STEPHEN F. AUSTIN
STATE UNIVERSITY

NACOGDOCHES, TEXAS

ANNUAL FINANCIAL REPORT

For the year ended August 31, 2020

STEPHEN F. AUSTIN STATE UNIVERSITY

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STEPHEN F. AUSTIN STATE UNIVERSITY

Stephen F. Austin State University
Office of the President
P. O. Box 6078, SFA Station • Nacogdoches Texas 75962-0678
Phone: (936) 468-2201 • Fax: (936) 468-2202

November 20, 2020

Honorable Greg Abbott, Governor
Honorable Glenn Hegar, Texas Comptroller of Public Accounts
Ursula Parks, Director, Legislative Budget Board
John Keel, CPA, State Auditor

Dear Ladies and Gentlemen:

We are pleased to submit the annual financial report of Stephen F. Austin State University for the year ended August 31, 2020, in compliance with Texas Government Code Annotated, Section 2101.011 and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

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

If you have any questions, please contact Ms. Dannette Sales at (936) 468-2354. Ms. Letitia Hamilton may be contacted at (936) 468-2250 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

Scott Gordon
President

STEPHEN F. AUSTIN STATE UNIVERSITY

Vice President for Finance and Administration
P.O. Box 6108, SFA Station • Nacogdoches, Texas 75962-6108
Phone (936) 468-2203 • Fax (936) 468-7027

November 20, 2020

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

Dear Dr. Gordon:

Submitted herein is the Annual Financial Report of Stephen F. Austin 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 accompanying Annual 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). Therfore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions, please contact me.

Sincerely,

Dannette Sales

Dannette Sales, CPA
Controller

Approved:

Danny R. Gallant

Danny R. Gallant, Ph.D.
Vice President for Finance and Administration

STEPHEN F. AUSTIN
STATE UNIVERSITY
NACOGDOCHES, TEXAS

Organizational Data
August 31, 2020

Board of Regents

Officers

Alton L. Frailey, Chair
Karen Gantt, Vice Chair
M. Thomas Mason, Secretary

Members

Name	Town	Term Expires
David R. Alders	Nacogdoches, Texas	January 31, 2025
Robert Flores	Nacogdoches, Texas	January 31, 2021
Scott H. Coleman	Houston, Texas	January 31, 2021
Alton L. Frailey	Katy, Texas	January 31, 2021
Karen G. Gantt	McKinney, Texas	January 31, 2023
Brigettee C. Henderson	Lufkin, Texas	January 31, 2023
M. Thomas Mason	Dallas, Texas	January 31, 2023
Judy L. Olson	The Woodlands, Texas	January 31, 2025
Jennifer W. Winston	Lufkin, Texas	January 31, 2025
Ireland Bramhall (student)	Ennis, Texas	May 31, 2021

President

Dr. Scott Gordon, Ph.D.

Finance and Administration

Vice President - Danny Gallant, Ph.D.
Controller - Dannette Sales, CPA
Assistant Controller - Eric Ashworth, CPA

STEPHEN F. AUSTIN STATE UNIVERSITY

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

INTRODUCTION

Stephen F. Austin State University (the University) is a comprehensive regional public institution of higher education and an agency of the State of Texas (State). Founded in 1923, the University is named for the "Father of Texas," Stephen Fuller Austin. It is located in the city of Nacogdoches, a part of the East Texas forested region. The main campus has more than 400 acres, including part of the original homestead of Thomas J. Rusk, early Texas patriot and United States Senator. In fall 2019, the University enrolled 12,969 students in 34 academic units and 6 colleges. The University offers baccalaureate, masters, and doctoral degrees.

The University is accredited by the Southern Association of Colleges and Schools Commission on Colleges. Specific academic programs hold numerous other accreditations.

The University does not include any blended components in the Financial Statements.

OVERVIEW OF THE FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS

The objective of Management's Discussion and Analysis is to help readers of the University's Financial Statements better understand the financial position and operating activities for the fiscal year ended August 31, 2020, with selected comparative information for the year ended August 31, 2019. This discussion should be read in conjunction with the Transmittal Letter, Financial Statements, and Notes to the Financial Statements. Management has prepared the Financial Statements and Notes to the Financial Statements along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with the University administration.

Three primary statements are presented: Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows. The Financial Statements are prepared in accordance with requirements established by the Texas Comptroller of Public Accounts.

FINANCIAL HIGHLIGHTS

- Enrollment for the fall 2019 semester was 12,969. This figure represents a decrease of 1.3 percent from the enrollment of 13,144 recorded in fall 2018. Retention rates and persistence to graduation are two metrics by which the Texas Legislature evaluates State universities. The University reported an undergraduate retention rate of 76.9 percent for the fall 2019.
- The University's financial position at August 31, 2020 reflected total assets and deferred outflows of $671 million and total liabilities and deferred inflows of $610 million. Overall, the net position of the University decreased $18.1 million. Although with the implementation of Governmental Accounting Standards Board Statement Nos. 68 and 75, the Teachers Retirement System (TRS) recorded a non-cash increase in pension cost of $9.2 million and the Employees Retirement System recorded a non-cash increase of $16.5 million related to the Other Post-Employment Benefits (OPEB) to the University's pension expense.
- In 2018, the University began a five-year capital fundraising campaign to coincide with the University's 100-year anniversary in 2023. As of the end of the 2020 fiscal year, almost 70 percent has been pledged.
- In the spring of 2019, the University began construction of a basketball training facility and renovations to the fine arts buildings funded by a $110 million bond issue sold at a premium that resulted in net bond proceeds of $115.5 million. In lieu of decreased occupancy of the residence halls due a global pandemic, the construction of the residence hall and dining facility has been suspended. The issue also provided for the construction of a one-stop shop and welcome center, however, the Board of Regents decided to use existing infrastructure for that endeavor.

CONDENSED FINANCIAL INFORMATION AND FINANCIAL HIGHLIGHTS

Statement of Net Position

The Statement of Net Position provides a snapshot view of assets available for use in the University's continuing operations and enables readers to determine the amounts owed to others. Over time, increases or decreases in net position are indicators of the improvement or decline of the financial health of the University. The Statement of Net Position presents the assets, liabilities, deferred outflows and inflows of resources, and net position of the University at a specific point in time, in this case August 31, 2020. Net position represents the residual interest in the University's assets and deferred outflows of resources after deducting liabilities and deferred inflows of resources.

"Net Position" displays three major categories: Invested in Capital Assets, Net of Related Debt; Restricted Net Position; and Unrestricted Net Position. The Invested in Capital Assets, Net of Related Debt category identifies the equity in property, plant, and equipment owned by the University. Restricted Net Position is either expendable or non-expendable. Restricted Net Position-Expendable may be expended only for the purposes designated by the external donor or provider of the assets. Restricted Net Position-Non-expendable is comprised entirely of funds held as permanent endowments. Unrestricted Net Position is available for any lawful purpose of the University. Although Unrestricted Net Position assets are not subject to externally imposed stipulations, these assets may have other commitments for various future uses in support of the University's mission. These include commitments for encumbrances outstanding at year-end. Also recognized in Unrestricted Net Position are unspent Higher Education Funds (HEF) and other appropriations, which have restrictions imposed by the State. Assets and liabilities are generally measured using current values, except capital assets, which are stated at historical cost less an allowance for depreciation.

A summarized comparison of the University's Statement of Net Position at August 31, 2020 and 2019 follows:

Statement of Net Position

	August 31, 2020	August 31, 2019
Assets		
Current Assets	$ 216,101,641.53	$ 164,594,394.78
Noncurrent Assets		
Other Noncurrent Assets	116,991,026.20	182,752,587.33
Capital Assets, Net of Depreciation	214,104,974.90	218,101,917.24
Total Assets	547,197,642.63	565,448,899.35
Deferred Outflows of Resources	123,585,061.00	141,824,001.00
Liabilities		
Current Liabilities	124,586,748.13	131,332,101.37
Noncurrent Liabilities	426,782,984.26	437,804,779.28
Total Liabilities	551,369,732.39	569,136,880.65
Deferred Inflows of Resources	58,405,904.00	58,851,752.00

	August 31, 2020	August 31, 2019
Net Position		
Invested in Capital Assets, Net of Related Debt	$ 71,755,447.36	$ 73,356,302.24
Restricted Net Position		
Capital Projects	4,304,325.12	844,774.45
Expendable	27,251,459.27	25,741,196.68
Non-expendable	6,083,565.66	6,038,067.76
Unrestricted Net Position	(48,387,730.17)	(26,696,073.43)
Total Net Position	$ 61,007,067.24	$ 79,284,267.70

During fiscal year 2020, certain accounting changes and adjustments were made that required the restatement of net position. A restatement of $206.29 was necessary because the software system did not calculate depreciation on an asset that was adjusted in value for fiscal year 2019. The restatement reflects the amount needed to correct the accumulate depreciation. An additional restatement of $171,427.86 was required to reclassify two projects reported in Construction-in-Project that did not meet the capitalization requirements.

Statement of Revenues, Expenses, and Changes in Net Position

The change in total net position was calculated from the activity shown on the Statement of Revenues, Expenses, and Changes in Net Position. This statement presents operating revenues and expenses; non-operating revenues and expenses; and other revenues, expenses, gains (losses), and transfers.

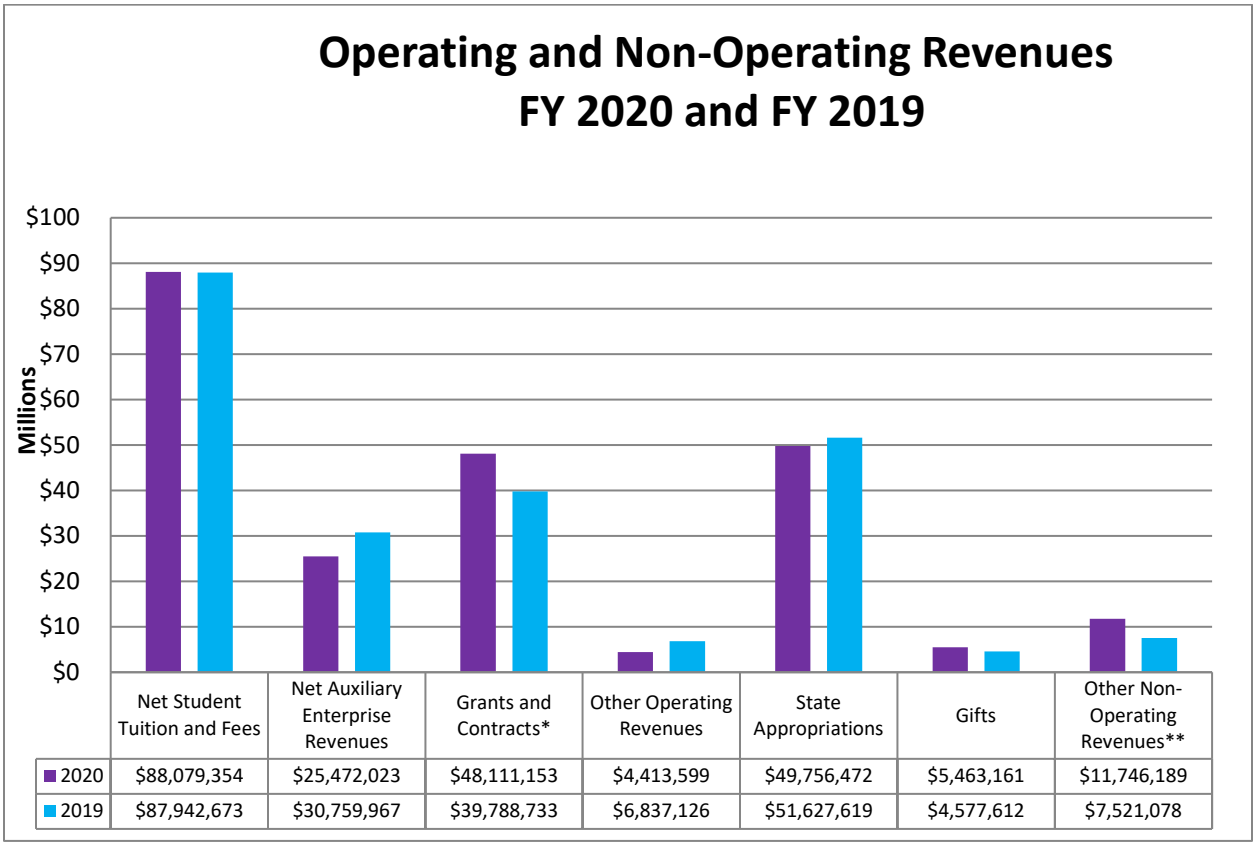
Operating revenues are receipts for providing goods and services to the various constituencies of the University. Operating expenses include salaries, wages, and goods and services needed to carry out the mission of the University. Non-operating revenues and expenses include non-exchange transactions for which no goods or services were provided. This category includes State appropriations, Pell grants, gifts, investment income, and interest payments on long-term debt.

A summarized comparison of the University's Statement of Revenues, Expenses, and Changes in Net Position for the years ended August 31, 2020 and 2019 follows:

Statement of Revenues, Expenses, and Changes in Net Position

	2020	2019
Operating Revenues:		
Net Student Tuition and Fees	$ 88,079,354.23	$ 87,942,672.92
Net Auxiliary Enterprise Revenues	25,472,022.64	30,759,967.12
Grants and Contracts	26,088,288.66	16,776,952.86
Other Operating Revenues	4,413,599.25	6,837,126.06
Total Operating Revenues	144,053,264.78	142,316,718.96
Total Operating Expenses	254,383,098.08	255,807,839.05
Operating Income (Loss)	(110,329,833.30)	(113,491,120.09)
Legislative Revenue (State)	39,106,062.00	40,201,343.00
Additional Appropriations	10,650,410.46	11,426,276.19
Federal Revenues - Non-Operating	22,022,864.00	23,011,780.00
Gifts	5,463,160.68	4,577,611.73
Net Investment Income (Loss)	5,794,476.11	7,195,450.11
Net Increase (Decrease) in Fair Value of Investments	5,460,823.17	(811,992.50)
Interest Expenses and Fiscal Charges	(7,664,054.70)	(7,229,175.49)
Net Other Non-Operating Revenues (Expenses)	490,890.20	1,137,620.24
Total Non-Operating Revenues (Expenses)	81,324,631.92	79,508,913.28
Income (Loss) Before Other Revenues, Expenses, Gains or Losses	(29,005,201.38)	(33,982,206.81)
Other Revenues, Expenses, Gains (Losses) and Transfers	10,899,638.07	12,221,695.26
Change in Net Position	(18,105,566.31)	(21,760,511.55)
Net Position, Beginning of Year	79,284,267.70	113,603,266.37
Restatements	(171,634.15)	(12,558,487.12)
Restated Net Position, Beginning of Year	79,112,633.55	101,044,779.25
Net Position, End of Year	$ 61,007,067.24	$ 79,284,267.70

The following graph exhibits operating and non-operating revenues by major source:



	Net Student Tuition and Fees	Net Auxiliary Enterprise Revenues	Grants and Contracts*	Other Operating Revenues	State Appropriations	Gifts	Other Non-Operating Revenues**
2020	$88,079,354	$25,472,023	$48,111,153	$4,413,599	$49,756,472	$5,463,161	$11,746,189
2019	$87,942,673	$30,759,967	$39,788,733	$6,837,126	$51,627,619	$4,577,612	$7,521,078

** Grants and Contracts includes both Operating and Non-Operating Grants and Contracts.*
***Other Non-Operating Revenues includes Net Investment Income, Net Increase (Decrease) in Fair Value of Investments, and Net Other Non-Operating Revenues.*

Some of the fiscal year 2020 highlights presented in the Statement of Revenues, Expenses, and Changes in Net Position are as follows:

- The COVID-19 global pandemic caused a shutdown of in-person classes nationwide. As a result, refunds of all types of service fees were issued to students. A total of $9 million in housing and meal plans, recreation center dues, parking permits and student center fees were refunded.
- Occupancy for the spring term dropped a percentage point to almost zero due to the pandemic.
- The increase in grant revenues was attributed predominately to the federal aid issued to assist colleges and universities with the tremendous loss in revenue and the financial needs of its students. This financial aid passed on to the students accounted for the increase in tuition discounting which, in turn, caused a drop in net tuition and fees
- In response to the drop in revenues caused by the pandemic, the governor's office declared that each institution of higher education give up five percent of their general revenue allocation for the biennium. As a result of splitting that decrease over fiscal years 2020 and 2021, the decrease in state appropriations includes a lapse of $1.63 million.

Discounts and allowances reported as offsets for both tuition and fees and auxiliary enterprise revenues include exemptions, tuition discounts, and the allowance for doubtful accounts, which is a calculated estimate of the uncollectible student receivables. The chart below reflects these amounts and the related variances from fiscal year 2019.

