastructure	27,711,747.28	-	9,999,435.93	-	-	-	-	37,711,183.21
Furniture and Equipment	42,989,372.09	492,853.06	-	11,486.00	-	4,469,695.81	(1,903,336.78)	46,060,070.18
Vehicles, Boats and Aircraft	5,403,979.94	5,069.00	-	-	-	452,962.49	(83,909.90)	5,778,101.53
Other Capital Assets	13,484,857.90	-	-	-	-	167,571.05	(1,567,838.59)	12,084,590.36
Facilities and Other Improvements	40,150,703.19	-	1,452,541.90	-	-	2,705,000.00	-	44,308,245.09
Total Depreciable Assets	677,516,643.07	797,922.06	80,933,959.83	11,486.00	0.00	7,795,229.35	(3,555,085.27)	763,500,155.04
Less Accumulated Depreciation for:								
Buildings and Building Improvements	(288,015,801.34)	(132,232.00)	-	-	-	(25,914,753.93)	-	(314,062,787.27)
Infrastructure	(10,362,923.08)	-	-	-	-	(1,423,971.36)	-	(11,786,894.44)
Furniture and Equipment	(31,442,958.83)	257,879.17	-	(11,486.00)	-	(3,544,535.35)	1,858,467.50	(32,882,633.51)
Vehicles, Boats and Aircraft	(4,336,350.48)	(6,472.25)	-	-	-	(346,504.30)	83,909.90	(4,605,417.13)
Other Capital Assets	(10,054,114.33)	-	-	-	-	(451,998.83)	1,567,838.59	(8,938,274.57)
Facilities and Other Improvements	(16,925,946.83)	181.15	-	-	-	(1,483,549.65)	-	(18,409,315.33)
Total Accumulated Depreciation	(361,138,094.89)	119,356.07	0.00	(11,486.00)	0.00	(33,165,313.42)	3,510,215.99	(390,685,322.25)
Depreciable Assets Net	316,378,548.18	446,399.63	80,933,959.83	0.00	0.00	(25,370,084.07)	(44,869.28)	372,814,832.79
Intangible Capital Assets Amortized								
Land Use Rights	0.00	-	-	-	-	-	-	0.00
Computer Software	3,243,398.02	-	-	-	-	-	-	3,243,398.02
Other Intangible Capital Assets	0.00	-	-	-	-	-	-	0.00
Total Intangible Capital Assets Amortized	3,243,398.02	0.00	0.00	0.00	0.00	0.00	0.00	3,243,398.02
Less Accumulated Amortization								
Land Use Rights	0.00	-	-	-	-	-	-	0.00
Capital Software	(3,243,398.02)	-	-	-	-	-	-	(3,243,398.02)
Other Capital Assets	0.00	-	-	-	-	-	-	0.00
Accumulated Amortization Total	(3,243,398.02)	0.00	0.00	0.00	0.00	0.00	0.00	(3,243,398.02)
Business Type Activities Capital Assets, Net	601,626,725.54	446,399.63	0.00	0.00	0.00	39,625,419.18	(220,558.65)	641,477,985.70

Note 3: Deposits, Investments, and Repurchase Agreements

SHSU is authorized by statute to make investments following the "prudent person rule." There were no significant violations of legal provisions during the period.

Deposits

As of August 31, 2020, the carrying amount of deposits was \$4,441,279.33 as presented below:

Cash	
Proprietary Funds Current Assets Cash in Bank	4,343,028.11
Restricted Cash in Bank	98,252.91
Cash in Bank per AFR	<u>\$ 4,441,281.02</u>

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Notes to the Financial Statements For the Year Ended August 31, 2020

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, SHSU will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. SHSU's bank accounts are secured by FDIC and collateral pledged. SHSU has no deposits that are at risk of recovery due to the failure of a depository financial institution. As of August 31, 2020, the total bank balance was \$9,532,548.77.

Foreign currency risk for deposits is the risk that changes in exchange rates will adversely affect the deposit. SHSU held no exposure to foreign currency risk for deposits as of August 31, 2020.

Investments

SHSU invests both operating and endowment funds. SHSU invests its endowment funds to provide funding for scholarships, fellowships, professorships, academic chairs, and other uses as specified by donors. SHSU investments adhere to the following principles:

The performance objective is to grow the market value of assets net of inflation, spending, and expenses, over a full market cycle (generally defined as a three to five year period) without undue exposure to risk. The invested funds are particularly risk-averse to the probability of not meeting the total return goal. Liquidity must be considered and sufficient to meet the spending needs and expenses.

The total return goal can be achieved while assuming acceptable risk levels commensurate with "market volatility". To achieve the total return goal, the assets will be invested to generate appreciation and/or dividend and interest income.

The endowment is expected to endure into perpetuity. Inflation is a key component in the performance objective. The long term risk of not investing in equity securities outweighs the short-term volatility risk. As a result, the majority of assets are invested in equity or equity-like securities. Fixed income and fixed income-like securities and other diversifying strategies may act to lower the short-term volatility of the portfolio and/or provide stability, especially during periods of weak or negative equity markets. Other asset classes are included to provide diversification and incremental total return.

The cash payout requirement for the endowment funds is significant and continuous. The portfolio is diversified to diminish risks associated with particular securities, market sectors, or industries.

SHSU is authorized by statute to make endowment investments following the "prudent person rule" and operating investments following the Public Funds Investment Act. There were no significant violations of legal provisions during the period.

SHSU values its investments at fair value. GASB Statement No. 72, Fair Value Measurement and Application, defines fair value as the price received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is an exit price at the measurement date from the perspective of the market participant that holds the asset. This is a market-based measurement. GASB 72 also establishes a fair value hierarchy that classifies inputs to valuation techniques into three levels:

- **Level 1** – inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that can be accessed at the measurement date.
- **Level 2** – inputs are inputs (other than quoted prices included within Level 1) that are observable for an asset or liability, either directly (quoted market prices for similar assets or liabilities) or indirectly

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Notes to the Financial Statements For the Year Ended August 31, 2020

(corroborated from observable market information).