Gross Student Revenues, Exemptions, Discounts and Allowances			
	2020	**2019**	**Net Change**
Tuition and Fees - Pledged	$124,916,315.21	$119,980,291.78	$4,936,023.43
Tuition and Fees - Non-Pledged	4,382,523.90	4,431,434.02	(48,910.12)
Exemptions	(13,119,747.17)	(11,239,010.44)	(1,880,736.73)
Tuition Discounts	(28,336,313.52)	(24,781,528.61)	(3,554,784.91)
Allowances for Doubtful Accounts	236,575.81	(448,513.83)	685,089.64
Net Student Tuition and Fees	$ 88,079,354.23	$ 87,942,672.92	$136,681.31
Auxiliary Enterprises - Pledged	$34,539,445.51	$ 41,689,191.71	$(7,149,746.20)
Auxiliary Enterprises - Non-Pledged	1,827,388.78	2,034,214.21	(206,825.43)
Discounts	(11,074,108.31)	(12,557,432.43)	1,483,324.12
Allowances for Doubtful Accounts	179,296.66	(406,006.37)	585,303.03
Net Auxiliary Enterprise Revenues	$ 25,472,022.64	$ 30,759,967.12	$(5,287,944.48)

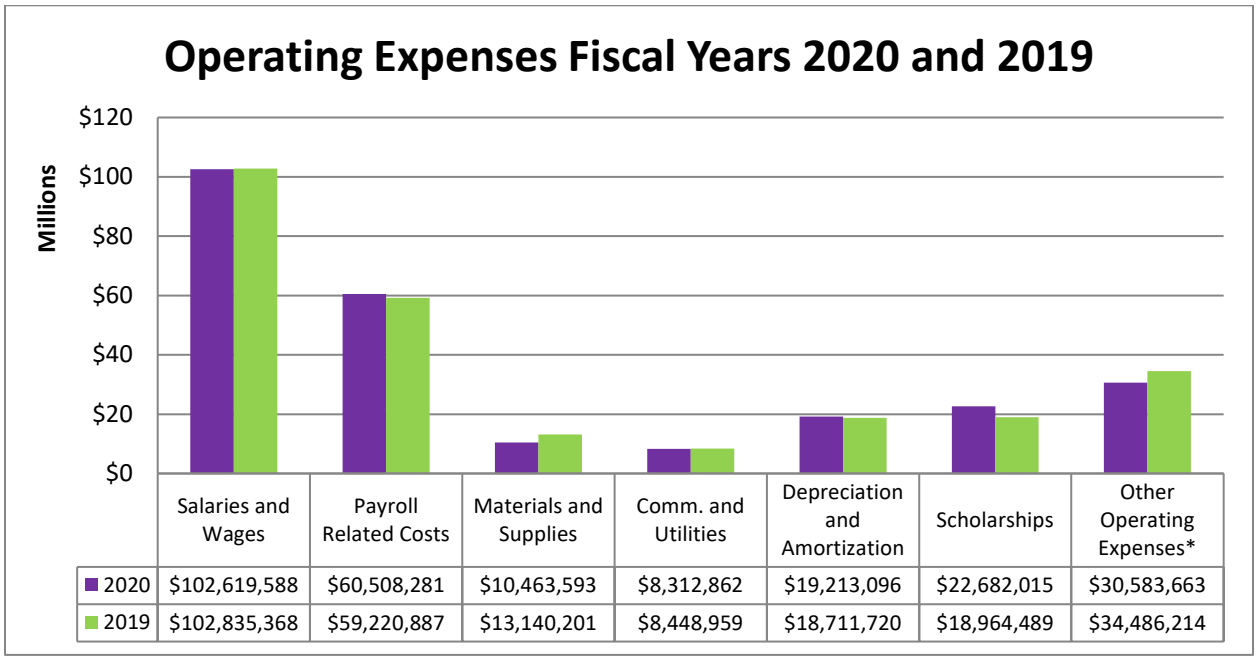
While state and federal loans to students decreased for the second year in a row, reported net scholarships increased by approximately $3.7 million. The largest contributor to the decrease in state and federal student loans was the federal direct loan program. The gross amount of scholarships actually awarded to students from grants and outside organizations increased significantly by approximately $5.8 million. Pell grants increased $1.0 million; however, the infusion of $5.26 million from the federal government to distribute to students hit hardest by the pandemic had the largest impact. This indicates that students received a greater amount of funding from sources that will not increase their student debt. A portion of scholarships has been reclassified as either tuition discounts or auxiliary discounts using the National Association of College and University Business Officers (NACUBO) discount formula. The discount calculation takes into account various types of aid to the student as shown below:

Gross Scholarships and Related Discounts Applied to Revenues			
	2020	**2019**	**Net Change**
State and federal student loans	$ 69,760,742.27	$ 71,995,892.30	$ 2,235,150.03
Gross Scholarships	62,092,436.76	56,303,450.42	5,788,986.34
Scholarships - Reclassified to Tuition/Fee Discounts	(32,462,982.11)	(24,781,528.60)	(7,681,453.51)
Scholarships - Reclassified to Auxiliary Enterprises	(6,947,439.73)	(12,557,432.43)	5,609,992.70
Scholarships (as reported)	$ 22,682,014.92	$ 18,964,489.39	$ 3,717,525.53

The following data summarizes the operating expenses in the natural classification expense categories for the fiscal years ended August 31, 2020 and 2019:

	2020	2019
Cost of Goods Sold	$ 9,194,858.70	$ 11,425,698.86
Salaries and Wages	102,619,587.74	102,835,368.46
Payroll-Related Costs	60,508.281.13	59,220,886.81
Professional Fees and Services	2,585,959.90	2,196,634.31
Travel	1,822,362.93	3,091,684.53
Materials and Supplies	10,463,593.38	13,140,201.00
Communication and Utilities	8,312,862.24	8,448,959.04
Repairs and Maintenance	4,542,671.49	5,167,291.33
Rentals and Leases	2,582,531.27	3,194,378.69
Printing and Reproduction	307,753.50	448,937.88
Federal and State Pass-Through Expenditures	19,731.93	21,846.66
Depreciation	19,213,096.02	18,711,720.31
Scholarships	22,682,014.93	18,964,489.38
Other Operating Expenses	9,527,792.92	8,939,741.79
	$ 254,383,098.08	$ 255,807,839.05

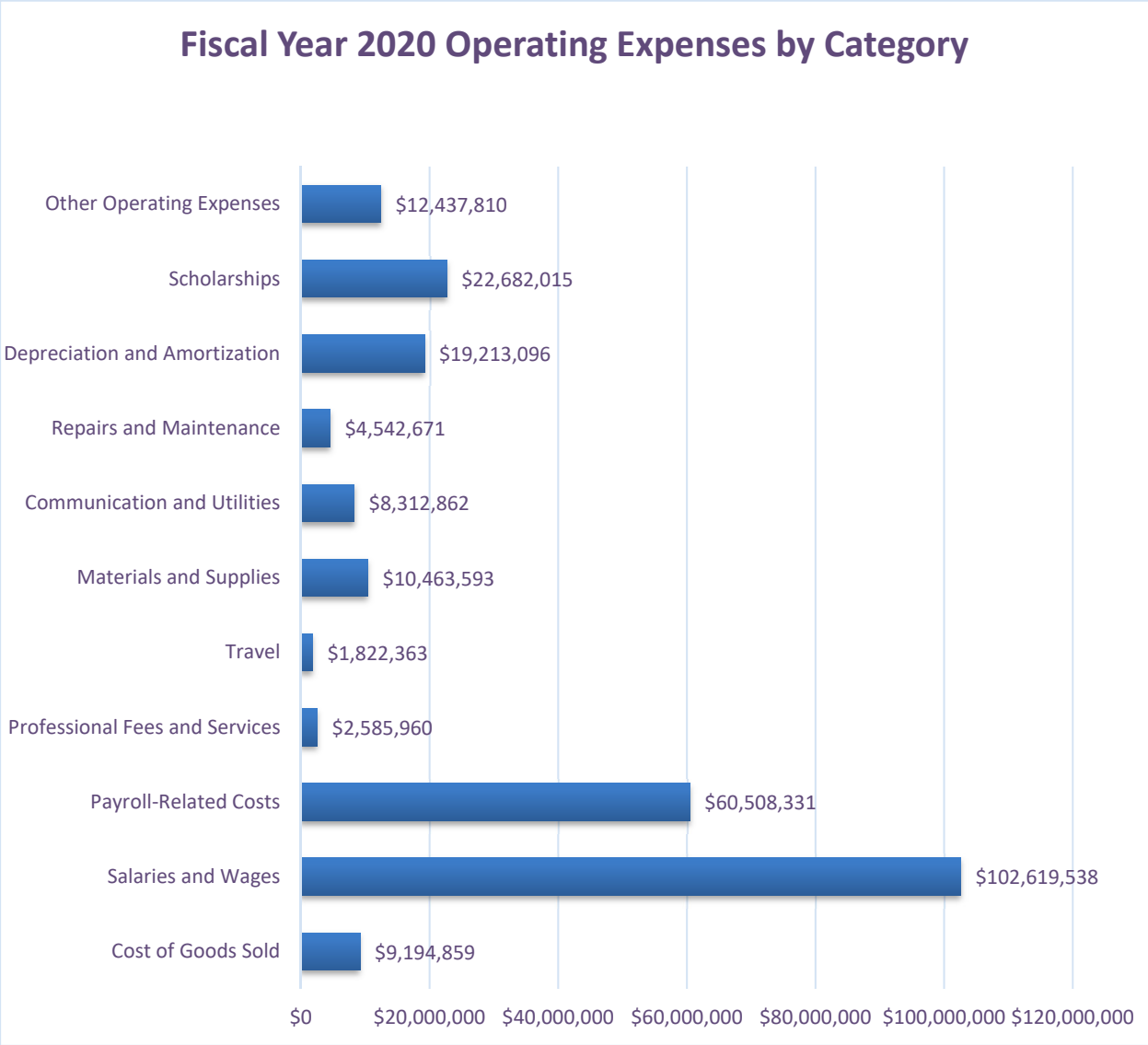
The following is a graphic presentation of the major operating expense categories for the fiscal years ended August 31, 2020 and 2019:



**Other Operating Expenses includes Cost of Goods Sold, Professional Fees and Services, Travel, Repairs and Maintenance, Rentals and Leases, Printing and Reproduction, Federal Pass-Through Expenditures, and Other Operating Expenses.*

Some of the fiscal year 2020 significant changes from the prior year for all other operating expenses are:

- Due to the financial crisis created by the pandemic, several areas exhibit sharp declines as a result of cost-cutting measures implemented by the administration. These areas include other operating expenses, travel and materials and supplies.
- Scholarship expense increased $3.7 million as explained previously in this report.
- Payroll related costs increased $1.3 million from the changes required by the State relevant to the actuarial adjustments of the net OPEB liability.



Other Operating Expenses includes Rentals and Leases, Federal Pass-Thru Expenditures, and Printing and Reproduction costs.

Statement of Cash Flows

The purpose of a Statement of Cash Flows is to provide relevant information about the University's cash receipts and payments during the fiscal year. The Statement of Cash Flows, when used with related disclosures and information in the other financial statements, provides relevant information about the University, such as:

- Its ability to generate future net cash flows.
- Its ability to meet obligations when due.
- Its needs for external financing.
- The reason for differences between operating income and associated cash receipts and payments.
- The effects on the University's financial position of its cash and its non-cash investing, capital, and financing transactions.

The Statement of Cash Flows provides details about the University's major sources and uses of cash during the year. It presents detailed information about the cash activity and an indication of the University's liquidity and ability to meet cash obligations. There are four categories of cash flow activity:

1. Cash Flows from Operating Activities – cash flows from operating activities result from providing services and producing and delivering goods. They include all other transactions not defined as non-capital financing, capital and related financing, or investing activities.
2. Cash Flows from Non-Capital Financing Activities – cash flows from non-capital financing activities include borrowing money and repaying the principal and interest on amounts borrowed for purposes other than to acquire, construct, or improve capital assets.
3. Cash Flows from Capital and Related Financing Activities – cash flows from capital and related financing activities include acquiring and disposing of capital assets; borrowing money to acquire, construct, or improve capital assets; and repaying the principal and interest amounts.
4. Cash Flows from Investing Activities – cash flows from investing activities include making and collecting loans (except program loans) and the acquisition and disposition of debt or equity instruments.

The Statement of Cash Flows reports net cash provided or used in each of the four categories of classifying cash transactions. It also reports the net effect of these flows on cash and cash equivalents during the fiscal year in a manner that reconciles beginning and ending cash and cash equivalents for the year.

The final section of the Statement of Cash Flows reconciles the Net Cash Provided (Used) by Operating Activities to the Operating Income (Loss) reflected on the Statement of Revenues, Expenses, and Changes in Net Position. When transactions are part cash and part non-cash, only the cash portion is reported within the Statement of Cash Flows. Non-cash items include information about investing, capital, and financing activities that affect assets and liabilities but do not result in cash receipts or cash payments in the fiscal period. The non-cash portion is reported in the non-cash transaction section supplemental to the Statement of Cash Flows.

A summarized comparison of the Statement of Cash Flows at August 31, 2020 and 2019 follows:

Statement of Cash Flows

	2020	2019
Net Cash Provided (Used) by:		
Operating Activities	$ (38,566,875.63)	$ (36,953,380.67)
Non-Capital Financing Activities	47,066,220.03	$ 49,322,334.09
Capital and Related Financing Activities	(28,602,902.05)	$ (92,308,038.92)
Investing Activities	3,599,660.85	$ (62,361,242.26)
Increase (Decrease) in Cash and Cash Equivalents	$ (16,503,896.80)	$ 42,315,750.08
Cash and Cash Equivalents, Beginning of Year	$110,313,646.59	$ 67,997,896.51
Restatements	(36,830,884.93)	-
Cash and Cash Equivalents, as Restated, Sept. 1, 2019	73,482,761.66	67,997,896.51
Increase (Decrease) in Cash and Cash Equivalents	(16,503,896.80)	42,315,750.08
Cash and Cash Equivalents, End of Year	$ 56,978,864.86	$110,313,646.59

Net cash provided (used) by operating activities should be viewed together with net cash provided (used) by non-capital financing activities because State appropriations are significant sources of recurring revenue in support of operating expenses but, under GASB Statement No. 35, they must be classified as non-capital financing activities instead of operating activities. Additionally, federal financial aid revenues, including Pell grants, are classified as a non-operating activity since these are considered non-exchange activities, but the offsetting expenditures are recognized as operating expenses. Overall, the University experienced a decrease of $16.5 million in cash and cash equivalents due almost entirely to the use of bond proceeds for various building projects.

Cash used by operating activities decreased by approximately $1.6 million due to the fluctuations of the OPEB and pension deferred outflows, deferred inflows and the net pension liability of each. These variances are non-cash adjustments that effect the related expenses of payroll benefits.

Net cash flows provided by non-capital financing activities in fiscal year 2020 decreased $2.3 million from the prior year. Because of the requirements of GASB Statements Nos. 68 and 75, required adjustments caused by external factors, reflected a significant change to benefit appropriations. Also, the state agencies were required to decrease their respective General Revenue funding by five percent over the biennium. For the University, that amounts to $1.63 million for fiscal year 2020 and 2021 each.

Net cash provided for capital and related financing activities increased $63.79 million due mainly to the investment of the 2019 Series bonds for the construction of a basketball training facility, a new residence hall with a dining facility and an addition to and renovation of the fine arts buildings in the previous fiscal year. The payment of this debt accounted for $10.6 million of the change.

Net cash used from investing activities increased $65.9 million due to the investment of the bond proceeds from the Series 2019 bond issues.

ECONOMIC OUTLOOK

Total enrollment for fall 2020 decreased by three percent when compared to the previous fall. However, when one considers the overall effect, both financially and psychologically, of the global pandemic on parents of recent high school graduates, the University fared better than anticipated. Also, semester credit hours decreased only one percent.

In October 2018, the Board of Regents authorized the issuance of financing revenue system bonds for no more than $125 million for the planned construction or renovation of four buildings on campus. The pandemic has caused students to seek off campus housing to more easily curtail the spread of the virus. Therefore, the University administration has suspended, for now, the construction of a new cafeteria and residence hall. Construction has begun on the basketball training facility and renovation of the fine arts building.

The Board of Regents approved a 6.5 percent increase in residential rates for fiscal years 2020 and 2021 to raise funds for the debt service associated with the construction of a new residence hall and dining facility. However, in lieu of the global pandemic, the University allowed all students to live off campus, foregoing the requirement to have 60 semester credit hours before moving off campus.

The Board of Regents approved in July 2020 an operating budget of $265,466,806 and a capital plan of $8,041,689 for the 2020-21 fiscal year.

In July 2020, the Board of Regents approved a voluntary separation incentive plan in an effort to reduce costs without implementing a reduction in force plan. The plan is designed to incentivize eligible employees to retire early by the end of August 2021, by offering fifty percent of their annual pay lump sum. The University would then select positions to remain unfilled or look for opportunities to restructure.

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STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Statement of Net Position
For the Fiscal Year Ended August 31, 2020

	2020	2019
ASSETS		
Current Assets		
Cash and Cash Equivalents:		
Cash on Hand	$ 29,236.00	$ 30,636.00
Cash in Bank	39,592,273.50	56,938,758.92
Cash in Transit/Reimburse from Treasury	539,485.85	768,324.03
Cash in State Treasury	2,068,036.06	2,230,375.47
Restricted:		
Cash and Cash Equivalents		
Cash in Bank	14,749,833.45	13,514,667.24
Short-Term Investments		
Endowment	874,863.75	190,094.96
Proceeds from Bond Sales	107,390,950.04	36,830,884.93
Legislative Appropriations	14,716,722.67	14,075,211.49
Receivables:		
Intergovernmental Receivables		
Federal	1,795,641.73	3,015,955.61
Other Intergovernmental	109,643.02	160,001.29
Student Accounts Receivable	14,154,151.74	14,658,092.56
Accounts Receivable	3,222,890.91	2,772,327.63
Due From Other Agencies:		
Federal	308,669.34	253,775.79
Consumable Inventories	587,784.41	507,830.10
Merchandise Inventories	451,962.85	431,530.29
Prepaid Items	13,541,115.07	15,494,858.91
Student Loans Receivables	1,968,381.14	2,721,069.56
Total Current Assets	216,101,641.53	164,594,394.78

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Statement of Net Position
For the Fiscal Year Ended August 31, 2020

	2020	2019
Noncurrent Assets		
Restricted:		
Investments		
Endowments	$ 14,335,342.39	$ 14,157,232.98
Proceeds from Bonds	0.00	82,112,326.04
Student Loans Receivables	4,519,878.36	3,887,723.50
Allowance for Doubtful Accounts	(1,471,758.09)	(1,513,121.13)
Unrestricted:		
Investments		
Operating	90,079,096.99	75,664,406.88
Quasi-Endowments	7,476,837.16	6,627,506.33
Student Accounts Receivables	12,304,651.61	12,485,407.42
Allowance for Doubtful Accounts	(10,253,022.22)	(10,668,894.69)
Capital Assets		
Non-Depreciable or Non-Amortizable	23,510,154.38	17,782,028.13
Capital Assets, Depreciable:		
Depreciable or Amortizable, Net	190,594,820.52	200,319,889.11
Total Noncurrent Assets	331,096,001.10	400,854,504.57
Total Assets	547,197,642.63	565,448,899.35
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources (Note 28)	123,585,061.00	141,824,001.00

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Statement of Net Position
For the Fiscal Year Ended August 31, 2020

	2020	2019
LIABILITIES		
Current Liabilities:		
Payables:		
Accounts Payable	$ 3,800,136.35	$ 4,850,182.15
Payroll Payable	7,741,202.95	7,792,528.53
Deposits	2,880,416.79	2,945,191.97
Benefits Payable	3,677,501.17	2,676,562.79
Interagency Payable	1,506,436.00	1,506,436.00
Due to Other Agencies	342,488.79	520,468.15
Unearned Revenues:		
Tuition and Fees	53,507,331.07	54,930,340.85
Sales and Services	16,521,338.94	21,010,106.90
Grants and Contracts	618,123.57	953,944.67
Employees' Compensable Leave	419,328.73	461,770.99
Capital Lease Obligations	62,085.17	60,090.47
Notes and Loans Payable	722,078.33	1,268,700.88
Revenue Bonds Payable	11,272,441.59	9,027,379.35
Tuition Revenue Bonds Payable	4,091,781.15	5,139,505.46
Accrued Bond Interest Payable	3,520,149.29	4,604,708.99
Funds Held for Others	9,059,554.24	9,762,959.74
Other Current Liabilities	4,844,354.00	3,821,223.48
Total Current Liabilities	124,586,748.13	131,332,101.37
Noncurrent Liabilities:		
Interfund Payable	182,303.73	1,655,465.32
Capital Lease Obligations	26,473.21	88,558.38
Employees' Compensable Leave	4,147,478.85	4,503,475.03
Notes and Loans Payable	8,001,294.36	8,723,372.70
Revenue Bonds Payable	164,570,340.26	175,842,781.85
Tuition Revenue Bonds Payable	54,206,310.85	58,298,092.00
ERS OPEB Liability	148,001,443.00	124,127,601.00
TRS Net Pension Liability	47,647,340.00	64,565,433.00
Total Noncurrent Liabilities	426,782,984.26	437,804,779.28
Total Liabilities	551,369,732.39	569,136,880.65
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources (Note 28)	58,405,904.00	58,851,752.00
NET POSITION		
Invested in Capital Assets, Net of Related Debt	71,755,447.36	73,356,302.24
Restricted for:		
Capital Projects	4,304,325.12	844,774.45
Endowment Funds		
Nonexpendable	6,083,565.66	6,038,067.76
Expendable	3,837,457.28	3,593,103.61
Other	23,414,001.99	22,148,093.07
Unrestricted	(48,387,730.17)	(26,696,073.43)
Total Net Position	$ 61,007,067.24	$ 79,284,267.70

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended August 31, 2020

	2020	2019
Operating Revenues:		
Sales of Goods and Services		
Tuition & Fees - Pledged	$ 124,916,315.21	$ 119,980,291.78
Tuition & Fees - Non-Pledged	4,382,523.90	4,431,434.02
Discounts and Allowances	(41,219,484.88)	(36,469,052.88)
Auxiliary Enterprise - Pledged	34,539,445.51	41,689,191.71
Auxiliary Enterprise - Non-Pledged	1,827,388.78	2,034,214.21
Discounts and Allowances	(10,894,811.65)	(12,963,438.80)
Other Sales of Goods and Svcs - Pledged	3,141,964.71	5,695,499.62
Other Sales of Goods and Svcs - Non-Pledged	523,308.70	838,552.45
Federal Revenue	11,314,995.34	2,253,302.57
Federal Pass-Through Rev from Non-State Entities	77,179.26	99,569.74
Federal Pass-Through Revenue	830,482.56	767,393.75
State Pass-Through Revenue	12,440,399.71	12,351,955.56
Local Contracts and Grants	667,716.12	585,725.78
Other Contracts and Grants	757,515.67	719,005.46
Other Operating Revenues - Pledged	700,982.56	145,923.77
Other Operating Revenues - Non-Pledged	47,343.28	157,150.22
Total Operating Revenues	144,053,264.78	142,316,718.96
Operating Expenses:		
Cost of Goods Sold	9,194,858.70	11,425,698.86
Salaries and Wages	102,619,587.74	102,835,368.46
Payroll Related Costs	60,508,281.13	59,220,886.81
Professional Fees and Services	2,585,959.90	2,196,634.31
Travel	1,822,362.93	3,091,684.53
Materials and Supplies	10,463,593.38	13,140,201.00
Communication and Utilities	8,312,862.24	8,448,959.04
Repairs and Maintenance	4,542,671.49	5,167,291.33
Rentals and Leases	2,582,531.27	3,194,378.69
Printing and Reproduction	307,753.50	448,937.88
Federal Pass-Through Expenditure to Non-State Entities	19,731.93	21,846.66
Depreciation	19,213,096.02	18,711,720.31
Bad Debt Expense	0.00	56,056.04
Interest Expense	133.84	198.97
Scholarships	22,682,014.93	18,964,489.38
Claims and Judgments	37,800.00	250,000.00
Other Operating Expenses	9,489,859.08	8,633,486.78
Total Operating Expenses	254,383,098.08	255,807,839.05
Operating Income (Loss)	(110,329,833.30)	(113,491,120.09)

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended August 31, 2020

	2020	2019
Non-Operating Revenues (Expenses):		
Legislative Revenue	39,106,062.00	40,201,343.00
Additional Appropriations	10,650,410.46	11,426,276.19
Federal Revenue	22,022,864.00	23,011,780.00
Gifts - Non-Pledged	5,463,160.68	4,577,611.73
Other Rental Income	138,668.16	219,259.11
Investment Income - Pledged	3,339,599.17	4,178,385.00
Investment Income - Non-Pledged	1,026,962.09	1,269,561.70
Net Increase (Decrease) Fair Value - Pledged	5,283,026.40	(696,501.47)
Net Increase (Decrease) Fair Value - Non-Pledged	177,796.77	(115,491.03)
Investing Activities Expenses	(376,003.44)	(364,288.00)
Income on Loans Receivable	30,515.28	336,594.06
Interest Income on Capital Investments-Pledged	1,773,403.01	1,775,197.35
Interest Expenses and Fiscal Charges	(7,664,054.70)	(7,229,175.49)
Gain (Loss) on Sale of Capital Assets	(1,131.35)	(103,129.60)
Settlement of Claims	159,889.23	615,734.25
Other Non-Operating Revenues (Expenses)	193,464.16	405,756.48
Total Non-Operating Revenues (Expenses)	81,324,631.92	79,508,913.28
Income (Loss) Before Other Revenues, Expenses, Gains/Losses and Transfers	(29,005,201.38)	(33,982,206.81)
Other Revenues, Expenses, Gains/Losses and Transfers		
Capital Contributions	253,600.00	11,154.98
Capital Appropriations (Higher Education Fund)	11,636,163.00	11,636,163.00
Additions to Permanent and Term Endowments	45,497.90	18,576.13
Lapsed Appropriations	(1,632,927.72)	(0.10)
Legislative Transfers In	376,564.00	355,690.00
Transfers In	221,308.00	207,198.25
Transfers Out	(570.11)	(7,087.00)
Total Other Revenue, Expenses, Gain/Losses and Transfers	10,899,635.07	12,221,695.26
Change in Net Position	(18,105,566.31)	(21,760,511.55)
Net Position, Beginning of Year	79,284,267.70	113,603,266.37
Restatements	(171,634.15)	(12,558,487.12)
Net Position, Beginning of Year, as Restated	79,112,633.55	101,044,779.25
Net Position, August 31, 2020	$ 61,007,067.24	$ 79,284,267.70

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Matrix of Operating Expenses by Function
For the Fiscal Year Ended August 31, 2020

Operating Expenses	Instruction	Research	Public Service	Academic Support	Student Services	Institutional Support
Cost of Goods Sold	$ 3,878.93	207.78	13,637.66	173,468.53	32,956.86	2,180.64
Salaries and Wages	51,196,760.37	1,809,235.92	544,279.04	10,899,077.00	11,386,022.24	12,284,428.41
Payroll Related Costs	23,874,904.93	611,287.99	268,662.16	5,520,021.27	6,182,190.42	12,716,126.80
Professional Fees and Services	122,717.37	70,194.47	44,088.37	145,726.53	257,176.38	383,584.26
Travel	203,387.75	84,730.86	6,891.01	252,846.64	1,171,998.94	77,579.45
Materials and Supplies	1,176,835.39	308,985.64	83,430.64	932,517.14	2,635,237.82	2,148,725.14
Communication and Utilities	346,681.68	13,361.42	6,078.02	1,816,417.11	258,780.01	188,142.56
Repairs and Maintenance	235,003.47	4,838.24	23,025.39	191,340.47	465,764.81	1,455,282.97
Rentals and Leases	285,474.47	71,361.80	22,645.19	437,646.54	800,167.43	652,139.75
Printing and Reproduction	75,358.81	2,733.52	8,154.28	84,042.18	129,012.27	83,770.95
Federal Pass-Through Expenditures	0.00	19,731.93	0.00	0.00	0.00	0.00
State Pass-Through Expenditures	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation and Amortization	0.00	0.00	0.00	0.00	0.00	0.00
Bad Debt Expense	0.00	0.00	0.00	0.00	0.00	0.00
Interest Expense	0.52	0.00	0.00	2.98	0.00	0.12
Scholarships	0.00	0.00	0.00	0.00	0.00	0.00
Claims and Judgments	0.00	0.00	0.00	0.00	0.00	30,000.00
Other Operating Expenses	268,362.80	46,324.83	18,013.73	426,140.59	2,113,864.96	5,001,073.83
Total Operating Expenses	$ 77,789,366.49	$ 3,042,994.40	$ 1,038,905.49	$ 20,879,246.98	$ 25,433,172.14	$ 35,023,034.88

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Matrix of Operating Expenses by Function
For the Fiscal Year Ended August 31, 2020

Operating Expenses	Operation and Maintenance of Plant	Scholarships and Fellowships	Auxiliary Enterprises	Depreciation and Amortization	Total Expenses
Cost of Goods Sold	0.00	0.00	8,968,528.30	0.00	$ 9,194,858.70
Salaries and Wages	5,363,530.53	(0.00)	9,136,254.23	0.00	102,619,587.74
Payroll Related Costs	4,039,517.63	0.00	7,295,569.93	0.00	60,508,281.13
Professional Fees and Services	1,294,380.34	0.00	268,092.18	0.00	2,585,959.90
Travel	(131,705.01)	0.00	156,633.29	0.00	1,822,362.93
Materials and Supplies	1,717,172.30	0.00	1,460,689.31	0.00	10,463,593.38
Communication and Utilities	2,610,121.76	0.00	3,073,279.68	0.00	8,312,862.24
Repairs and Maintenance	1,134,231.35	0.00	1,033,184.79	0.00	4,542,671.49
Rentals and Leases	75,022.26	0.00	238,073.83	0.00	2,582,531.27
Printing and Reproduction	2,441.84	0.00	(77,760.35)	0.00	307,753.50
Federal Pass-Through Expenditures	0.00	0.00	0.00	0.00	19,731.93
State Pass-Through Expenditures	0.00	0.00	0.00	0.00	0.00
Depreciation and Amortization	0.00	0.00	0.00	19,213,096.02	19,213,096.02
Bad Debt Expense	0.00	0.00	0.00	0.00	0.00
Interest Expense	130.22	0.00	0.00	0.00	133.84
Scholarships	0.00	22,682,014.93	0.00	0.00	22,682,014.93
Claims and Judgments	7,800.00	0.00	0.00	0.00	37,800.00
Other Operating Expenses	735,381.12	0.00	880,697.22	0.00	9,489,859.08
Total Operating Expenses	$ 16,848,024.34	$ 22,682,014.93	$ 32,433,242.41	$ 19,213,096.02	$ 254,383,098.08

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2020

	2020	2019
Cash Flows from Operating Activities		
Proceeds from Tuition and Fees	$ 86,925,168.61	$ 88,036,042.03
Proceeds from Auxiliary Services	20,983,254.68	30,822,254.57
Proceeds from Other Sales and Services	3,564,886.54	6,530,024.78
Proceeds from Grants and Contracts	26,790,266.80	16,666,075.01
Proceeds from Other Revenues	748,325.84	303,073.99
Proceeds from Loan Programs	79,170.52	529,931.07
Payments to Suppliers for Goods and Services	(50,822,793.50)	(55,610,117.12)
Payments to Employees for Salaries and Benefits *	(105,300,769.51)	(105,374,168.83)
Payments to Students for Scholarships	(21,496,451.77)	(18,606,297.20)
Payments for Other Expenses	(37,933.84)	(250,198.97)
Net Cash Provided (Used) by Operating Activities	(38,566,875.63)	(36,953,380.67)
Cash Flows from Noncapital Financing Activities		
Proceeds from State Appropriations	17,526,307.33	18,672,683.14
Proceeds from Non-Operating Grants and Contracts	22,022,864.00	23,011,780.00
Proceeds from Gifts	5,463,160.68	4,577,611.73
Proceeds from Student Loan Funds	30,515.28	280,538.02
Proceeds of Transfers from Other Agencies	597,872.00	555,801.25
Proceeds from Claims and Settlements	159,889.23	615,734.25
Proceeds from Other Revenue (Expense)	193,464.16	405,756.48
Proceeds from Endowment Investments	1,072,147.35	1,202,429.22
Net Cash Provided (Used) by Noncapital Financing Activities	47,066,220.03	49,322,334.09
Cash Flows from Capital and Related Financing Activities		
Proceeds from Sale of Capital Assets	16,149.00	57,574.50
Proceeds from Debt Issuance	-	110,215,000.00
Proceeds from State Appropriations-Higher Education Funds (HEF)	10,338,368.23	10,118,993.20
Proceeds from Capital Contributions	253,600.00	11,154.98
Proceeds from Other Rental Income	138,668.16	219,259.11
Proceeds from Interest on Capital Investments	1,773,403.01	1,775,197.35
Payments for Additions to Capital Assets	(15,405,068.18)	(15,021,455.38)
Payments for Interfund Payables	(1,506,436.00)	(1,506,436.00)
Payments of Principal on Capital Debt	(15,435,585.70)	(8,901,008.09)
Payments for Capital Leases	(60,660.58)	(58,159.89)
Payments of Interest on Capital Debt	(8,715,339.99)	(4,602,080.86)
Net Cash Provided (Used) by Capital and Related Financing Activities	(28,602,902.05)	92,308,038.92
Cash Flows from Investing Activities		
Payments for Investments	(81,225,828.44)	15,661,967.94
Proceeds from Interest Income from Investments	2,713,163.25	4,089,115.84
Proceeds from Bond Investments	82,112,326.04	(82,112,326.04)
Net Cash Provided (Used) by Investing Activities	3,599,660.85	(62,361,242.26)
Increase (Decrease) in Cash and Cash Equivalents	$ (16,503,896.80)	$ 42,315,750.08
Cash and Cash Equivalents, August 31, 2019	$ 110,313,646.59	$ 67,997,896.51
Restatements	(36,830,884.93)	-
Cash and Cash Equivalents, as Restated at Sept. 1, 2019	73,482,761.66	67,997,896.51
Increase (Decrease) in Cash and Cash Equivalents	(16,503,896.80)	42,315,750.08
Cash and Cash Equivalents, August 31, 2020	$ 56,978,864.86	$ 110,313,646.59