- **Level 3** – inputs are unobservable inputs for an asset or liability.

Beyond these three levels, net asset value may be used to categorize investments without a readily determinable fair value.

As of year end, fair value of investments were categorized as follows:

Type of Investments	Fair Value Hierarchy				Net Asset Value	Fair Value
	Level 1	Level 2	Level 3	Amort. Cost		
Corporate Asset and Mortgage Backed Securities	\$714,575.20	\$0.00	\$0.00	\$0.00	\$0.00	\$714,575.20
Corporate Obligations	\$ 7,331,507.84	\$0.00	\$ 7,906,138.00	\$0.00	\$0.00	\$15,237,645.84
Equity	\$13,826,227.91	\$0.00	\$0.00	\$0.00	\$0.00	\$13,826,227.91
Externally Managed Investments (Alternative Investment)	\$0.00	\$0.00	\$9,276,214.00	\$0.00	\$0.00	\$9,276,214.00
Fixed Income Money Market and Bond Mutual Fund	\$24,911,551.77	\$0.00	\$0.00	\$0.00	\$0.00	\$24,911,551.77
International Obligations	\$1,672,468.63	\$0.00	\$0.00	\$0.00	\$0.00	\$1,672,468.63
International Equity	\$12,850,789.42	\$0.00	\$0.00	\$0.00	\$0.00	\$12,850,789.42
Miscellaneous	\$3,399,537.22	\$0.00	\$0.00	\$0.00	\$0.00	\$3,399,537.22
Mutual Funds - Domestic	\$66,945,691.21	\$0.00	\$0.00	\$0.00	\$0.00	\$66,945,691.21
Mutual Funds - International	\$44,644,857.10	\$0.00	\$0.00	\$0.00	\$0.00	\$44,644,857.10
Other Commingled Funds	\$7,059,375.96	\$0.00	\$0.00	\$0.00	\$22,916,954.91	\$29,976,330.87
Other Commingled Funds (TexPool)	\$64,989,350.22	\$0.00	\$0.00	\$0.00	\$0.00	\$64,989,350.22
US Government Agency Obligations	\$4,144,536.16	\$0.00	\$0.00	\$0.00	\$0.00	\$4,144,536.16
US Treasury Securities	\$3,213,581.10	\$0.00	\$0.00	\$0.00	\$0.00	\$3,213,581.10
Total Investments	\$ 255,704,049.74	\$ -	\$ 17,182,352.00	\$ -	\$ 22,916,954.91	\$ 295,803,355.65
Current Cash Equivalents						\$ 78,711,924.23
Current Restricted Cash Equivalents						9,194,380.90
Short-Term Investments						12,775,127.29
Non-Current Investments						195,121,923.23
Total Investments						\$ 295,803,355.65

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As of August 31, 2020, SHSU was subject to minimal credit risk.

Credit Risk	AAA	AA	A	BBB	BB	B	Unrated	Total
Corporate Obligations	\$93,634.53	\$165,258.39	\$1,871,360.32	\$2,784,050.69	\$2,024.40	\$4,848.76	\$10,316,468.38	\$15,237,645.48
Miscellaneous	\$0.00	\$0.00	\$0.00	\$245,106.63	\$1,695,689.17	\$1,205,475.90	\$253,265.52	\$3,399,537.22
US Government Agency Obligations	\$49,934.17	\$0.00	\$898,815.07	\$1,448,090.95	\$0.00	\$0.00	\$1,747,695.97	\$4,144,536.16
International Obligations	\$20,645.70	\$23,989.12	\$405,892.72	\$619,287.31	\$0.00	\$0.00	\$602,653.78	\$1,672,468.63
Corporate Asset and Mortgage Backed Securities	\$8,609.34	\$0.00	\$154,968.12	\$249,670.85	\$0.00	\$0.00	\$301,326.89	\$714,575.20
Fixed Income Money Market and Bond Mutual Fund	\$11,812,179.27	\$2,816,607.90	\$3,527,114.39	\$2,457,423.23	\$319,351.00	\$106,164.62	\$3,872,711.36	\$24,911,551.77
Debt Investments not subject to credit risk (US Treasury Securities)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$11,985,003.01	\$3,005,855.42	\$6,858,150.61	\$7,803,629.67	\$2,017,064.57	\$1,316,489.28	\$17,094,121.90	\$50,080,314.46

Concentration of credit risk is the risk of loss attributable to the magnitude of investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this disclosure requirement. As of August 31, 2020, SHSU was not subject to concentration of credit risk.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. SHSU is not required to disclose interest rate risk.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, SHSU will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Foreign currency risk for investments is the risk that changes in exchange rates will adversely affect the investment.

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Notes to the Financial Statements For the Year Ended August 31, 2020

Reverse Repurchase, Securities Lending, and Derivative Investing

SHSU did not participate in Reverse Repurchase Agreements, Securities Lending, or Derivative Investing during fiscal year 2020.

Note 4: Short-Term Debt

During the fiscal year ended August 31, 2020, SHSU had no short-term debt activity.

Note 5: Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended August 31, 2020, the following changes occurred in long-term liabilities:

	Balance 09/01/2019	Additions	Reductions	Balance 08/31/2020	Amounts Due Within One Year	Amounts Due Thereafter
Compensable						
Leave	\$ 7,109,019.69	\$2,549,961.60	\$ 828,394.02	\$ 8,830,587.28	\$ 4,646,249.17	\$4,184,338.11
Other Non-Current						
Liabilities	1,190,518.89	-	1,190,518.89	-	-	-
TOTAL	\$ 8,299,538.58	\$2,549,961.60	\$ 2,018,912.91	\$ 8,830,587.28	\$ 4,646,249.17	\$4,184,338.11

Notes And Loans Payable

None.

Claims and Judgements

At August 31, 2020, various lawsuits and claims involving SHSU were pending. While the ultimate liability with respect to litigation and other claims asserted against SHSU cannot be reasonably estimated at this time, SHSU anticipates no liability on the merits of outstanding claims.