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2020

	2020	2019
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	$ (110,329,833.30)	$ (113,491,120.09)
Adjustments to Reconcile Operating Income (Loss) to Net Cash used by Operating Activities		
Amortization and Depreciation	19,213,096.02	18,711,720.31
Bad Debt Expense	-	56,056.04
Pension Expense	31,253,521.00	30,185,097.00
Operating Income (Loss) and Cash Flow Categories		
Changes in Current Assets and Liabilities		
(Increase) Decrease in Receivables	1,324,049.69	(1,174,626.75)
(Increase) Decrease in Inventories	(100,386.87)	(4,027.29)
(Increase) Decrease in Loans to Students	752,688.42	(116,037.77)
(Increase) Decrease in Prepaid Expenses	1,953,743.84	(116,566.01)
(Increase) Decrease in Due from Other Agencies	(54,893.55)	(14,132.92)
Increase (Decrease) in Payables	(1,101,371.38)	264,808.22
Increase (Decrease) in Deposits Payable	(64,775.18)	237,892.23
Increase (Decrease) in Due to Other Agencies	(177,979.36)	36,133.11
Increase (Decrease) in Unearned Revenue	(6,247,598.84)	1,292,058.90
Increase (Decrease) in Compensable Leave	(42,442.26)	36,632.07
Increase (Decrease) in Benefits Payable	1,000,938.38	428,747.16
Increase (Decrease) in Funds Held for Others	(703,405.50)	474,758.19
Changes in Non-Current Assets and Liabilities		
Increase (Decrease) in Compensable Leave	(355,996.18)	244,446.66
Increase (Decrease) in Deferred Inflows	(445,848.00)	36,568,157.00
Increase (Decrease) in Deferred Outflows	18,238,940.00	(127,976,402.00)
Increase (Decrease) in Liabilities to NPL	8,229,312.00	116,986,084.00
(Increase) Decrease in Student Receivables	(235,116.66)	(198,055.65)
(Increase) Decrease in Loans to Students	(673,517.90)	645,968.84
Cash Reported in Other Categories		
Increase (Decrease) in Investment Activity	-	(30,971.92)
Increase (Decrease) of Gifts Receivable	-	-
Total Adjustments	71,762,957.67	76,537,739.42
Net Cash Provided (Used) by Operating Activities	$ (38,566,875.63)	$ (36,953,380.67)
Displayed as:		
Cash on Hand	$ 29,236.00	$ 30,636.00
Cash in Bank	39,592,273.50	56,938,758.92
Cash in Transit/Reimb. Due from Treasury	539,485.85	768,324.03
Cash in State Treasury	2,068,036.06	2,230,375.47
Cash in Bank, Restricted	14,749,833.45	13,514,667.24
Cash Equivalents, Restricted	-	36,830,884.93
	$ 56,978,864.86	$ 110,313,646.59
Non-Cash Transactions		
Other	$ -	$ -
Borrowing Under Capital Lease Purchase	-	-
Donation of Capital Assets	-	-
Net Change in Fair Value of Investments	5,460,823.17	(811,992.50)
	$ 5,460,823.17	$ (811,992.50)

NOTE 1: Summary of Significant Accounting Policies

Entity

Stephen F. Austin State University (the University) is an agency of the State of Texas (the State). The University's financial records comply with State statutes and regulations including compliance with the Texas Comptroller of Public Accounts' *Reporting Requirements for Annual Financial Reports of State Agencies and Universities.*

The University serves the State as a public institution of higher education.

The University has four related entities. The University has determined no related entity is a reportable component unit of Stephen F. Austin State University.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments* and GASB Statement No. 35, *Basic Financial Statements — and Management's Discussion and Analysis — for Public Colleges and Universities,* the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in these Statements. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas *Comprehensive Annual Financial Report*; therefore, an audit opinion has not been expressed on the financial statements and related information contained in this report.

The University follows the "business-type activities" reporting requirement of GASB Statement No. 34 that specifies all the financial statements required for enterprise funds.

Blended Component Units
No component unit has been identified which should be reported as a blended unit.

Discretely Presented Component Units
No component unit has been identified which should be discretely presented.

Fund Structure

Basis of Accounting – Proprietary Fund Accounting
Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The financial statements of the University have been prepared on the full accrual basis of accounting. Accrual accounting attempts to record a transaction's financial effects in the period in which the transaction occurred, rather than when the funds were received or paid by the University. Revenues are recorded when they are earned or when the University has a right to receive the revenues. Expenses are recognized when incurred. The date related cash was received or paid is of no consequence.

Four essential elements of accrual accounting are:

- Recognition of expenditures when incurred and the subsequent amortization of the deferred outflows
- Recognition of revenues when they are earned
- Capitalization of certain expenses and the subsequent depreciation of the capitalized costs
- Accruals of revenues earned and expenses incurred

Proprietary funds use the flow of economic resources measurement focus, which is similar to the focus used by commercial entities. Proprietary funds focus on whether the enterprise is economically better off as a result of the events and transactions that occurred during the fiscal period reported. Transactions and events that improved an enterprise's financial position are reported as revenues or gains. Transactions and events that diminished the economic position of the enterprise are reported as expenses or losses. Both current and long-term assets and liabilities are presented on the Statement of Net Position.

The Statement of Revenues, Expenses, and Changes in Net Position is segregated into operating and non-operating sections.

Generally, operating activities are those that directly result from the provision of goods and services to customers or are directly related to the principal and usual activity of a fund. GASB Statement No. 34 indicates that a consideration for defining a proprietary fund's operating revenues and expenditures is how individual transactions would be classified for purposes of preparing a Statement of Cash Flows according to GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*. Transactions for which cash flows are reported as capital and related financing activities, or investing activities normally would not be reported as components of operating income. This includes most revenues considered to be non-exchange transactions.

Since certain grants are actually contracts for services, they are classified as operating activities. State appropriations and certain grants, such as the Pell grants, are reported as non-operating activities even though they are directly related to the principal and usual activity of the University. These are considered non-exchange transactions and are, therefore, considered non-operating revenues.

Budget and Budgetary Accounting

The University prepares an annual budget which represents anticipated sources of revenue and authorized uses. This budget is approved by the University's Board of Regents. Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated. Budget information is not included in the Annual Financial Report.

Assets, Liabilities, and Net Position

The statement of net position reports the following elements of financial statements:

- Assets
- Deferred Outflow of Resources
- Liabilities
- Deferred Inflow of Resources
- Net Position

Assets

Assets are reported separately as either current or non-current in the Statement of Net Position.

Cash and Cash Equivalents

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

Restricted Assets

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of proprietary fund general obligation and revenue bonds and revenues set aside for statutory or contractual requirements.

Inventories

Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued using the average cost method. The consumption method of accounting is used to account for inventories and prepaid items. The cost of these items is expensed when the items are sold or consumed.

Prepaid Items

Prepaid items include prepaid expenses attributable to a subsequent fiscal year, including scholarships attributed to the 2020 fall semester. The cost of these items is expensed when the items are used or consumed.

Capital Assets

Equipment with an initial, individual cost of $5,000 or more and an estimated useful life in excess of one year is capitalized. Other categories of capital assets have capitalization thresholds that are set by the State. These assets are capitalized and reported at cost or, if not purchased, at appraised fair value

on the date of acquisition. Donated assets are reported at fair value on the acquisition date. Depreciation is reported on all "exhaustible" assets. “Inexhaustible" assets, such as works of art and historical treasures, are not depreciated. Assets are depreciated over the estimated useful life of the asset using the straight-line method of depreciation.

Other Receivables — Current and Noncurrent
Current receivables are specified in the Statement of Net Position. They include amounts that are reasonably expected to be received in fiscal year 2021. Non-current receivables are those receivables that are not expected to be collected within one year. Included in this category are student accounts receivable and loan receivables that are not expected to be received during fiscal year 2020. The disaggregation of other receivables as reported in the financial statements is shown in Note 24, “Disaggregation of Receivable and Payable Balances.”

Liabilities

Liabilities are reported separately as either current or non-current in the Statement of Net Position.

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

Other Payables – Current and Non-current
The disaggregation of other payables as reported in the financial statements is shown in Note 24, “Disaggregation of Receivable and Payable Balances.”

Employees' Compensable Leave
Employees' Compensable Leave represents the liability that becomes “due” upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or non-current in the Statement of Net Position. These obligations are normally paid from the same funding source from which the covered employee’s salary or wage compensation was paid.

Capital Lease Obligations
Capital Lease Obligations represent the liability for future lease payments under capital lease contracts. Liabilities are reported separately in the Statement of Net Position as either current, for the amounts due within one year, or non-current, for the amounts due thereafter.

Bonds Payable — Revenue Bonds
The principal of revenue bonds is reported separately in the Statement of Net Position as either current, for the amounts due within one year, or noncurrent, for the amounts due thereafter. Bonds payable are recorded at par value, net of unamortized premiums, discounts, issuance costs, and gains/(losses) on bond refunding activities. Interest expense is reported on the accrual basis.

Bonds Payable — Tuition Revenue Bonds
The principal of tuition revenue bonds is reported separately in the Statement of Net Position as either current, for the amounts due within one year, or non-current, for the amounts due thereafter. Bonds payable are recorded at par value, net of unamortized premiums, discounts, issuance costs, and gains/(losses) on bond refunding activities. Interest expense is reported on the accrual basis.

Bonds Payable — General Obligation Bonds
The principal of general obligation bonds is reported separately in the Statement of Net Position as either current, for the amounts due within one year, or noncurrent, for the amounts due thereafter. Bonds payable are recorded at par, net of unamortized premiums, discounts, issuance costs, and gains/(losses) on bond refunding activities. Interest expense is reported on the accrual basis.

Deferred Outflows of Resources
Deferred Outflows of Resources represent the University’s net position consumption that is applicable to a future fiscal year.

Deferred Inflows of Resources
Deferred Inflows of Resources represent the University's net position acquisition that is applicable to a future fiscal year.

Net Position

The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is "Net Position" on the Statement of Net Position.

Invested in Capital Assets, Net of Related Debt
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 are attributed to the acquisition, construction, or improvement of those assets.

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

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

The amortized balance of accretion on capital appreciation bonds is included as part of unrestricted net position unless a sinking fund was established, in which case the balance is reported as part of the restricted net position balance.

Interagency Activities and Transactions

The University has the following types of transactions among State appropriated funds and other State agencies:

- **Transfers** – Legally required transfers that are reported when incurred as "Transfers In" by the recipient fund or State agency and as "Transfers Out" by the disbursing fund or State 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 State agency for another are recorded as expenditures by the reimbursing State agency and as a reduction of expenditures by the reimbursed State agency. Reimbursements are not displayed in the financial statements.
- **Interagency Receivables and Payables** – Most receivables and payables from or to other State agencies are recorded as "Due from Other Agencies" or "Due to Other Agencies" on the Statement of Net Position. The amounts associated with the State Energy Conservation Office revolving loan program are recorded as "Interagency Payable" on the Statement of Net Position. Repayments associated with the loan program due during the current year are classified as "Current"; repayments due thereafter are classified as "Non-current."

The composition of the University's interagency activities and balances are presented in Note 12.

NOTE 2: Capital Assets

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

	Balance 9/1/2019	Adjustments	Reclassifications Completed CIP	Additions	Deletions	Balance 8/31/2020
BUSINESS-TYPE ACTIVITIES						
Non-depreciable or Non-amortizable Assets						
Land and Land Improvements	$ 8,491,261.32	$ -	$ -	$ 997.97	$ -	$ 8,492,259.29
Construction in Progress	8,471,097.54	(171,427.86)	(6,373,990.61)	12,272,546.75	-	14,198,225.82
Other Tangible Capital Assets	819,669.27	-	-	-	-	819,669.27
Total Non-depreciable or Non-amortizable Assets	17,782,028.13	(171,427.86)	(6,373,990.61)	12,273,544.72	-	23,510,154.38
Depreciable Assets						
Buildings and Building Improvements	432,318,550.46	-	5,302,896.74	660,406.74	-	438,281,853.94
Infrastructure	16,248,970.91	-	646,726.36	640,349.75	(66,742.56)	17,469,304.46
Facilities and Other Improvements	34,273,970.14	-	424,367.51	558,197.88	(14,495.28)	35,242,040.25
Furniture and Equipment	22,508,894.66	-	-	1,166,924.50	(914,989.06)	22,760,830.10
Vehicle, Boats, and Aircraft	7,067,244.42	-	-	88,666.36	(597,002.31)	6,558,908.47
Other Capital Assets	13,833,324.58	-	-	16,978.23	(25,204.08)	13,825,098.73
Total Depreciable Assets	526,250,955.17	-	6,373,990.61	3,131,523.46	(1,618,433.29)	534,138,035.95
Less Accumulated Depreciation for:						
Buildings and Building Improvements	(259,888,673.83)	-	-	(14,645,252.57)	-	(274,533,926.40)
Infrastructure	(11,452,883.92)	-	-	(753,373.37)	66,742.56	(12,139,514.73)
Facilities and Other Improvements	(19,590,585.39)	-	-	(1,820,271.30)	14,495.28	(21,396,361.41)
Furniture and Equipment	(16,980,656.06)	(206.29)	-	(1,385,669.89)	905,220.14	(17,461,312.10)
Vehicle, Boats, and Aircraft	(4,880,726.07)	-	-	(470,723.27)	589,490.88	(4,761,958.46)
Other Capital Assets	(13,137,540.79)	-	-	(137,805.62)	25,204.08	(13,250,142.33)
Total Accumulated Depreciation	(325,931,066.06)	(206.29)	-	(19,213,096.02)	1,601,152.94	(343,543,215.43)
Depreciable Assets, Net	200,319,889.11	(206.29)	6,373,990.61	(16,081,572.56)	(17,280.35)	190,594,820.52
Amortizable Assets - Intangible						
Computer Software	4,502,623.77	-	-	-	-	4,502,623.77
Total Amortizable Assets - Intangible	4,502,623.77	-	-	-	-	4,502,623.77
Less Accumulated Amortization for:						
Computer Software	(4,502,623.77)	-	-	-	-	(4,502,623.77)
Total Accumulated Amortization	(4,502,623.77)	-	-	-	-	(4,502,623.77)
Amortizable Assets - Intangible, Net	-	-	-	-	-	-
Capital Assets, Net	$ 218,101,917.24	$ (171,634.15)	$ -	$ (3,808,027.84)	$ (17,280.35)	$ 214,104,974.90

NOTE 3: Deposits, Investments, and Repurchase Agreements

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

Deposits of Cash in Bank

As of August 31, 2020, the carrying amount of deposits was $54,342,106.95 as presented below:

CASH IN BANK – CARRYING AMOUNT	$ 54,342,106.95
Less: Certificates of Deposit included in carrying amount and reported as Cash Equivalents	-
Less: Uninvested Securities Lending Cash Collateral included in carrying amount and reported as Securities Lending Collateral	-
Less: Securities Lending CD Collateral included in carrying amount and reported as Securities Lending Collateral	-
Total Cash in Bank per AFR	$ 54,342,106.95

Proprietary Funds Current Assets Cash in Bank	39,592,273.50
Proprietary Funds Current Assets Restricted Cash in Bank	14,749,833.45
Proprietary Funds Noncurrent Restricted Cash in Bank	-
Cash in Bank per AFR	$ 54,342,106.95

These amounts consist of all cash in local banks. These amounts are included on the Statement of Net Position as part of the "Cash and Cash Equivalents" accounts, except for the certificates of deposit, which are recorded as Cash Equivalents, Short-Term or Long-Term Investments, based on their maturity date and management's intent. Certificates of deposits with maturity dates of three months or less are recorded as cash equivalents.

As of August 31, 2020, the total bank balance was as follows:

Business-Type Activities	$ 56,174,905.28	Fiduciary Funds	-

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the University 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. The Stephen F. Austin State University Board Policy 3.21, *Investments*, states that all deposits shall be secured by a pledge of collateral with a market value equal to no less than 100 percent of the deposits plus accrued interest less any amount insured by the FDIC. Pledged collateral must conform to Chapter 2257 of the Government Code, Collateral for Public Funds.

At August 31, 2020, amounts insured by the FDIC were $1,500,000.00. The bank balances at August 31, 2020 that were exposed to custodial credit risks were as follows:

Fund Type	Uninsured and uncollateralized	Uninsured and collateralized with securities held by the pledging financial institution	Uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the University's name
05	-	$ 54,674,905.28	-

Investments

As of August 31, 2020, the fair value of investments was:

	Fair Value Hierarchy					
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Amortized Cost	Net Asset Value	Fair Value
U.S. Treasury Securities	3,831,600.19	-	-	-	-	$ 3,831,600.19
U.S. Treasury TIPS	270,816.96	-	-	-	-	270,816.96
U.S. Government Agency Obligations (Ginnie Mae, Fannie Mae, Freddie Mac, etc.)	-	4,021,275.32	-	-	-	4,021,275.32
Corporate Obligations	-	6,729,267.32	313,883.02	-	-	7,043,150.34
Corporate Asset and Mortgage Backed Securities	-	2,217,752.20	-	-	-	2,217,752.20
Equity (Domestic)	16,371,192.17	-	-	-	-	16,371,192.17
International Obligations (Govt and Corp)	-	4,208,058.71	77,405.12	-	-	4,285,463.83
International Equity	6,058,163.41	-	-	-	-	6,058,163.41
Fixed Income Money Market and Bond Mutual Funds	1,713,128.59	-	-	-	-	1,713,128.59
Other Commingled Funds - Fixed Income	811,141.65	-	395,545.29	132,620,343.45	-	133,827,030.39
International Other Commingled Funds - Equity	5,916,374.03	-	3,413,043.75	-	3,971,789.28	13,301,207.06
Derivatives - Currency Forwards	-	1,181.32	-	-	-	1,181.32
Alternative Investments	-	-	-	-	20,986,318.10	20,986,318.10
Miscellaneous	-	177,743.02	-	6,051,067.43	-	6,228,810.45
TOTAL INVESTMENTS						$ 220,157,090.33

Reconciliation of Investments per Exhibit – Business-Type Activities

Proprietary Funds Current Assets Short-Term Investments	-
Proprietary Funds Noncurrent Assets Investments	97,555,934.15
Proprietary Funds Current Assets Restricted Short-Term Investments	108,265,813.79
Proprietary Funds Noncurrent Assets Restricted Investments	14,335,342.39
Investments per Exhibit	$ 220,157,090.33

Displayed on Statement of Net Position as:

Current Assets:	
Restricted:	
Investments: Endowment	$ 874,863.75
Short-Term Investments – Bond Proceeds	107,390,950.04
Noncurrent Assets:	
Restricted:	
Investments: Endowments	14,335,342.39
Unrestricted:	
Investments: Operating	90,079,096.99
Investments: Quasi-Endowments	7,476,837.16
Subtotal	$ 220,157,090.33
Less: Certificates of Deposit	-
Total	$ 220,157,090.33

Foreign currency risk for investments is the risk that changes in exchange rates will adversely affect the investment. In order to mitigate this risk, Stephen F. Austin State University Board Policy 3.20, *Investments-Endowment Funds*, limits foreign equity investments to a maximum of 30% of the equity portfolio. The exposure to foreign currency risk as of August 31, 2020 was:

							Alternative Investments			
Fund Type	GAAP Fund	Foreign Currency	International Obligation (Govt and Corp and MF)	International Equity	Equity Mutual Funds - International	Equity Commingled Funds - International	International Hedge Funds	International Other Private Equity	International Energy, Natural Resources	International Other Real Estate Funds
05	9999	U.S. DOLLAR DENOMINATED FOREIGN SECURITIES	$ 3,960,521.55	$ 2,771,700.91	$ -	$ 13,301,207.06	$ 8,068,385.25	$ 939,062.90	$ 132,943.28	$ 120,712.99
05	9999	ARGENTINA PESO	1,556.02	-	-	-	-	-	-	-
05	9999	AUSTRALIAN DOLLAR	-	-	-	-	-	-	-	-
05	9999	BRAZIL REAL	115,437.51	-	-	-	-	-	-	-
05	9999	BRITISH POUND STERLING	-	531,324.32	-	-	-	-	-	-
05	9999	CANADIAN DOLLAR	55,761.34	62,715.49	-	-	-	-	-	-
05	9999	CHINESE YUAN	13,403.69	-	-	-	-	-	-	-
05	9999	DANISH KRONE	-	-	-	-	-	-	-	-
05	9999	EURO CURRENCY UNIT	-	1,217,401.43	-	-	-	117,922.10	-	-
05	9999	HONG KONG DOLLAR	-	22,363.04	-	-	-	-	-	-
05	9999	INDONESIAN RUPIAH	31,212.32	-	-	-	-	-	-	-
05	9999	JAPANESE YEN	-	716,350.35	-	-	-	-	-	-
05	9999	MEXICAN PESO	107,571.40	40,443.85	-	-	-	-	-	-
05	9999	NEW TAIWAN DOLLAR	-	-	-	-	-	-	-	-
05	9999	NEW ZEALAND	-	-	-	-	-	-	-	-
05	9999	NORWEGIAN KRONE	-	-	-	-	-	-	-	-
05	9999	SINGAPORE DOLLAR	-	-	-	-	-	-	-	-
05	9999	S AFRICAN COMM RAND	-	-	-	-	-	-	-	-
05	9999	SOUTH KOREAN WON	-	93,976.40	-	-	-	-	-	-
05	9999	SWEDISH KRONA	-	53,200.63	-	-	-	-	-	-
05	9999	SWISS FRANK	-	526,318.86	-	-	-	-	-	-
05	9999	THAILAND BAHT	-	22,368.13	-	-	-	-	-	-
05	9999	NEW TURKISH LIRA	-	-	-	-	-	-	-	-
		TOTAL	$ 4,285,463.83	$ 6,058,163.41	$ -	$ 13,301,207.06	$ 8,068,385.25	$ 1,056,985.00	$ 132,943.28	$ 120,712.99

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. To limit credit risk, Stephen F. Austin State University Board Policy 3.21, *Investments*, limits investments in corporate bonds, debentures or similar debt obligations to the two highest long-term rating categories.

As of August 31, 2020, the Standard & Poor's credit quality ratings of the University's investments by type of securities with credit risk exposure were as follows:

Investment Type	AAA	AA	A	BBB	BB	B	CCC	D	NR
U.S. Government Agency Obligations	$ 12,821.77	$ 3,678,274.48	$ 43,194.19	$ 15,006.34	$ 25,985.87	$ 14,721.23	$ -	$ -	$ 231,271.44
Corporate Obligations	68,510.64	321,348.31	1,302,169.00	3,754,635.33	1,099,777.75	370,960.25	8,275.66	-	117,473.40
Corporate Asset and Mortgage Backed Securities	598,293.40	504,100.60	49,356.39	110,411.76	-	3,930.39	34,151.70	-	917,507.96
International Obligations	94,832.49	250,924.01	570,343.64	1,637,888.22	988,126.28	144,743.53	-	14,763.17	583,842.49
Fixed Income Money Market and Bond Mutual Fund	1,713,128.59	-	-	-	-	-	-	-	-
Other Commingled Funds - Fixed Income	-	-	-	-	-	-	-	-	1,206,686.94
Miscellaneous (municipals)	$ -	$ 90,038.94	$ 51,631.41	$ 36,072.67	$ -	$ -	$ -	$ -	$ -

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Stephen F. Austin State University Board Policy 3.21, *Investments*, addresses interest rate risk by limiting variances in the average weighted duration of the portfolio, from industry benchmarks, to +/- 20%.

Investment Types	Effective Duration (in years)	Unaccrued Market Value System Total
U.S. Treasury Securities	3.809	$ 3,831,600.19
U.S. Treasury TIPS	22.276	270,816.96
U.S. Government Agency Obligations	1.653	4,021,275.32
Corporate Obligations	7.120	7,043,150.34
Corporate Asset and Mortgage Backed Securities	2.106	2,217,752.20
International Obligations	4.901	4,285,463.83
Other Commingled Funds - Fixed Income	3.248	1,206,686.94
Miscellaneous (political subdivision)	9.722	177,743.02
Total Fair Value		$ 23,054,488.80

The University invests funds in The Texas A&M University System's (A&M System) investment pools. The A&M System entered into forward currency contracts for the purpose of hedging international currency risk on its non-U.S. dollar denominated investment securities. When entering into a forward currency contract, the A&M System agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. These contracts are valued daily and the A&M System's net equity in the contracts, representing unrealized gain or loss on the contracts, as measured by the differences between the forward foreign exchange rates at the dates of entry into the contracts and the forward rates at the reporting date, is reported on the Statement of Net Position as either an investment derivative or an investment derivative liability.

These investments involve market and/or credit risk in excess of the amount recognized in the consolidated Statement of Net Position. Risks arise from the possibility that counterparties will be unable to meet the terms of their contracts and from movement in currency, securities values and interest rates. The table on the following page summarizes the pending foreign exchange contracts as of August 31, 2020.

Foreign Exchange Contracts				
			Unrealized Gain on:	Unrealized Loss on:
Currency	Net Sell	Net Buy	Foreign Exchange Contract	Foreign Exchange Contract
Brazilian Real	$ 54,008.73	-	$ 1,181.32	$ 0.00
Chinese R Yuan HK	13,813.78	-	0.00	366.71
Euro	1,070.54	-	0.00	1.95
Indonesian Rupiah	28,944.79	-	0.00	386.70
Total	$ 97,837.84	-	$ 1,181.32	$ 755.36

The unrealized gains of the open foreign currency exchange contracts as of August 31, 2020 are shown as an investment derivative of $1,181.32 and the unrealized losses are shown as a liability of $755.36 on the Statement of Net Position. The foreign currency exchange contracts are traded over-the-counter and categorized as Level 2 in the fair value hierarchy.

The gross counterparty exposure for the A&M System, as of August 31, 2020, is presented in the table below. The A&M System's policy does not address master netting arrangements and the A&M System is not party to such an arrangement. The A&M System policy does not require collateral or other security for currency forward contracts.

Foreign Exchange Contract Exposure to Counterparty Risk as of August 31, 2020					
Notional		Fair Value			S&P Counterparty
Assets	Liabilities	Assets	Liabilities		Rating
$ 1,070.54	$ 1,072.50	$ -	$ 1.95		A
96,767.30	96,339.40	1,181.32	753.41		A+
$ 97,837.84	$ 97,411.90	$ 1,181.32	$ 755.36		
Exposure Net of Cash (GBP Collateral)		$ 112.93			

The A&M System has also invested in Treasury futures. To mitigate interest rate risk associated with Treasury futures, the instruments are used only for the purpose of managing interest rate risk in the fixed income portfolios. As of August 31, 2020, the weighted average effective duration for short futures contracts was 7.06 and for long futures contracts was 4.66. Futures contracts expose the A&M System to minimal counterparty risk since they are exchange traded and the exchange's clearinghouse, as counterparty to all exchange traded futures, guarantees the futures against default, therefor, they are not presented in the table above. Futures contracts are marked to market daily; meaning they are valued at the close of business each day and a gain or loss is recorded between the value of the contracts that day and on the previous day. The daily gain or loss difference is referred to as the daily variation margin, which is settled in cash with the broker each morning for the amount of the previous day's mark to market. The amount that is settled in cash with the broker each morning is the fair value of the futures contracts. Exchange traded futures contracts are categorized as Level 1 in the fair value hierarchy. The gains are shown as other receivables and the losses are shown as other liabilities in the Statement of Net Position as summarized in the table below.

Open Futures Contracts as of August 31, 2020				
	Notional Amount			
	Long	Short	Assets	Liabilities
			Other Receivable	Other Payable
Treasury Futures	3,880,491.05	2,201,767.02	7,912.96	3,376.63
	$ 3,880,491.05	$ 2,201,767.02	$ 7,912.96	$ 3,376.63

Concentration of credit risk is the risk of loss attributable to the magnitude of investment in a single issuer. As of August 31, 2020, the University's concentration of credit risk is immaterial to any single issuer.

Reverse Repurchase Agreements
The University, by statute, is authorized to enter into reverse repurchase agreements. A reverse repurchase agreement is a transaction in which a broker-dealer or financial institution transfers cash to the University and the University transfers securities to the broker-dealer and promises to repay the cash plus interest in exchange for the same or similar securities. Credit risk exposure for the University arises when a broker-dealer does not return the securities or their value at the conclusion of the reverse repurchase agreement. As of August 31, 2020, the University was not participating in reverse repurchase agreements.

Securities Lending
In securities lending transactions, the University would transfer its securities to broker-dealers and other entities for collateral – which may be cash or securities – and simultaneously agrees to return the collateral for cash or the same securities in the future. The University invests the cash received as collateral and, if the returns on those investments exceed the "rebate" paid to the borrowers of the securities, the securities lending transactions generate income for the University. The University did not participate in securities lending transactions during fiscal year 2020.

NOTE 4: Short-Term Debt

There was no reportable activity for short-term debt during the year ended August 31, 2020.

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:

Business-Type Activities	Balance 09/01/19	Additions	Reductions	Restatement/ Adjustment	Balance 08/31/20	Amounts Due Within One Year	Amounts Due Thereafter
Revenue Bonds Payable	$213,862,758.66	-	$ 7,720,000.00	$(1,816,884.81)	$204,325,873.85	$10,644,222.74	$193,681,651.11
Revenue Bonds – Direct Placements	34,445,000.00	-	4,630,000.00	-	29,815,000.00	4,720,000.00	25,095,000.00
Capital Lease Obligations	148,648.85	-	60,090.47	-	88,558.38	62,085.17	26,473.21
Employees' Compensable Leave	4,965,246.02	-	398,438.44	-	4,566,807.58,	419,328.73	4,147,478.85
Notes & Loans – Direct Placements	9,992,073.58	-	1,268,700.89	-	8,723,372.69	722,078.33	8,001,294.36
Total Business-Type Activities	$263,413,727.11	-	$14,077,229.80	$(1,816,884.81)	$247,519,612.50	$16,567,714.97	$230,951,897.53

Notes payable consists of amounts used to finance energy conservation projects and modernization of the University's sports-related scoreboards and video displays. The debt service requirements for notes and loans payable are as follows:

Note Payments for Fiscal Year Ended August 31,	Principal	Interest	Total
2021	$ 722,078.33	$ 234,658.72	$ 956,737.05
2022	762,756.42	215,234.82	977,991.24
2023	805,017.97	194,716.67	999,734.64
2024	848,917.25	173,061.69	1,021,978.94
2025	894,509.32	150,225.81	1,044,735.13
2026-2030	4,690,093.40	363,983.28	5,054,076.68
Total Payments	$ 8,723,372.69	$ 1,331,880.99	$ 10,055,253.68

Claims and Judgments

The University had no unpaid settlements or judgments as of August 31, 2020.

Employees' Compensable Leave

Annual Leave

Full-time employees earn eight to twenty-one hours per month vacation leave (annual leave) depending on years of State employment. The State's policy is that employees may carry accrued vacation leave forward from one fiscal year to the next up to a maximum number of hours allowed based on their years of service. Employees with at least six months of State service who terminate employment are entitled to payment for all accumulated annual leave. The University accrues the dollar value of annual leave benefits which are payable upon retirement, termination, or death of its employees. The amounts of these liabilities are reported in the Statement of Net Position. The estimated liability, $4,566,807.58 as of August 31, 2020, is based on outstanding balances reported in the leave reporting system multiplied by the employee's respective salary rate. The University made lump sum payments of $384,653.06 for accrued leave to employees who separated from State service during the fiscal year ended August 31, 2020.

Sick Leave

Sick leave is earned at the rate of eight hours per month and is paid only when an employee is absent due to illness or to the estate of an employee in the event of his/her death. The maximum sick leave payment to an employee's estate is the lesser of one-half of the employee's accumulated entitlement or 336 hours. Sick leave accumulation from one fiscal year to the next is not limited. The University recognizes the cost of sick leave when paid. The liability is not shown in the financial statements since historical payouts of sick leave have been minimal.

Overtime and Compensatory Leave for FLSA Non-Exempt and Exempt Employees

Under the federal Fair Labor Standards Act and State laws, overtime can be accumulated in lieu of immediate payment as compensatory leave for non-exempt, non-emergency employees up to a maximum of 240 hours. For emergency personnel (e.g., University police officers), overtime can be accumulated up to a maximum of 480 hours. Overtime is calculated at a rate of 1.5 times an employee's normal rate of pay. Non-exempt employees may earn compensatory leave when they work additional hours but the number of hours worked in the work week does not exceed 40 hours. Compensatory time is calculated on an hour-for-hour basis. Unpaid overtime and compensatory time for non-exempt employees is included in the calculation of current and long-term liabilities because these employees are eligible to be paid for these accruals upon death or termination.

Compensatory leave is allowed for exempt employees who are not eligible for overtime pay. This leave is accumulated on an hour-for-hour basis and must be taken within one year from date earned or it lapses, up to a maximum of 80 hours in a fiscal year. There is no death or termination benefit for compensatory leave for exempt employees and it is non-transferable. For these reasons, no liability is reported in the financial statements for compensatory leave earned by exempt employees.

Direct Borrowings and Direct Placements

GASB Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, requires the disclosure of direct borrowings and direct placements for reporting periods beginning after June 15, 2018.