Employees' Compensable Leave

Full-time State employees earn annual leave from eight to twenty-one hours per month depending on the respective employee's years of State employment. The State's policy is that an employee may carry his accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to 532 for those employees with 35 or more years of State service. Employees with at least six months of State service who terminate their employment are entitled to payment for all accumulated annual leave up to the maximum allowed. SHSU recognizes the accrued liability for the unpaid annual leave in the Unrestricted Current Funds. For the year ended August 31, 2020, the accrued liability totaled \$8,830,587.28. SHSU made lump sum payments totaling \$828,394.02 for accrued vacation and/or compensatory time to employees who separated from State service during the fiscal year ending August 31, 2020.

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Notes to the Financial Statements For the Year Ended August 31, 2020

Sick leave, the accumulation of which is unlimited, is earned at the rate of 8 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 to an employee's estate is one-half of the employee's accumulated entitlement or 336 hours, whichever is less. SHSU's policy is to recognize the cost of sick leave when paid and the liability is not shown in the financial statements since experience indicates the expenditure for sick leave to be minimal.

Note 6: Bonded Indebtedness

All bonded indebtedness for SHSU is issued by System Administration through the Texas State University System Revenue Financing System (the "Revenue Financing System"). System Administration and each component institution within TSUS are members of the Revenue Financing System. The Board pledged all of the funds (revenues) and balances derived or attributable to any member of the Revenue Financing System that are lawfully available to the Board for payments on Parity Debt. System Administration issued the debt; therefore, the bonds payable attributable to SHSU are included with the Bonds Payable reported by System Administration. SHSU must repay the debt that was issued on its behalf; consequently, the following debt amortization schedule is presented for informational purposes only.

	Principal	Interest	Total
2021	17,206,900.48	11,927,855.30	29,134,755.78
2022	17,760,000.00	11,165,649.64	28,925,649.64
2023	14,570,000.00	10,375,589.10	24,945,589.10
2024	14,435,000.00	9,715,445.68	24,150,445.68
2025	15,115,000.00	9,045,786.88	24,160,786.88
2026-2030	74,345,000.00	34,550,873.02	108,895,873.02
2031-2035	65,195,000.00	18,364,449.94	83,559,449.94
2036-2040	41,040,000.00	6,765,981.12	47,805,981.12
2041-2045	15,410,000.00	1,897,600.00	17,307,600.00
Totals	\$ 275,076,900.48	\$ 113,809,230.68	\$ 388,886,131.16

A portion of the debt represents Tuition Revenue Bonds historically funded by the Texas Legislature through General Revenue Appropriations. SHSU was appropriated \$5,646,170.00 during the current fiscal year for Tuition Revenue Bond debt service. SHSU expects future Legislative appropriations to meet debt service requirements for Tuition Revenue Bonds.

Note 7: Derivative Instruments

SHSU did not have any derivative activity for the fiscal year ended August 31, 2020.

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Notes to the Financial Statements For the Year Ended August 31, 2020

Note 8: Leases

As of August 31, 2020, SHSU was not involved in any capital lease agreements.

SHSU has entered into various operating leases for buildings and equipment. Rental expenses for operating leases were \$298,857.82 for the fiscal year ended August 31, 2020.

Future minimum lease payments under operating leases having an initial term in excess of one year as of August 31, 2020 were as follows:

Year	Amount
2021	\$ 241,825.06
2022	170,969.51
2023	96,247.89
2024	45,913.90
Total	<u>\$ 554,956.36</u>

Note 9: Defined Benefit Pension Plans and Defined Contribution Plan

Optional Retirement Program contributions for SHSU are reported by the TSUS in the consolidated annual financial report.

Note 10: Deferred Compensation

State employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in the Texas Government Code Annotated, Section 609.001. Two plans are available for employees' participation, which are administered by the Employees Retirement System. The assets of the plans do not belong to SHSU, TSUS, or the State. SHSU, TSUS, or the State has no liability related to the plans.

Note 11: Post Employment Health Care and Life Insurance Benefits

Not Applicable.

Note 12: Interfund Activity and Transactions

As explained in Note 1 on Interfund and Interagency Transactions and Balances, there are transactions between funds and agencies. At year-end, amounts to be received or paid are reported as: Interfund Receivables or Interfund Payables; Due From Other Agencies or Due To Other Agencies (See Schedule 1A - *Schedule of Expenditures of Federal Awards*, and Schedule 1B - *Schedule of Pass-Through Grants*

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Notes to the Financial Statements ***For the Year Ended August 31, 2020***

From/To Other State Agencies); Due From Other Funds or Due To Other Funds; Transfers In or Transfers Out; Legislative Transfers In or Legislative Transfers Out.

SHSU has not participated in any interfund borrowing during fiscal year 2020.

SHSU experienced routine transfers with other State agencies, which were consistent with the activities of the fund making the transfer. Repayment of interfund balances will occur within one year from the date of the financial statements.

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Notes to the Financial Statements For the Year Ended August 31, 2020

Individual balances and activity at August 31, 2020 were as follows:

DUE FROM/TO OTHER STATE ENTITIES	Due From Other Agencies	Due to Other Agencies	Purpose
GENERAL (01)			
Appd Fund 0001, D23 Fund 0001			
(Agency 781, D23 Fund 0001)			
Federal Pass Throughs			
(Agency 556, D23 Fund 7999)			
SPECIAL REVENUE (02)			
(Agency 327, D23 Fund 0973)			
Appd Fund 9999, D23 Fund 7999			
Federal Pass Throughs			
(Agency 300, D23 Fund 6861)	\$124,209.82		FEDERAL P-T
(Agency 300, D23 Fund 6882)	\$86,604.52		FEDERAL P-T
(Agency 405, D23 Fund 3583)			FEDERAL P-T
(Agency 555, D23 Fund 7999)			FEDERAL P-T
(Agency 556, D23 Fund 7999)		\$11,191.48	FEDERAL P-T
(Agency 601, D23 Fund 0006)	\$178,656.59		FEDERAL P-T
(Agency 701, D23 Fund 0148)	\$229,511.23		FEDERAL P-T
(Agency 721, D23 Fund 7999)		\$319.47	FEDERAL P-T
(Agency 730, D23 Fund 7999)	\$46,326.52		FEDERAL P-T
Appd Fund 9999, D23 Fund 7999			
State Pass Throughs			
(Agency 300, D23 Fund 0421)		\$51,841.08	STATE P-T
(Agency 701, D23 Fund 0001)	\$8,630.74		STATE P-T
(Agency 701, D23 Fund 0002)		\$72,196.21	STATE P-T
(Agency 701, D23 Fund 0003)		\$7,197.20	STATE P-T
(Agency 701, D23 Fund 0193)		\$653,751.35	STATE P-T
(Agency 720, D23 Fund 7999)		\$5,900.87	STATE P-T
(Agency 720, D23 Fund 0810)	\$278,388.69		STATE P-T
(Agency 781, D23 Fund 7999)		\$793,540.69	STATE P-T
Appd Fund 9999, D23 Fund 7999			
University Components			
(Agency 756, D23 Fund 7999)			
Appd Fund 9999, D23 Fund 9999			
State Shared Cash Funds			
(Agency 608, D23 Fund 0802)			
TOTAL DUE TO AND DUE FROM	\$952,328.11	\$1,595,938.35	

Sam Houston State University

Notes to the Financial Statements For the Year Ended August 31, 2020

Transfer in/out from State Entities were as follows:

TRANSFERS IN FROM/OUT TO OTHER STATE ENTITIES	Transfers In from Other State Entities	Transfers Out to Other State Entities	Purpose
Agency 608, D23 Fund 0802	\$2,131.77		Transfer to TX DMV for Collegiate License Plates
Agency 756, D23 Fund 9999	\$127,480.00		Transfer from SRSU MOU
Agency 756, D23 Fund 9999	\$10,805.38		Transfer from SRSU for interagency agreements
Agency 758, D23 Fund 9999	\$20,215,000.00		Transfer from TSUS for Commercial Paper
Agency 758, D23 Fund 9999	\$99,752.69		Transfer from TSUS for interagency agreements
Agency 789, D23 Fund 9999	\$50,000.00		Transfer from LIT for interagency agreements
Agency 758, D23 Fund 9999	\$45,636,881.00		Transfer from TSUS for Bond Proceeds
Agency 758, D23 Fund 9999		\$22,450,487.81	Transfer to TSUS for Bond Payment
Agency 758, D23 Fund 9999		\$3,174,539.00	Transfer to TSUS for Shared Expense
Agency 758, D23 Fund 9999		\$2,257,056.67	Transfer to TSUS for Interest on Commercial Paper
Agency 902, D23 Fund 0210	\$361,414.00		Military Veterans Exemptions - Hazlewood
Total Interfund Receivable/Payable	\$66,503,464.84	\$27,882,083.48	

Legislative transfers in and out were as follows:

	Legislative Transfers In	Legislative Transfers Out
GENERAL REVENUE (01)		
Appd Fund 0001, D23 Fund 0001		
(Agency 212, D23 Fund 0001)		
(Agency 403, D23 Fund 0001)	\$614,958.00	
(Agency 403, D23 Fund 0001)		
(Agency 758, D23 Fund 0001)		\$5,646,168.31
Total Legislative Transfers	\$614,958.00	\$5,646,168.31

The Federal and State Grant Pass Through information is provided on Schedule 1A - *Schedule of Expenditures of Federal Awards*, and Schedule 1B - *Schedule of Pass-Through Grants From/To State Agencies*, respectively.

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Notes to the Financial Statements For the Year Ended August 31, 2020

Note 13: Continuance Subject to Review

Not Applicable. SHSU is not subject to the Texas Sunset Act.

Note 14: Adjustments to Net Assets

Sam Houston State University's contract with Aramark dining services requires that the university maintains four weeks of meals to be held on deposit with Aramark. This amount is due back to SHSU at the end of the contract period. SHSU had previously expensed these funds through the income statement instead of recording them as a receivable. This resulted in an understatement of fund balance of \$1,547,787.08.

During a review of capital assets and their associated accumulated depreciation it was determined that SHSU had received a gift of a building that had not previously been recorded as an asset. This item and the accumulated depreciation resulted in an understatement of fund balance of \$446,399.63. Together, these items resulted in a restatement to net position of an increase of \$1,994,186.71.

Note 15: Contingencies and Commitments

Claims and Judgements

At August 31, 2020, various lawsuits and claims involving SHSU were pending. While the ultimate liability, if any, with respect to litigation and other claims asserted against SHSU cannot be reasonably estimated at this time, SHSU anticipates the liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on SHSU.

Federal Assistance

SHSU has received several federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based on prior experience, management believes such disallowances, if any, will be immaterial.

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 investment were invested at a yield equal to the yield on the bond issue. The rebatable arbitrage must be paid to the federal government.

System Administration monitors its investments to restrict earnings to a yield less than the bond issue and, therefore, limit any arbitrage liability. Systems Administration estimates that rebatable arbitrage liability, if any, will be immaterial to its overall financial condition. Consistent with TSUS's and SHSU's reporting of bonds at the system level, any arbitrage liability would be reported by TSUS and not SHSU.

Construction Commitments

SHSU continues to implement capital improvements to upgrade facilities. The outstanding capital commitments for the construction and renovation of various facilities are \$15,721,551.81. These projects are in various stages of completion.

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Notes to the Financial Statements For the Year Ended August 31, 2020

Note 16: Subsequent Events

Not Applicable.

Note 17: Risk Management

Liability Recognition and Experience

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

Unemployment Compensation

The State provides coverage for unemployment benefits for SHSU employees from appropriations made to the Texas Workforce Commission (TWC). The current General Appropriations Act provides that SHSU must reimburse the General Revenue Fund, from SHSU appropriations, 50% of the unemployment benefits paid for State-funded positions and 100% of the cost for unemployment compensation for any positions paid from funds held in local bank accounts and local funds held in the State Treasury. The Comptroller of Public Accounts determines the proportionate amount to be reimbursed from each appropriated fund type. The unemployment benefit plan is on a pay-as-you-go basis, in which no assets are set aside to be accumulated for the payment of claims. It is estimated that there were no material liabilities as of year end.

Workers' Compensation

The administration of the State's employee workers' compensation program is vested with the State Office of Risk Management (SORM). In accordance with H.B. No. 1203, 77th Legislature, SORM developed and imposed a formula-driven charge for workers' compensation costs upon participating agencies. The workers' compensation assessment is prepaid to SORM through an Interagency Contract for workers' compensation coverage for its employees in compliance with Texas Labor Code Chapter 412 and Chapter 501. The assessment for SHSU for 2020 was \$341,634.35. The assessment for SHSU for 2021 is \$352,763.62.

Fire and Extended Coverage

SHSU 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. SHSU had no insurance claims made during the fiscal year ended August 31, 2020.

Motor Vehicle

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 \$30,000/\$60,000 bodily injury and \$25,000 property damage. All vehicles owned and/or leased by SHSU are covered by a commercial insurance policy specifically customized for the TSUS, which provides coverage to the extent of \$1,000,000 combined single liability. The coverage exceeds the extent of the waivers of State immunity specified in the Texas Tort Claims Act, Civil Properties and Remedies Code Section 101.023.

Sam Houston State University

Notes to the Financial Statements For the Year Ended August 31, 2020

Civil Claims

SHSU is exposed to a variety of civil claims resulting from the performance of its duties. It is SHSU's policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed. SHSU assumes substantially all risks associated with tort and liability claims due to the performance of its duties. Currently, there is no purchase of commercial general liability insurance, nor is SHSU involved in any risk pools with other governmental entities. The liability of SHSU for personal injury and property damage is controlled by the Texas Tort Claims Act, VT.C.A Civil Practice and Remedies Code, Chapter 101, Section 101.021. The limits of liability are \$250,000 for each person, \$500,000 for each single occurrence for bodily injury or death, and \$100,000 for each single occurrence for injury to or destruction of property. Following this limited exposure, SHSU, as a State agency, is protected by the doctrine of sovereign immunity and, as such, retains the risk up to the aforementioned limits.

Note 18: Management's Discussion and Analysis

See Management's Discussion and Analysis.

Note 19: The Financial Reporting Entity

See Reporting Entity in Note 1.

Note 20: Stewardship, Compliance, and Accountability

SHSU has no material violations of finance related and contractual provisions. Per state laws, SHSU cannot spend amounts in excess of appropriations granted by the Texas Legislature and there are no deficits reported in net position.

Note 21: Not Applicable

Not Applicable.

Note 22: Donor-Restricted Endowments

Non-expendable restricted net position consists of endowments in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income.

<u>Donor - Restricted Endowment</u>	<u>Amounts Of Net Appreciation</u>	<u>Reported in Net Position</u>
True Endowments	\$ -	Restricted for Nonexpendable
Term Endowments	\$ 3,022,747.91	Restricted for Expendable
True Endowments	\$ 34,619,852.86	Restricted for Expendable

Sam Houston State University

Notes to the Financial Statements For the Year Ended August 31, 2020

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

The fiscal year 2020 SHSU spending policy for endowments was to distribute as much of the total return allowable while maintaining the principle investment objective of protecting the real value of the endowment corpus.

Note 23: Extraordinary and Special Items

Not Applicable. SHSU had no special or extraordinary items to report for the fiscal year ended August 31, 2020.

Note 24: Disaggregation of Receivable and Payable Balances

Balances of receivables and payables reported on the Statement of Net Position are not obscured by aggregation. There are no significant receivable balances expected to be collected beyond one year of the date of the financial statements.

Net other receivables on August 31, 2020 are detailed by type as follows:

Receivables related to grants and sponsored programs	\$ 1,547,787.08
Receivables related to insurance settlements	3,231,296.62
Receivables related to other activities	28,890.71
Total	<u>\$ 4,807,974.41</u>

Note 25: Termination Benefits

Not Applicable. During the fiscal year ended August 31, 2020, SHSU did not provide termination benefits.

Note 26: Segment Information

Not applicable. SHSU has no segments to report.

Note 27: Service Concession Arrangements

Not applicable. SHSU has no service concession arrangements to report as of August 31, 2020.

Sam Houston State University

Notes to the Financial Statements For the Year Ended August 31, 2020

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

Not applicable. SHSU has no deferred outflows or inflows of resources to report as of August 31, 2020.

Note 29: Troubled Debt Restructuring

Not applicable. SHSU has no troubled debt restructuring to report as of August 31, 2020.

Note 30: Non-Exchange Financial Guarantees

Not applicable. SHSU has no non-exchange financial guarantees to report as of August 31, 2020.

Note 31: Tax Abatements

Not applicable. SHSU has no tax abatements to report as of August 31, 2020.

Note 32: Fund Balances

Not applicable.

State of Texas — Annual Financial Reporting
Schedule of Expenditures of Federal Awards
(SEFA)