Direct borrowings occur when the borrower goes directly to the lending source to avoid the high-interest rates associated with indirect lending, such as a public offering where the borrower has no relationship with the lender/investor. The University had no direct borrowings as of August 31, 2020.

Direct placements occur when the sale of an issue of debt securities is made to a single buyer or a limited number of buyers without a public offering. The University had direct placements related to business-type activities at August 31, 2020 totaling $38,538,372.69. This amount is composed of $29,815,000.00 of Bonds Payable, related to the Series 2015 Revenue Bonds, and Notes Payable of $8,723,372.69.

There were no unused lines of credit associated with the direct placements. No assets were pledged as collateral in association with the direct placements. In the event of default, the Series 2015 Bonds shall bear an interest at a rate of 8%.

NOTE 6: Bonded Indebtedness

Bonds Payable

Detailed supplemental bond information is disclosed in:

Schedule 2A – Miscellaneous Bond Information
Schedule 2B – Changes in Bonded Indebtedness
Schedule 2C – Debt Service Requirements
Schedule 2D – Analysis of Funds Available for Debt Service
Schedule 2E – Defeased Bonds Outstanding
Schedule 2F – Early Extinguishment and Refunding

General information related to bonds is summarized below:

Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds - Series 2010 (Revenue Bonds)

- To provide funds to construct a new freshman residence hall and adjacent parking garage.
- Issued 04-01-10.
- $35,035,000.00; All authorized bonds have been issued.
- Source of revenue for debt service: Pledged unappropriated fund balances available at the beginning of the year. Pledged revenues consisting of Unrestricted Current Fund Revenues excluding: remissions, governmental appropriations and gifts, grants, and contracts within the Educational and General Fund Group; and student service fees and private gifts in the Auxiliary Fund Group.
- Changes in Debt: Principal paid during fiscal year $1,615,000.00; Outstanding at year end $20,840,000.00.

Board of Regents of Stephen F. Austin State University Revenue Financing System Revenue Refunding Bonds – Series 2013 (Tuition Revenue Bonds and Revenue Bonds)

- To refund outstanding Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds - Series 2002 and Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds - Series 2004.
- Issued 9-11-13.
- $22,255,000.00; All authorized bonds have been issued.
- Source of revenue for debt service: Pledged Student Tuition; Pledged Student Center Fees; and Other Pledged Revenues.
- Changes in Debt: Principal paid during fiscal year $2,250,000.00; Outstanding at year end $9,880,000.00.

Board of Regents of Stephen F. Austin State University Revenue Financing System Revenue Refunding Bonds – Series 2015 (Revenue Bonds)

- To refund outstanding Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds - Series 2005 and Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds - Series 2005(A).
- Issued 5-01-15. This was a direct placement.
- $48,410,000.00; All authorized bonds have been issued.
- Source of revenue for debt service: Pledged Revenues consisting of Unrestricted Current Funds Revenues excluding: remissions, governmental appropriations and gifts, grants, and contracts within the Educational and General Fund Group; Higher Education Funds; and student service fees and private gifts in the Auxiliary Fund Group.
- Changes in Debt: Principal paid during fiscal year $4,630,000.00; Outstanding at year end $29,815,000.00.

Board of Regents of Stephen F. Austin State University Revenue Financing System Revenue Refunding Bonds – Series 2016 (Tuition Revenue Bonds)

- To refund outstanding Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds - Series 2008 and Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds - Series 2009, and provide funds to construct a new STEM building to house the University's Science, Technology, Engineering and Math departments.
- Issued 9-07-16.
- $61,205,000.00; All authorized bonds have been issued.
- Source of revenue for debt service: Pledged Student Tuition; Pledged Student Center Fees; and Other Pledged Revenues.
- Changes in Debt: Principal paid during fiscal year $2,930,000.00; Outstanding at year end $51,205,000.00.

Board of Regents of Stephen F. Austin State University Revenue Financing System Revenue Bonds – Series 2019A (Revenue Bonds)

- To provide funds to construct a new basketball practice facility; to construct a new welcome and student support center; to expand buildings utilized by the College of Fine Arts; to construct a new student residential facility, and to pay the costs related to the issuance of the bonds.
- Issued 02-01-19.
- $94,290,000.00; All authorized bonds have been issued.
- Source of revenue for debt service: Pledged Revenues consisting of Unrestricted Current Funds Revenues excluding: remissions, governmental appropriations and gifts, grants, and contracts within the Educational and General Fund Group; Higher Education Funds; and student service fees and private gifts in the Auxiliary Fund Group.
- Changes in Debt: Principal paid during fiscal year $500,000.00; Outstanding at year end $93,790,000.00.

Board of Regents of Stephen F. Austin State University Revenue Financing System Revenue Bonds – Taxable Series 2019B (Revenue Bonds)

- To provide funds to construct a new dining facility and to pay the costs related to the issuance of the bonds.
- Issued 02-01-19.
- $15,925,000.00; All authorized bonds have been issued.
- Source of revenue for debt service: Pledged Revenues consisting of Unrestricted Current Funds Revenues excluding: remissions, governmental appropriations and gifts, grants, and contracts within the Educational and General Fund Group; Higher Education Funds; and student service fees and private gifts in the Auxiliary Fund Group.
- Changes in Debt: Principal paid during fiscal year $425,000.00; Outstanding at year end $15,500,000.00.

NOTE 7: Derivatives

Stephen F. Austin State University invests funds in The Texas A&M University System's (A&M System) investment pools. The A&M System Investment Policy allows investment in certain derivative securities. A derivative security is a financial instrument which derives its value, in whole or part, from another security, currency, commodity or index. The A&M System uses investment derivatives to manage risk in its portfolios. Forward contracts are used to

manage transaction or currency exchange risk in purchasing, selling or holding investments and Treasury futures are used to manage interest risk in fixed income portfolios

The following disclosure summarizes the A&M System's derivative activity as reported in the financial statements.

Investment Derivatives	Changes in Fair Value		Fair Value as of 8/31/2020		
	Classification	Amount	Classification	Amount	Notional Amount
FX Contracts	Investment Revenue	$ 1,181.32	Investment	$ 1,181.32	$ 97,837.84
FX Contracts	Investment Revenue	(755.36)	Other Payable	(755.36)	(97,411.90)
Treasury Futures - Long	Investment Revenue	7,912.96	Other Receivable	7,912.96	3,880,491.05
Treasury Futures - Long	Investment Revenue	(3,376.63)	Other Payable	(3,376.63)	186,079.35
Treasury Futures - Short	Investment Revenue	$ 4,040.01	Other Receivable	$ 4,040.01	$ (2,201,767.02)

Investment Derivatives

Investment derivatives expose the A&M System to certain investment related risks. More detail about investment derivatives is disclosed in Note 3.

Hedging Derivatives

The A&M System did not enter into hedging derivatives in fiscal year 2020.

NOTE 8: Leases

Operating Leases

Included in the expenditures reported in the financial statements are the following amounts of rent paid or due under operating lease obligations:

Fund Type	Amount
Proprietary Fund	$315,045.04

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

Future Minimum Operating Lease Payments Year Ending August 31,	
2021	$250,194.98
2022	197,439.24
2023	138,057.34
2024	66,962.59
2025	28,995.30
2026	120.00
Total Future Minimum Lease Rental Payments	$681,769.45

The University has also leased building roof space to a cellular phone service provider. Operating lease income in the amount of $44,000.00 has been recorded for the year ended August 31, 2020. There are no contingent rentals in this amount.

Future minimum lease rentals under non-cancelable operating leases having an initial term in excess of on year as of August 31, 2020, are presented below.

Operating Lease Rentals Year Ending August 31	
2021	$66,000.00
2022	27,500.00
Total Future Minimum Rentals	$93,500.00

Capital Leases

The University has entered into long-term leases for financing the purchase of certain capital assets. Such leases are classified as capital leases for accounting purposes and, therefore, are recorded at the present value of the future minimum lease payments at the inception of the lease. Following is a summary of original capitalized costs of all such property under lease as well as the accumulated depreciation as of August 31, 2020:

Assets Under Capital Leases Year Ended August 31, 2020	**Business-Type Activities**
Furniture and Equipment	$423,552.44
Less: Accumulated Depreciation	282,368.24
Total	$141,184.20

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

Future Minimum Capital Lease Payments Year Ending August 31	**Business-Type Activities**		
	Principal	**Interest**	**Total**
2021	$62,085.17	$1,970.83	$64,056.00
2022	26,473.21	1,216.79	27,690.00
Total Future Minimum Lease Payments	$88,558.38	$3,187.62	$91,746.00
Less: Amount Representing Interest at Various Rates			3,187.62
Present Value of Net Minimum Lease Payments			$88,558.38

NOTE 9: Defined Benefit Pension Plans and Defined Contribution Plan

The State of Texas has joint contributory retirement plans for all of its benefits-eligible employees. One of the plans in which the University participates is administered by the Teacher Retirement System of Texas (TRS). The TRS defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms. The contributory percentages of participant salaries currently provided by the State and by each participant are 7.5% and 7.7%, respectively, of annual compensation. Further information regarding actuarial assumptions and conclusions, together with audited financial statements, are included in TRS' annual financial report. Deferred outflows of resources and deferred inflows of resources related to the pension plan administered by TRS are disclosed in Note 28.

The State has also established an Optional Retirement Program (ORP) for institutions of higher education for certain administrative personnel and faculty. Participation in ORP is in lieu of participation in TRS, and the selection to participate in ORP must be made in the first 90 days of eligibility. The ORP allows participants to select from a variety of companies for the purchase of annuity contracts or to invest in mutual funds. The contributory percentages on salaries for participants entering the program prior to September 1, 1995, are 8.5% and 6.65% by the State and each

participant, respectively. The State's contribution is comprised of 6.6% from the ORP appropriation and 1.9% from other funding sources. The 6.6% contribution is mandatory with the other 1.9% being at the discretion of the University's Board of Regents. The Board has approved the additional contributions for these employees. The contributory percentages on salaries for participants entering the program after August 31, 1995, are 6.6% and 6.65% by the State and each participant, respectively. Since these are individual annuity contracts or mutual fund investments, the University has no additional or unfunded liability for this program.

GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, paragraph 27(d) requires universities that administer the ORP to disclose the amounts contributed by members and by the employer for that plan. Following are the ORP contributions made for the 2020 fiscal year:

Contributions	**Year Ended Aug. 31, 2020**
Member Contributions	$ 1,950,763.29
Employer Contributions	2,057,995.60
Total	$ 4,008,758.89

NOTE 10: Deferred Compensation

University employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in the TEX. GOV'T. CODE ANN., Chapter 609. Two plans are available for employees: the 403(b) Tax Sheltered Annuity (TSA) plan and the Texa$aver 457(b) plan. The TSA is administered by Stephen F. Austin State University. The 457(b) plan is administered by the Employees Retirement System of Texas. The assets of these plans do not belong to the University or to the State, and thus they have no liability related to the plans.

NOTE 11: Postemployment Benefits Other Than Pensions – Not Applicable

NOTE 12: Interagency Activity and Transactions

The University experienced routine transfers with other State agencies that were consistent with the activities of the fund making the transfer. Repayment of amounts reported as Due To or Due From Other State Agencies will normally occur within one year from the date of the financial statement.

Following are individual balances and activity reported as Due From and Due To Other State Agencies as of August 31, 2020:

	Legislative Financing Sources	**Legislative Financing Uses**
ENTERPRISE FUND (05)		
	Transfer In	**Transfer Out**
Appd Fund 0802, D23 Fund 0802		
Agency 608, D23 Fund 0802		$ 570.11
Appd Fund 0210, D23 Fund 0210		
Agency 902, D23 Fund 0210	$ 221,308.00	

	Due From Other Agencies	Due To Other Agencies	Source
ENTERPRISE FUND (05)			
Appd Fund 0001, D23 Fund 0001			
Agency 781, D23 Fund 0001		37,803.32	State Pass Through
Agency 781, D23 Fund 0001		281,808.81	State Pass Through
Appd Fund 0210, D23 Fund 0210			
Agency 802, D23 Fund 0014	26,798.32		
Agency 802, D23 Fund 4673	4,554.80		
Agency 802, D23 Fund 4673	20,505.44		State Pass Through
Agency 720, D23 Fund 7999		22,678.84	State Pass Through 4,554.80
Agency 701, D23 Fund 0599		197.82	State Pass Through
Agency 701, D23 Fund 0001	934.55		State Pass Through
Agency 556, D23 Fund 7999	1,890.44		State Pass Through
Total Due From/To Other Agencies - State	**$54,683.55**	**$342,488.79**	
Agency 771, D23 Fund 0001	190,285.71		Federal Pass Through
Agency 802, D23 Fund 0951	63,700.08		Federal Pass Through
Total Due From/To Other Agencies - Federal	**$253,985.79**		
Total Interagency Balances	**$308,669.34**	**$342,488.79**	

The detailed State Grant Pass-Through information is listed on Schedule 1B - Schedule of State Grant Pass-Throughs From/To State Agencies.

In 2012, the University financed a comprehensive energy management program with a revolving loan fund from the State Energy Conservation Office (SECO) funded with American Recovery and Reinvestment Act (ARRA) funds and institutional Higher Education Funds (HEF). The total amount borrowed from SECO was $13,327,627.82, with capitalized interest of $197,015.33. The remaining balances, reported as Interagency Payables, are reflected in the table below:

Current Portion	Interagency Payable	Purpose
Agency 907, D23 Fund 0230	$ 663,481.00	Interagency Loan
Agency 907, D23 Fund 0230	842,955.00	Interagency Loan
Total Current Interagency Payable	**$ 1,506,436.00**	
Non-Current Portion	**Interagency Payable**	**Purpose**
Agency 907, D23 Fund 0230	$ 127,690.10	Interagency Loan
Agency 907, D23 Fund 0230	54,613.63	Interagency Loan
Total Non-Current Interagency Payable	**$ 182,303.73**	

NOTE 13: Continuance Subject to Review - Not Applicable

NOTE 14: Adjustments to Fund Balances and Net Position

During fiscal year 2020, certain accounting changes and adjustments were made that required the restatement of net position. A restatement of $206.29 was necessary because the software system did not calculate depreciation on an asset that was adjusted in value for fiscal year 2019. The restatement reflects the amount needed to correct the accumulated depreciation. An additional restatement of $171,427.86 was required to reclassify two projects reported in Construction in Progress that did not meet the capitalization requirements. The restatements are presented in the following table:

	Restatement	Prior Period Adjustments	Total
Net Position August 31, 2019			$ 79,284,267.70
Restatement: Property, Plant and Equipment adjustments	(171,634.15)		(171,634.15)
Net Position September 1, 2019 as Restated			$ 79,112,633.55

NOTE 15: Contingencies and Commitments

Unpaid Claims and Lawsuits

As of August 31, 2020, certain lawsuits were pending against the University and/or its officers. The lawsuits, which may present contingent liabilities, are displayed below:

Claimant/ Plaintiff	Defendant Name	Type of Litigation	Damages Sought	Probability of Liability	Possible Loss
Ann Wilder, Ph.D	SFASU	Sex Discrimination, Equal Pay Act	Back pay; liquidated damages; compensatory damages; statutory damages; non-economic damages for pain/suffering; economic damages for breach of contract; attorney's fees; court costs	Reasonably Possible*	Unknown

Description of the Case
The plaintiff alleges the university discriminated against her based on her disability and violated her rights to due process and freedom of expression

*Reasonably Possible indicates the event is more than remote, but less than likely.
*Probable indicates the event is likely to occur.

Claimant/ Plaintiff	Defendant Name	Type of Litigation	Damages Sought	Probability of Liability	Possible Loss
Pamela Clasquin	SFASU	Disability Discrimination	Actual damages; back and front pay; mental/emotional distress; pre and post-judgment interest; reputation; attorney's fees; court costs	Reasonably Possible*	$30,000.00

Description of the Case
The plaintiff alleges the University took adverse personnel action against plaintiff in violation of the Texas Commission on Human Rights Act.

***** Reasonably Possible indicates the event is more than remote, but less than likely.

Claimant/ Plaintiff	Defendant Name	Type of Litigation	Damages Sought	Probability of Liability	Possible Loss
Marcella Cook	SFASU	Disability Discrimination	Economic damages; pain/suffering; equitable relief; punitive damages; post-judgment interest; attorney's fees; court costs	Reasonably Possible*	Unknown

Description of the Case
The plaintiff alleges the University discriminated against her based on her disability and violated her rights to due process and freedom of expression.

* Probable indicates the event is likely to occur.
***** Reasonably Possible indicates the event is more than remote, but less than likely.
* Probable indicates the event is likely to occur.

NOTE 16: Subsequent Events

The Board of Regents approved in September 2020 to refund the Bond Series 2010 for a net savings to the University of $2,970,365.00.

NOTE 17: Risk Management

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; losses resulting from providing health and other medical benefits to employees; and natural disasters. It is the University's policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed. The methods the University uses to handle each of these risks are summarized below.