Agency 753 - Sam Houston State University

For the Fiscal Year Ended August 31, 2020

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From		Direct Program Amount	Total PT From and Direct Prog. Amount	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount	
				Agencies or Universities Amount	Non-State Entities Amount			Agencies or Universities Amount	Non-State Entities Amount			
Executive Office of the President												
<u>Direct Programs:</u>												
High Intensity Drug Trafficking Areas Program	95.001					1,046,074.80	1,046,074.80			1,046,074.80	1,046,074.80	
Totals - Executive Office of the President				0.00	0.00	1,046,074.80	1,046,074.80	0.00	0.00	1,046,074.80	1,046,074.80	
Institute of Museum and Library Services												
<u>Pass-Through From:</u>												
Grants to States	45.310						3,222.00			3,222.00	3,222.00	
<u>Pass-Through From:</u> Texas State Library and Archives Commission			306	3,222.00								
Totals - Institute of Museum and Library Services				3,222.00	0.00	0.00	3,222.00	0.00	0.00	3,222.00	3,222.00	
National Endowment For The Humanities												
Promotion of the Humanities Federal/State Partnership	45.129	Humanities Texas/ 281160			4,274.00		4,274.00			4,274.00	4,274.00	
Promotion of the Humanities Research	45.161	University of Nebraska/ 270850			8,163.31		8,163.31			8,163.31	8,163.31	
Totals - National Endowment For The Humanities				0.00	12,437.31	0.00	12,437.31	0.00	0.00	12,437.31	12,437.31	
Small Business Administration												
<u>Pass-Through From:</u>												
Small Business Development Centers	59.037						105,053.50			105,053.50	105,053.50	
<u>Pass-Through From:</u> University of Houston			730	105,053.50								
Totals - Small Business Administration				105,053.50	0.00	0.00	105,053.50	0.00	0.00	105,053.50	105,053.50	
U.S. Department of the Interior												
<u>Direct Programs:</u>												
Cooperative Research and Training Programs - Resources of the National Park System	15.945					-592.22	-592.22			-592.22	-592.22	
Totals - U.S. Department of the Interior				0.00	0.00	-592.22	-592.22	0.00	0.00	-592.22	-592.22	
U.S. Department of Agriculture												
<u>Direct Programs:</u>												
Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	10.326					16,020.88	16,020.88			16,020.88	16,020.88	
<u>Pass-Through From:</u>												
Sustainable Agriculture Research and Education	10.215						1,138.05			1,138.05	1,138.05	
<u>Pass-Through From:</u> Texas A&M AgriLife Extension Service			555	1,138.05								
Totals - U.S. Department of Agriculture				1,138.05	0.00	16,020.88	17,158.93	0.00	0.00	17,158.93	17,158.93	
U.S. Department of Education												

Sam Houston State University
Schedule 1A
For the Fiscal Year Ended August 31, 2020

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<u>Direct Programs:</u>									
Supporting Effective Educator Development Program	84.423			222,560.81	222,560.81			222,560.81	222,560.81
COVID-19 - Education Stabilization Fund	84.425			16,247,485.10	16,247,485.10			16,247,485.10	16,247,485.10
Disaster Recovery Assistance for Education	84.938			262,707.30	262,707.30			262,707.30	262,707.30
<u>Pass-Through From:</u>									
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367				2,879.12			2,879.12	2,879.12
<u>Pass-Through From:</u>									
Texas Education Agency		701	2,879.12						
Totals - U.S. Department of Education			2,879.12	0.00	16,732,753.21	16,735,632.33		0.00	0.00
U.S. Department of Homeland Security									
<u>Pass-Through From:</u>									
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036				595,211.40			595,211.40	595,211.40
<u>Pass-Through From:</u>									
Texas Division of Emergency Management		575	595,211.40						
Totals - U.S. Department of Homeland Security			595,211.40	0.00	0.00	595,211.40		0.00	0.00
U.S. Department of Justice									
Edward Byrne Memorial Competitive Grant Program	16.751	University of Missouri/ 27079		2,369.10	2,369.10			2,369.10	2,369.10
<u>Pass-Through From:</u>									
Crime Victim Assistance	16.575				441,584.85			441,584.85	441,584.85
<u>Pass-Through From:</u>									
Governor - Fiscal		300	441,584.85						
Project Safe Neighborhoods	16.609				238,442.35			238,442.35	238,442.35
<u>Pass-Through From:</u>									
Governor - Fiscal		300	238,442.35						
Totals - U.S. Department of Justice			680,027.20	2,369.10	0.00	682,396.30		0.00	0.00
<u>Research & Development Cluster</u>									
National Science Foundation									
<u>Direct Programs:</u>									
Mathematical and Physical Sciences	47.049			216,837.17	216,837.17			216,837.17	216,837.17
Biological Sciences	47.074			55,589.42	55,589.42			55,589.42	55,589.42
Education and Human Resources	47.076			299,042.57	299,042.57			299,042.57	299,042.57
Totals - National Science Foundation			0.00	0.00	571,469.16	571,469.16		0.00	0.00
U.S. Department of the Interior									
<u>Direct Programs:</u>									
SECURE Water Act - Research Agreements	15.560			108,532.12	108,532.12			108,532.12	108,532.12
Totals - U.S. Department of the Interior			0.00	0.00	108,532.12	108,532.12		0.00	0.00
U.S. Department of Agriculture									
Agriculture and Food Research Initiative (AFRI)	10.310	Montana State University/ 270770		2,675.98	2,675.98			2,675.98	2,675.98
<u>Direct Programs:</u>									
Plant and Animal Disease, Pest Control, and Animal Care	10.025			25,278.74	25,278.74				25,278.74
<u>Pass-Through To:</u>									
University of Texas at Austin						721	25,278.74		
Plant and Animal Disease, Pest Control, and Animal Care	10.025			156,308.37	156,308.37			143,089.97	156,308.37
<u>Pass-Through To:</u>									
Lamar State College - Orange						787	13,218.40		
Agriculture and Food Research Initiative (AFRI)	10.310			108,409.75	108,409.75		75,125.20	33,284.55	108,409.75
Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	10.326			151,405.65	151,405.65		44,356.39	41,316.65	151,405.65
<u>Pass-Through To:</u>									
Texas A&M AgriLife Research						556	65,732.61		
<u>Pass-Through From:</u>									
Integrated Programs	10.303				11,304.13			11,304.13	11,304.13

Sam Houston State University
Schedule 1A
For the Fiscal Year Ended August 31, 2020

UNAUDITED

<u>Pass-Through From:</u> Texas A&M AgriLife Research		556	11,304.13								
Totals - U.S. Department of Agriculture			11,304.13	2,675.98	441,402.51	455,382.62		104,229.75	119,481.59	231,671.28	455,382.62
U.S. Department of Education											
<u>Direct Programs:</u>											
Supporting Effective Educator Development Program	84.423				2,051,120.36	2,051,120.36				2,051,120.36	2,051,120.36
Totals - U.S. Department of Education			0.00	0.00	2,051,120.36	2,051,120.36		0.00	0.00	2,051,120.36	2,051,120.36
U.S. Department of Health and Human Services											
Lung Diseases Research	93.838	University of South Alabama/ 27090 & 27091		37,649.32		37,649.32				37,649.32	37,649.32
<u>Direct Programs:</u>											
Mental Health Research Grants	93.242				32,478.68	32,478.68				32,478.68	32,478.68
Minority Health and Health Disparities Research	93.307				64,598.88	64,598.88				64,598.88	64,598.88
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847				80,457.04	80,457.04				80,457.04	80,457.04
<u>Pass-Through From:</u>											
Alcohol Research Programs	93.273					45,591.00				45,591.00	45,591.00
<u>Pass-Through From:</u> University of Houston		730	45,591.00								
Totals - U.S. Department of Health and Human Services			45,591.00	37,649.32	177,534.60	260,774.92		0.00	0.00	260,774.92	260,774.92
U.S. Department of Justice											
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	Colorado State University/ 270980		10,748.63		10,748.63				10,748.63	10,748.63
		McCrone Research Institute, Inc./ 280730		410.97		410.97				410.97	410.97
		West Virginia University/ 270950		44,297.16		44,297.16				44,297.16	44,297.16
Smart Prosecution Initiative	16.825	Montgomery County/ 27084		40,497.90		40,497.90				40,497.90	40,497.90
<u>Direct Programs:</u>											
OVW Research and Evaluation Program	16.026				117,454.85	117,454.85				117,454.85	117,454.85
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560				112,654.13	112,654.13				112,654.13	112,654.13
Criminal Justice Research and Development Graduate Research Fellowships	16.562				10,413.62	10,413.62				10,413.62	10,413.62
Totals - U.S. Department of Justice			0.00	95,954.66	240,522.60	336,477.26		0.00	0.00	336,477.26	336,477.26
U.S. Department of Transportation											
<u>Pass-Through From:</u>											
National Priority Safety Programs	20.616					16,441.67					16,441.67
<u>Pass-Through From:</u> Texas Department of Transportation		601	16,441.67								
<u>Pass-Through To:</u> University of Texas at Dallas							738	16,441.67			
Totals - U.S. Department of Transportation			16,441.67	0.00	0.00	16,441.67		16,441.67	0.00	0.00	16,441.67
<u>Highway Safety Cluster</u>											
U.S. Department of Transportation											
<u>Pass-Through From:</u>											
National Priority Safety Programs	20.616					532,942.47				532,942.47	532,942.47
<u>Pass-Through From:</u> Texas Department of Transportation		601	532,942.47								
Totals - U.S. Department of Transportation			532,942.47	0.00	0.00	532,942.47		0.00	0.00	532,942.47	532,942.47
<u>Special Education Cluster (IDEA) Cluster</u>											
U.S. Department of Education											
<u>Pass-Through From:</u>											
Special Education Grants to States	84.027					1,246,541.75				1,246,541.75	1,246,541.75
<u>Pass-Through From:</u>											

Sam Houston State University
Schedule 1A
For the Fiscal Year Ended August 31, 2020

UNAUDITED

<i>Texas Education Agency</i>		701	1,246,541.75						
Special Education Preschool Grants	84.173				548.99		548.99	548.99	
<i>Pass-Through From:</i>									
<i>Texas Education Agency</i>		701	548.99						
Totals - U.S. Department of Education			1,247,090.74	0.00	0.00	1,247,090.74	0.00	0.00	1,247,090.74
<u>Student Financial Assistance Programs Cluster</u>									
U.S. Department of Education									
<u>Direct Programs:</u>									
Federal Supplemental Educational Opportunity Grants	84.007			758,841.63	758,841.63		758,841.63	758,841.63	
Federal Work-Study Program	84.033			1,045,434.16	1,045,434.16		1,045,434.16	1,045,434.16	
Federal Pell Grant Program	84.063			36,847,290.59	36,847,290.59		36,847,290.59	36,847,290.59	
Federal Direct Student Loans	84.268			111,846,593.00	111,846,593.00		111,846,593.00	111,846,593.00	
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379			160,673.00	160,673.00		160,673.00	160,673.00	
Totals - U.S. Department of Education			0.00	0.00	150,658,832.38	150,658,832.38	0.00	0.00	150,658,832.38
<u>TRIO Cluster</u>									
U.S. Department of Education									
<u>Direct Programs:</u>									
TRIO Student Support Services	84.042			255,100.82	255,100.82		255,100.82	255,100.82	
TRIO McNair Post-Baccalaureate Achievement	84.217			243,270.73	243,270.73		243,270.73	243,270.73	
Totals - U.S. Department of Education			0.00	0.00	498,371.55	498,371.55	0.00	0.00	498,371.55
Total Expenditures of Federal Awards			3,240,901.28	151,086.37	172,542,041.95	175,934,029.60	120,671.42	119,481.59	175,934,029.60

Sam Houston State University

Notes to the Financial Statements For the Year Ended August 31, 2020

Note 1 – Non-Monetary Assistance

Donation of Federal Surplus Property

	\$ -
Total Non-Monetary Assistance	<u>\$ -</u>

SHSU does not show any Non-Monetary Assistance for FY20.