Injuries to Employees: Employees of the University are covered by a workers' compensation insurance policy provided by the State Office of Risk Management (SORM). An Interagency Contract with SORM is executed on behalf of the University for workers' compensation insurance every two years. SORM assesses the University an amount for the insurance coverage in accordance with 28 T.A.C. 251.507. The initial estimated assessment for fiscal year 2020 was $291,700.62, to be paid in two installments. The first payment of $218,775.47 was made in September. The assessment was adjusted during the year and the remaining payment of $59,852.29 was made in May, bringing the actual assessment total to $278,627.76.

Provision for Health and Other Medical Benefits: Employees of the University are eligible for health insurance and optional coverage(s) if they are employed at least 50% time. The coverage is provided through the State, under the Texas Employees Group Benefits Program (GBP), which was administered by HealthSelect. Eligible employees may select health, dental, vision, life, TexFlex, accidental death and dismemberment, dependent life, and long and short-term disability coverage. All risks associated with these benefits are passed to the GBP. The costs of health insurance coverage are jointly paid by the State and the University as follows: 100% for full-time employees and 50% for their dependents; 50% for part-time employees and 25% for their dependents. Employees hired on or after September 1, 2014, have a 60-day waiting period to participate in health insurance coverage. Contributions made by the State on behalf of the University for health and other medical benefits were $6,423,580.00 for the year ended August 31, 2020.

Damage to Property: The University is required by certain bond covenants to carry fire and extended coverage and boiler/heavy equipment insurance on buildings financed through the issuance of bonds. The insurance protects the bondholders from a disruption to the revenue stream that is being utilized to make the bond interest and principal payments. In fiscal year 2020, there were no catastrophic events that generated a need for a property claim, and the University was reimbursed $441,090.46 for a claim that resulted from the 2019 catastrophic fire at the SFA Beef Farm and Livestock Barn.

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 per injured person, up to a total of $60,000 for everyone injured in an accident (bodily injury) and $25,000 for property damage. However, through the SORM Auto Insurance Program the University has chosen to carry liability insurance on its licensed vehicles in the amount of $250,000/$500,000/$100,000. For fiscal year 2019-20 the auto insurance program covered liability for motorized utility vehicles, physical damage for all vehicles eleven years and newer and liability and comprehensive coverage for the athletic courtesy cars. The annual premium was $121,392.08 with a deductible paid of $3,307.20.

Torts and Other Risks: The University is exposed to a variety of civil claims resulting from the performance of its duties. The University has purchased commercial insurance to mitigate this risk.

Claims and Judgments: Changes in the balances of the University's claims liabilities for 2020 are noted in the table below:

		Beginning Balance	Increases	Decreases	Ending Balance
2020	Claims & Judgments	-	$37,800.00	$37,800.00	-

NOTE 18: Management's Discussion and Analysis (MD&A)

See *Management's Discussion and Analysis* at the beginning of this financial report.

NOTE 19: The Financial Reporting Entity

The University is an agency of the State of Texas. The ten members of its Board of Regents are appointed by the Governor, and include one non-voting student Regent. The University has no component units or joint ventures.

NOTE 20: Stewardship, Compliance and Accountability

Note 1, *Summary of Significant Accounting Policies*, discusses the generally accepted accounting principles upon which the financial statements are based and addresses any changes in accounting principles. The University had no material violations of finance-related legal or contractual provisions. Per the laws of the State of Texas, the University cannot spend amounts in excess of appropriations granted by the Texas Legislature. There are no deficits reported in Net Position.

NOTE 21: Not Applicable

NOTE 22: Donor Restricted Endowments

The University endowments are invested to maximize returns yet preserve principal. The long-term objective of maintaining the purchasing power of the endowments coupled with the goal of providing a reasonable, predictable, stable and sustainable level of income to support current needs guide the management of these funds. Distributions from the earnings and cumulative net appreciation are made annually to fund scholarships, professorships, and for other uses as stipulated by the donors. The Vice President for Finance and Administration reviews the total return on 2020 accounts and recommends an annual distribution. The distribution to spending accounts was 3.51% for 2020.
The following tables presents the amount of net appreciation for donor restricted true endowments for fiscal year 2020 and the changes from the prior year amounts for expendable and non-expendable balances.

Donor Restricted Endowments	Amounts of Cumulative Net Appreciation	Reported in Net Position
True Endowments	$ 3,829,428.30	Restricted for Expendable

Term Endowments	8,028.98	Restricted for Expendable
Total	$ 3,837,457.28	Restricted for Expendable

Endowment Funds	**Increase/(Decrease)**	**Reason for Change**
Expendable Balances		
True Endowments	$243,580.21	Fair value increase in portfolio
Term Endowments	773.46	Fair value increase in portfolio
Non-Expendable Balances		
True Endowments	$45,497.90	Donor gifts and bequests
Term Endowments	-	

NOTE 23: Extraordinary and Special Items - Not Applicable

NOTE 24: Disaggregation of Receivable and Payable Balances

Accounts Receivables
The components of Current Accounts Receivable, as reported in the Statement of Net Position, are as follows:

Accounts Receivable Category	Current Amount
3rd Party Contracts for Student Payments	$ 2,954,729.89
Travel Advances	5,500.00
Departmental Receivables	163,771.29
Food Services	7,160.31
Endowment Pool Fund	62,402.78
Other Receivables	29,326.64
Total	$ 3,222,890.91

Of these amounts, none are considered significant and the University expects to collect all within the next fiscal year.

Accounts Payables
The components of Current Accounts Payable, as reported in the Statement of Net Position, are as follows:

Accounts Payable Category	Current Amount
Construction Payables	$ 1,304,336.72
Procurement Card Payables	302,989.12
Travel & Fuel	987.81
Food Service Payables	50,564.08
Utility Payables	207,058.76
Payables for Supplies	1,526,486.46
Payables for Services	88,806.52
Miscellaneous Payables	318,906.88
Total	$ 3,800,136.35

NOTE 25: Termination Benefits – Not Applicable

NOTE 26: Segment Information - Not Applicable

NOTE 27: Service Concession Arrangements – Not Applicable

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

Beginning with fiscal year 2015, the University reported deferred outflows of resources and deferred inflows of resources in connection with GASB Statement No. 68 requirements related to pension reporting. The requirements include that affected State agencies disclose the proportional share of the net pension liability, pension expense, deferred outflows and inflows related to pensions if those amounts are not identifiable in the financial statements.

Business-Type Activities	Deferred Outflows of Resources	Deferred Inflows of Resources
TRS Pension	$ 32,128,109.00	$ 20,273,480.00
ERS OPEB	91,456,952.00	38,132,424.00
Total	**$ 123,585,061.00**	**$ 58,405,904.00**

Details of the pension plan administered by the Teacher Retirement System of Texas (TRS) are disclosed in Note 9.

NOTE 29: Troubled Debt Restructuring – Not Applicable

NOTE 30: Non-Exchange Financial Guarantees – Not Applicable

NOTE 31: Tax Abatements – Not Applicable

NOTE 32: Governmental Fund Balances – Not Applicable

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Stephen F. Austin State University
Agency 755
Schedule 1A-Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2020

Federal Grantor/ Pass-Through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Pass-through From Agy/ Univ No.	Pass-through From Agencies or Universities Amount	Pass-through From Non-State Entities Amount
Corporation for National and Community Service					
Direct Programs:					
Martin Luther King Jr Day of Service Grants	94.014				
Totals - Corporation for National and Community Service				0.00	0.00
Institute of Museum and Library Services					
Pass-Through From:					
Grants to States	45.310				
Pass-Through From:					
Texas State Library and Archives Commission			306	666.00	
Totals - Institute of Museum and Library Services				666.00	0.00
National Endowment For The Humanities					
Promotion of the Humanities Federal/State Partnership	45.129	Humanities Texas/ HTX #2019-5651			1,250.00
Totals - National Endowment For The Humanities				0.00	1,250.00
U.S. Department of the Interior					
Cooperative Research and Training Programs - Resources of the National Park System	15.945				
Totals - U.S. Department of the Interior				0.00	0.00
U.S. Department of Education					
Direct Programs:					
Rehabilitation Long-Term Training	84.129				
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334				
COVID-19 - Education Stabilization Fund	84.425				
Totals - U.S. Department of Education				0.00	0.00
U.S. Department of Health and Human Services					
Pass-Through From:					
Area Health Education Centers	93.107				
Pass-Through From:					
University of Texas Medical Branch Galveston			723	114,480.00	
Totals - U.S. Department of Health & Human Services				114,480.00	0.00
U.S. Department of Justice					
Direct Programs:					
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525				
Totals - U.S. Department of Justice				0.00	0.00
RESEARCH & DEVELOPMENT CLUSTER					
Environmental Protection Agency					
Pass-Through From:					
Nonpoint Source Implementation Grants	66.460				
Pass-Through From:					
Texas A&M AgriLife Research			556	0.58	
Totals - Environmental Protection Agency				0.58	0.00
National Science Foundation					
Direct Programs:					
Mathematical and Physical Sciences	47.049				
Education and Human Resources	47.076				
Pass-Through From:					
Engineering Grants	47.041				
Pass-Through From:					
Texas A&M Engineering Experiment Station			712	4,738.68	
Totals - National Science Foundation				4,738.68	0.00
U.S. Department of the Interior					
Direct Programs:					
Cooperative Research and Training Programs - Resources	15.945				

Direct Program Amount	Total PT From & Direct Program Amount	Pass-through To: Agy/ Univ No.	Pass-through To: Agencies or Universities Amount	Pass-through To: Non-State Entities Amount	Expenditures Amount	Total PT To & Expenditures Amount
3,231.94	3,231.94				3,231.94	3,231.94
3,231.94	3,231.94		0.00	0.00	3,231.94	3,231.94
	666.00				666.00	666.00
0.00	666.00		0.00	0.00	666.00	666.00
	1,250.00				1,250.00	1,250.00
0.00	1,250.00		0.00	0.00	1,250.00	1,250.00
858.25	858.25				858.25	858.25
858.25	858.25		0.00	0.00	858.25	858.25
51,368.69	51,368.69				51,368.69	51,368.69
19,778.63	19,778.63				19,778.63	19,778.63
9,512,949.43	9,512,949.43				9,512,949.43	9,512,949.43
9,584,096.75	9,584,096.75		0.00	0.00	9,584,096.75	9,584,096.75
	114,480.00				114,480.00	114,480.00
0.00	114,480.00		0.00	0.00	114,480.00	114,480.00
124,340.15	124,340.15				124,340.15	124,340.15
124,340.15	124,340.15		0.00	0.00	124,340.15	124,340.15
	0.58				0.58	0.58
0.00	0.58		0.00	0.00	0.58	0.58
30,592.04	30,592.04				30,592.04	30,592.04
441,673.01	441,673.01			19,731.93	421,941.08	441,673.01
	4,738.68				4,738.68	4,738.68
472,265.05	477,003.73		0.00	19,731.93	457,271.80	477,003.73
61,196.72	61,196.72				61,196.72	61,196.72

Stephen F. Austin State University
Agency 755
Schedule 1A-Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2020

Federal Grantor/ Pass-Through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Pass-through From Agy/ Univ No.	Pass-through From Agencies or Universities Amount	Pass-through From Non-State Entities Amount
of the National Poark System					
Pass-Through From:					
State Wildlife Grants	15.634				
Pass-Through From:					
Parks and Wildlife Department			802	100,990.49	
Totals - U.S. Department of the Interior				100,990.49	0.00
U.S. Department of Agriculture					
Specialty Crop Block Grant Program - Farm Bill	10.170	Nacogdoches Economic Development Corporation/SC-1819-26			40,640.44
		Nacogdoches Economic Development Corporation/SC-1920-52			2,896.91
Direct Programs:					
Cooperative Forestry Research	10.202				
Forestry Research	10.652				
Environmental Quality Incentives Progra	10.912				
Totals - U. S. Department of Agriculture				0.00	43,537.35
U.S. Department of Health and Human Services					
Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224	East Texas Community Health Services, Inc./206521			6,733.19
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912	Alcohol and Drug Abuse Council of Deep East Texas/206781			23,414.37
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	Houston Regional HIV/AIDS Resource Group, Inc./206171			2,244.35
Totals - U.S. Department of Health and Human Services				0.00	32,391.91
SPECIAL EDUCATION (IDEA) Cluster					
U.S. Department of Education					
Pass-Through From:					
Special Education Grants to States	84.027				
Pass-Through From:					
Texas Education Agency			701	23,283.80	
Special Education Grants to States	84.027				
Pass-Through From:					
Texas School for the Blind & Visually Impaired			771	586,323.01	
Totals - U.S. Department of Education				609,606.81	0.00
Student Financial Assistance Cluster					
U.S. Department of Education					
Direct Programs:					
Federal Supplemental Educational Opportunity Grants	84.007				
Federal Work-Study Program	84.033				
Federal Pell Grant Program	84.063				
Federal Direct Student Loans	84.268				
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379				
Totals - U.S. Department of Education				0.00	0.00
Total Expenditures of Federal Awards				$ 830,482.56	$ 77,179.26

$

Direct Program Amount	Total PT From & Direct Program Amount	Pass-through To Agy/ Univ No.	Pass-through To Agencies or Universities Amount	Pass-through To Non-State Entities Amount	Expenditures Amount	Total PT To & Expenditures Amount
	100,990.49				100,990.49	100,990.49
61,196.72	162,187.21		0.00	0.00	162,187.21	162,187.21
	40,640.44				40,640.44	40,640.44
	2,896.91				2,896.91	2,896.91
447,583.92	447,583.92				447,583.92	447,583.92
94,068.68	94,068.68				94,068.68	94,068.68
396.90	396.90				396.90	396.90
542,049.50	585,586.85		0.00	0.00	585,586.85	585,586.85
	6,733.19				6,733.19	6,733.19
	23,414.37				23,414.37	23,414.37
	2,244.35				2,244.35	2,244.35
0.00	32,391.91		0.00	0.00	32,391.91	32,391.91
	23,283.80				23,283.80	23,283.80
	586,323.01				586,323.01	586,323.01
0.00	609,606.81		0.00	0.00	609,606.81	609,606.81
444,069.00	444,069.00				444,069.00	444,069.00
526,956.98	526,956.98				526,956.98	526,956.98
21,227,322.00	21,227,322.00				21,227,322.00	21,227,322.00
60,686,013.00	60,686,013.00				60,686,013.00	60,686,013.00
351,473.00	351,473.00				351,473.00	351,473.00
83,235,833.98	83,235,833.98		0.00	0.00	83,235,833.98	83,235,833.98
94,023,872.34	$ 94,931,534.16		$ 0.00	$ 19,731.93	$ 94,911,802.23	94,931,534.16

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 1A-Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2020

Note 1: Non-Monetary Assistance - N/A

Note 2: Reconciliation
Below is a reconciliation of the total of federal pass through and federal expenditures as reported on the Schedule of Federal Financial Assistance to the total of federal revenues and federal grant pass-through revenues as reported in the general-purpose financial statements. Generally, federal funds are not earned until expended; therefore, federal revenues equal federal expenditures for the reporting period.

Per Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds; and Combined Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds; and Combined Statement of Changes in Fiducuary Net Assets:

Federal Revenue			
Operating		$11,392,174.60	
Non-Operating		22,022,864.00	
Total Federal Revenue			**$33,415,038.60**
Federal Pass-Through Revenue			
Operating		830,482.56	
Total Federal Pass-Through Revenue			**830,482.56**
Total Federal Revenue and Federal Pass-Through Revenue			**34,245,521.16**
Reconciliation Items:			
Non-monetary Items:			
--			
Total Non-monetary Items			**$0.00**
New Loans Processed: (Amounts are from Note 3a)			
Federal Direct Student Loans (Direct Loans)	84.268	$60,686,013.00	
Total New Loans Processed		**$60,686,013.00**	
Total reconciliation Items:			**$60,686,013.00**
Total per Note 2:			**$94,931,534.16**
Total Pass-Through and Expenditures per Federal Schedule:			**$94,931,534.16**
Difference:			**$0.00**

Note 3a: Student Loans Processed and Administrative Cost Recovered FY2020

Program Name / CFDA Number	Beginning Balance of Outstanding Loans as of 8/31/19	New Loans Processed, does not include Admin Cost Recovered	*CY Admin Cost Recovered, PY's only if applicable	Total Loans Processed and Admin Cost Recovered	Repayment/ Adjustment (PY+CY)	**Outstanding Balance of Loans as of 8/31/2020 Includes all FYs
Department of Education 84.038						
Federal Perkins Loans	$ 2,764,453.51	$ -	$ -	$ -	$ -	$ 2,764,453.51
Department of Education 84.268						
Federal Direct Student Loans (Direct Loans)		60,686,013.00		$ 60,686,013.00	60,686,013.00	-
Total Department of Education	$ 2,764,453.51	$ 60,686,013.00	$ -	$ 60,686,013.00	$ 60,686,013.00	$ 2,764,453.51

* Administrative Cost Recovered includes administration cost and any interest subsidy related to student loans processed.
** Confirmed on Servicer Report

Note 3b: Federally Funded Loans Processed and Administrative Cost Recovered FY2019 - N/A

Note 4: Depository Libraries for Government Publications - Agencies are no longer required to submit.