Sam Houston State University

Notes to the Financial Statements For the Year Ended August 31, 2020

Note 2 – Reconciliation Per Combined Governmental Operating Statement Statement of Activities and Proprietary Statement of Changes in Revenues, Expenses, & Net Assets

		2018	2019	2020
Federal Revenue				
Proprietary Funds				
Operating	Exhibit IV/SRECNA	\$ 4,826,558.38	\$ 6,490,025.65	\$ 23,999,244.73
Non-Operating	Exhibit IV/SRECNA	\$ 36,438,149.90	\$ 38,654,720.98	\$ 36,847,290.59
Capital Contributions	Exhibit IV/SRECNA			
Total Federal Revenue		\$ 41,264,708.28	\$ 45,144,746.63	\$ 60,846,535.32
Federal Pass-Through Revenue				
Proprietary Funds				
Operating	Federal Pass-Through Revenue from Other State Agencies (SRECNA)	\$ 1,617,096.45	\$ 1,555,327.09	\$ 3,240,901.28
Non-Operating	Federal Pass-Through Revenue from Other State Agencies (SRECNA)	\$ 80,500.72	\$ 339,651.15	\$ -
		\$ -	\$ -	\$ -
Total Federal Pass-Through Revenue		\$ 1,697,597.17	\$ 1,894,978.24	\$ 3,240,901.28
Total Federal & Federal Pass-Through Revenue		\$ 42,962,305.45	\$ 47,039,724.87	\$ 64,087,436.60
Reconciling Items:				
Non-monetary Items				
	Donation of Federal Surplus Personal Property	\$ -	\$ -	\$ -
Total Non-monetary Items		\$ -	\$ -	\$ -
New Loans Processed:				
	Federal Family Education Loans	84.032 \$ -	\$ -	\$ -
	Federal Perkins Loan Program	84.038 \$ 37,826.00	\$ -	\$ -
	Federal Direct Student Loans	84.268 \$ 119,297,243.00	\$ 124,580,191.00	\$ 111,846,593.00
Total New Loans Processed		\$ 119,335,069.00	\$ 124,580,191.00	\$ 111,846,593.00
Total Reconciliation Items		\$ 119,335,069.00	\$ 124,580,191.00	\$ 111,846,593.00
Total Per Note 2		\$ 162,297,374.45	\$ 171,619,915.87	\$ 175,934,029.60
Total Pass Through & Expenditures per Federal Schedule		\$ 162,297,374.45	\$ 171,619,915.87	\$ 175,934,029.60

Sam Houston State University

Notes to the Financial Statements *For the Year Ended August 31, 2020*

Note 3a – Student Loans Processed and Administrative Costs Recovered

New Loans Processed during FY 2020:

84.038 Federal Perkins Loan Program	\$	-
84.268 Federal Direct Loan Program	\$	111,846,593.00
	\$	<u>111,846,593.00</u>

Sam Houston State University

Notes to the Financial Statements *For the Year Ended August 31, 2020*

Note 3b- Federally Funded Loans Processed and Administrative Costs Recovered

	New Loans Processed	Admin Cost Recovered	Total Loans Processed and Admin Cost Recovered
84.007 SEOG	\$ 721,589.63	\$ 37,252.00	\$ 758,841.63
84.063 Federal Pell Program	\$ 36,847,290.59	\$ -	\$ 36,847,290.59
84.033 Federal Work Study	\$ 1,014,539.16	\$ 30,895.00	\$ 1,045,434.16

Sam Houston State University

Notes to the Financial Statements For the Year Ended August 31, 2020

Schedule 1B State Pass-Through Grants from Other State Agencies

Pass Through From:

Agency Name		
<hr/>		
Governor-Fiscal		
Criminal Justice Planning Grants	\$	168,444.02
State Board of Public Accountancy		
Fifth Year Accounting Student Scholarship Program	\$	13,970.00
Texas Education Agency		
Available School Fund- Per Capita	\$	66,314.79
Foundation School Program	\$	2,581,584.14
Award Student Achievement and Ed Excellence	\$	11,840.74
Instructional Materials Allotment	\$	13,495.98
Texas Higher Education Coordinating Board		
Joint Admission Medical Program	\$	21,606.89
Nursing and Allied Health	\$	(1,505.41)
TEXAS Grant Program	\$	16,182,373.00
Professional Nursing Shortage Reduction Program	\$	180,469.53
College Work Study Program	\$	38,075.46
Work Study Mentorship Program	\$	34,910.00
Autism- BCBA Training	\$	140,524.72
Educational Aide Program	\$	12,195.00
Texas Commission on the Arts		
Various Projects	\$	1,125.00
Total State Pass-Through Grant Revenue	\$	19,465,423.86

Pass Through to:

	\$	19,465,423.86
None		

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Sam Houston State University

Notes to the Financial Statements
For the Year Ended August 31, 2020

Schedule 2A
Miscellaneous Bond Information
For the Year Ended August 31, 2020

Schedule Not Used

UNAUDITED

Sam Houston State University

Notes to the Financial Statements
For the Year Ended August 31, 2020

Schedule 2B
Changes in Bond Indebtedness
For the Year Ended August 31, 2020

Schedule Not Used

UNAUDITED

Sam Houston State University

Notes to the Financial Statements
For the Year Ended August 31, 2020

Schedule 2C
Debt Service Requirements
For the Year Ended August 31, 2020

Schedule Not Used

UNAUDITED

Sam Houston State University

Notes to the Financial Statements *For the Year Ended August 31, 2020*

Schedule 2D

Analysis of Funds Available for Debt Service

For the Year Ended August 31, 2020

Business Type Activities
General Obligation Bonds

Schedule Not Used

Business Type Activities
Revenue Bonds

Schedule Not Used

UNAUDITED

Sam Houston State University

Notes to the Financial Statements
For the Year Ended August 31, 2020

Schedule 2E
Defeased Bonds Outstanding
For the Year Ended August 31, 2020

Schedule Not Used

UNAUDITED

Sam Houston State University

Notes to the Financial Statements *For the Year Ended August 31, 2020*

Schedule 2F Early Extinguishment and Refunding For the Year Ended August 31, 2020

Business Type Activities General Obligation Bonds

Schedule Not Used

Business Type Activities Revenue Bonds

Schedule Not Used

Sam Houston State University

Notes to the Financial Statements For the Year Ended August 31, 2020

Schedule 3

Reconciliation of Cash in State Treasury

<u>Cash in State Treasury</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Current Year Total</u>
Local Revenue Fund 259	21,040,454.76		21,040,454.76
Law Enforcement Mgt. Institute Fund 581	1,653,310.29		1,653,310.29
CJ Correctional Management Institute Fund 5083	1,757,142.69		1,757,142.69
Tobacco Permanent Health Fund 0810	278,388.69		278,388.69
Total Cash in State Treasury (Stmnt of Net Assets)	\$ 24,729,296.43	\$ 0.00	\$ 24,729,296.43