Note 5: Unemployment Insurance Funds - N/A

Note 6: Rebates for the Special Supplemental Food Program for Women, Infants and Children (WIC) - N/A

Note 7: Federal Deferred Revenue - Universities are exempt from Note 7

Note 8: Disaster Grants - Public Assistance (Presidentially Declared Disasters) (CFDA 97.036) Not applicable. Our agency did not receive FEMA approval this current reporting fiscal year for eligible expenditures incurred in previous reporting fiscal year.

Note 9: Economic Adjustment Assistance (CFDA 11.307) - Not applicable. Our agency does not have any Revolving Loan Funds related to the Economic Adjustment Assistance program.

Note 10: 10% de Minimis Indirect Cost Rate - Our agency does not elect to use the 10 percent de minimis indirect cost rate.

STEPHEN F. AUSTIN STATE UNIVERSITY (755)
Schedule 1B
Schedule of State Grant Pass-Throughs From/To State Agencies
For The Year Ended August 31, 2020

Pass Through From:	Grant ID	Agency Number	Amount
Fifth Year Accounting Student Scholarship Program	457.0001		$ 12,841.00
TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY		457	**12,841.00**
M1902807-Attoyac Bayou Watershed Protection Plan Implementation Effectiveness Monitoring and Facilitation Continuation	556.0028		$ 18,701.19
TEXAS A&M AGRILIFE RESEARCH		556	**18,701.19**
Available School Fund - Per Capita	701.0007		79,769.00
TEXAS EDUCATION AGENCY		701	**79,769.00**
Foundation School Program (FSP)-Formula	701.0015		2,104,815.00
TEXAS EDUCATION AGENCY		701	**2,104,815.00**
Award Student Achievement and Ed Excellence	701.0047		75,807.13
TEXAS EDUCATION AGENCY		701	**75,807.13**
Instructional Materials Allotment	701.0048		42,190.42
TEXAS EDUCATION AGENCY		701	**42,190.42**
ADDITIONAL SCHOOL SAFETY - SB500-SC32	701.0059		20,326.31
TEXAS EDUCATION AGENCY		701	**20,326.31**
Joint Admission Medical Program (JAMP)	720.0002		8,273.16
UNIVERSITY OF TEXAS SYSTEM		720	**8,273.16**
TEXAS Grant Program	781.0008		9,769,790.00
TX HIGHER EDUCATION COORDINATING BOARD		781	**9,769,790.00**
Professional Nursing Shortage Reduction Program	781.0013		132,210.23
TX HIGHER EDUCATION COORDINATING BOARD		781	**132,210.23**
College Work Study Program	781.0023		60,599.21
TX HIGHER EDUCATION COORDINATING BOARD		781	**60,599.21**
Work Study Mentorship Program	781.0029		21,247.68
TX HIGHER EDUCATION COORDINATING BOARD		781	**21,247.68**
Developmental Education Program	781.0040		33,177.15
TX HIGHER EDUCATION COORDINATING BOARD		781	**33,177.15**
Strategic Planning and Funding	781.0540		2,618.99
TX HIGHER EDUCATION COORDINATING BOARD		781	**2,618.99**
521411 Nacogdoches Naturally	802.0172		9,729.48
PARKS & WILDLIFE DEPARTMENT		802	**9,729.48**
531442 Assessing pathways of introduction of non-native fishes (Sheepshead minnow & Gulf Killifish) in Texas streams	802.0178		26,798.32
PARKS & WILDLIFE DEPARTMENT		802	**26,798.32**
531961 Assessing the population status of Brazos river Watersnakes	802.0179		20,505.44
PARKS & WILDLIFE DEPARTMENT		802	**20,505.44**
Various Projects	813.0003		1,000.00
TEXAS COMMISSION ON THE ARTS		813	**1,000.00**
Total Operating Pass-Through From Other Agencies			**$ 12,440,399.71**

Pass Through To	Grant ID	Agency Number	Amount
Total Pass-Through to Other Agencies			$ -

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STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 2A - Miscellaneous Bond Information
For the Fiscal Year Ended August 31, 2020

Description of Issue	Bonds Issued to Date	Range of Interest Rates		Scheduled Maturities First Year	Scheduled Maturities Last Year	First Call Date	Final Maturity
Business-Type Activities							
Revenue Bonds - Self Supporting							
Rev Fin Sys Bonds Ser '10	$ 35,035,000.00	2.000	5.000	2010	2029	10/15/2020	10/15/2029
Rev Fin Sys Bonds Ser '13	15,610,000.00	1.000	5.000	2014	2024	n/a	10/15/2024
Rev Fin Sys Bonds Ser '13	6,645,000.00	1.000	5.000	2014	2021	n/a	10/15/2021
Rev Fin Sys Bonds Ser '16	61,205,000.00	4.000	5.000	2017	2036	10/15/2026	10/15/2036
Rev Fin Sys Bonds Ser '19A	94,290,000.00	4.000	5.000	2019	2048	10/15/2028	10/15/2048
Rev Fin Sys Bonds Ser '19B	15,925,000.00	2.873	4.192	2019	2048	n/a	10/15/2035
	228,710,000.00						
Revenue Bonds - Direct Placement							
Rev Fin Sys Bonds Ser '15	48,410,000.00	2.010	2.010	2015	2025	n/a	10/15/2025
	48,410,000.00						
Total Revenue Bonds	277,120,000.00						
Grand Total of Bonds	$ 277,120,000.00						

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 2B-Changes in Bonded Indebtedness
For the Fiscal Year Ended August 31, 2020

Description of Issue	Bonds Outstanding 9/1/19	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/20
Business-Type Activities					
Revenue Bonds - Self Supporting					
Rev Fin Sys Bonds Ser '10	$ 22,455,000.00	$ -	$ 1,615,000.00	$ -	$ 20,840,000.00
Rev Fin Sys Bonds Ser '13	11,102,592.00	-	1,222,592.00	-	9,880,000.00
Rev Fin Sys Bonds Ser '13	1,027,408.00	-	1,027,408.00	-	-
Rev Fin Sys Bonds Ser '16	54,135,000.00	-	2,930,000.00	-	51,205,000.00
Rev Fin Sys Bonds Ser '19A	94,290,000.00	-	500,000.00	-	93,790,000.00
Rev Fin Sys Bonds Ser '19B	15,925,000.00	-	425,000.00	-	15,500,000.00
	198,935,000.00	-	7,720,000.00	-	191,215,000.00
Revenue Bonds - Direct Placement					
Rev Fin Sys Bonds Ser '15	34,445,000.00	-	4,630,000.00	-	29,815,000.00
	34,445,000.00	-	4,630,000.00	-	29,815,000.00
Total Revenue Bonds	233,380,000.00	-	12,350,000.00	-	221,030,000.00
Grand Total	$ 233,380,000.00	$ -	$ 12,350,000.00	$ -	$ 221,030,000.00

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 2B-Changes in Bonded Indebtedness
For the Fiscal Year Ended August 31, 2020

Description of Issue	Unamortized Premium	Unamortized Discount	Other Adjustments	Net Bonds Outstanding 8/31/20	Amounts Due Within One Year
Business-Type Activities					
Revenue Bonds - Self Supporting					
Rev Fin Sys Bonds Ser '10	$ -	$ -	$ -	$ 20,840,000.00	$ 1,675,000.00
Rev Fin Sys Bonds Ser '13	516,432.66	-	-	10,396,432.66	2,464,762.81
Rev Fin Sys Bonds Ser '13	-	-		-	-
Rev Fin Sys Bonds Ser '16	7,093,092.00	-	-	58,298,092.00	4,091,781.15
Rev Fin Sys Bonds Ser '19A	5,680,723.88	(179,374.69)	-	99,291,349.19	1,667,678.78
Rev Fin Sys Bonds Ser '19B	-	-	-	15,500,000.00	745,000.00
	13,290,248.54	(179,374.69)	-	204,325,873.85	10,644,222.74
Revenue Bonds - Direct Placement					
Rev Fin Sys Bonds Ser '15	-	-	-	29,815,000.00	4,720,000.00
	-	-	-	29,815,000.00	4,720,000.00
Total Revenue Bonds	13,290,248.54	(179,374.69)	-	234,140,873.85	15,364,222.74
Grand Total	$ 13,290,248.54	$ (179,374.69)	$ -	$ 234,140,873.85	$ 15,364,222.74

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 2C - Debt Service Requirements
For the Fiscal Year Ended August 31, 2020

Description of Issue	FY	Principal	Interest	Total
Business-Type Activities				
Revenue Bonds - Self Supporting				
Rev Fin Sys Bonds Ser '10	2021	$ 1,675,000.00	$ 906,131.25	$ 2,581,131.25
Rev Fin Sys Bonds Ser '10	2022	1,750,000.00	830,975.00	2,580,975.00
Rev Fin Sys Bonds Ser '10	2023	1,840,000.00	741,225.00	2,581,225.00
Rev Fin Sys Bonds Ser '10	2024	1,935,000.00	646,850.00	2,581,850.00
Rev Fin Sys Bonds Ser '10	2025	2,035,000.00	547,600.00	2,582,600.00
Rev Fin Sys Bonds Ser '10	2026-2030	11,605,000.00	1,298,331.26	12,903,331.26
		20,840,000.00	4,971,112.51	25,811,112.51
Rev Fin Sys Bonds Ser '13	2021	2,350,000.00	413,187.50	2,763,187.50
Rev Fin Sys Bonds Ser '13	2022	2,470,000.00	292,687.50	2,762,687.50
Rev Fin Sys Bonds Ser '13	2023	1,605,000.00	190,812.50	1,795,812.50
Rev Fin Sys Bonds Ser '13	2024	1,690,000.00	108,437.50	1,798,437.50
Rev Fin Sys Bonds Ser '13	2025	1,765,000.00	33,093.75	1,798,093.75
		9,880,000.00	1,038,218.75	10,918,218.75
Rev Fin Sys Bonds Ser '16	2021	3,045,000.00	2,343,000.00	5,388,000.00
Rev Fin Sys Bonds Ser '16	2022	3,165,000.00	2,218,800.00	5,383,800.00
Rev Fin Sys Bonds Ser '16	2023	3,310,000.00	2,072,750.00	5,382,750.00
Rev Fin Sys Bonds Ser '16	2024	3,480,000.00	1,903,000.00	5,383,000.00
Rev Fin Sys Bonds Ser '16	2025	3,665,000.00	1,724,375.00	5,389,375.00
Rev Fin Sys Bonds Ser '16	2026-2030	17,510,000.00	5,755,500.00	23,265,500.00
Rev Fin Sys Bonds Ser '16	2031-2035	11,585,000.00	2,619,725.00	14,204,725.00
Rev Fin Sys Bonds Ser '16	2036-2037	5,445,000.00	233,600.00	5,678,600.00
		51,205,000.00	18,870,750.00	70,075,750.00
Rev Fin Sys Bonds Ser '19A	2021	1,160,000.00	4,139,600.00	5,299,600.00
Rev Fin Sys Bonds Ser '19A	2022	1,215,000.00	4,080,225.00	5,295,225.00
Rev Fin Sys Bonds Ser '19A	2023	1,275,000.00	4,017,975.00	5,292,975.00
Rev Fin Sys Bonds Ser '19A	2024	1,345,000.00	3,952,475.00	5,297,475.00
Rev Fin Sys Bonds Ser '19A	2025	1,410,000.00	3,883,600.00	5,293,600.00
Rev Fin Sys Bonds Ser '19A	2026-2030	8,230,000.00	18,253,750.00	26,483,750.00
Rev Fin Sys Bonds Ser '19A	2031-2035	10,550,000.00	15,928,825.00	26,478,825.00
Rev Fin Sys Bonds Ser '19A	2036-2040	18,920,000.00	12,907,500.00	31,827,500.00
Rev Fin Sys Bonds Ser '19A	2041-2045	25,280,000.00	7,724,050.00	33,004,050.00
Rev Fin Sys Bonds Ser '19A	2046-2049	24,405,000.00	2,001,500.00	26,406,500.00
		93,790,000.00	76,889,500.00	170,679,500.00
Rev Fin Sys Bonds Ser '19B	2021	745,000.00	560,391.70	1,305,391.70
Rev Fin Sys Bonds Ser '19B	2022	770,000.00	538,091.60	1,308,091.60
Rev Fin Sys Bonds Ser '19B	2023	790,000.00	514,537.35	1,304,537.35
Rev Fin Sys Bonds Ser '19B	2024	815,000.00	489,558.75	1,304,558.75
Rev Fin Sys Bonds Ser '19B	2025	845,000.00	462,936.90	1,307,936.90
Rev Fin Sys Bonds Ser '19B	2026-2030	4,685,000.00	1,840,965.50	6,525,965.50
Rev Fin Sys Bonds Ser '19B	2031-2035	5,685,000.00	841,000.45	6,526,000.45
Rev Fin Sys Bonds Ser '19B	2036	1,165,000.00	24,418.40	1,189,418.40
		15,500,000.00	5,271,900.65	20,771,900.65
Total Revenue Bonds - Self Supporting		$ 191,215,000.00	$ 107,041,481.91	$ 298,256,481.91

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 2C - Debt Service Requirements
For the Fiscal Year Ended August 31, 2020

Description of Issue	FY	Principal	Interest	Total
Revenue Bonds - Direct Placement				
Rev Fin Sys Bonds Ser '15	2021	4,720,000.00	551,845.50	5,271,845.50
Rev Fin Sys Bonds Ser '15	2022	4,820,000.00	455,968.50	5,275,968.50
Rev Fin Sys Bonds Ser '15	2023	4,920,000.00	358,081.50	5,278,081.50
Rev Fin Sys Bonds Ser '15	2024	5,015,000.00	258,234.75	5,273,234.75
Rev Fin Sys Bonds Ser '15	2025	5,120,000.00	156,378.00	5,276,378.00
Rev Fin Sys Bonds Ser '15	2026	5,220,000.00	52,461.00	5,272,461.00
		29,815,000.00	1,832,969.25	31,647,969.25
Total Revenue Bonds - Direct Placement		29,815,000.00	1,832,969.25	31,647,969.25
Total Revenue Bonds		221,030,000.00	108,874,451.16	329,904,451.16
Total Debt Service		$ 221,030,000.00	$ 108,874,451.16	$ 329,904,451.16

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 2D - Analysis of Funds Available for Debt Service - General Obligation Bonds
For the Fiscal Year Ended August 31, 2020

Description of Issue	Application of Funds		Accrual Basis
	2020 Principal	2020 Interest	Int Exp
	$ -	$ -	$ -
General Obligation Bonds - Not Self-Supporting	$ -	$ -	$ -

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 2D - Analysis of Funds Available for Debt Service - Revenue Bonds
For the Fiscal Year Ended August 31, 2020

	Net Available for Debt Service		Debt Service		Accrual Basis	
Description of Issue	**Total Pledged and Other Sources**	**Operating Expenses and Capital Outlay**	**2020 Principal**	**2020 Interest**	**Interest Expense**	**Interest Capitalized**
Business-Type Activities						
Revenue Bonds - Self Supporting						
Rev Fin Sys Bonds Ser '10	*	*	$ 1,615,000.00	$ 965,800.02	$ 944,603.14	$ -
Rev Fin Sys Bonds Ser '13	*	*	1,222,592.00	496,389.34	478,050.46	-
Rev Fin Sys Bonds Ser '13	*	*	1,027,408.00	20,548.16	5,137.04	-
Rev Fin Sys Bonds Ser '16	*	*	2,930,000.00	2,462,500.00	2,418,550.00	-
Rev Fin Sys Bonds Ser '19A	*	*	500,000.00	4,984,873.35	4,159,390.90	-
Rev Fin Sys Bonds Ser '19B	*	*	425,000.00	689,065.26	570,960.03	-
Revenue Bonds - Direct Placement						
Rev Fin Sys Bonds Ser '15	*	*	4,630,000.00	644,520.46	609,621.84	-
			$ 12,350,000.00	$ 10,263,696.59	$ 9,186,313.41	$ -

Analysis of Pledged and Other Sources:

Pledged Sources:	
Tuition and Fees	$ 124,916,315.21
Sales and Services	34,539,445.51
Other Sources	1,483,821.82
Total Revenues	160,939,582.54
Unrestricted Fund Balances	(48,420,340.75)
Less State Appropriated Fund Balances with Restrictions	(11,726,167.70)
Total Pledged Revenues	$ 100,793,074.09
Expenditures associated with operations which generated the pledged revenues	$ 208,539,688.79

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 2E - Defeased Bonds Outstanding
For the Fiscal Year Ended August 31, 2020

Description of Issue	Year Refunded	Par Value Outstanding

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 2F - Current Year Early Extinguishment and Refunding
For the Fiscal Year Ended August 31, 2020

			For Refunding Only		
Description of Issue	Category	Amount Extinguished or Refunded	Refunding Issue Par Value	Cash Flow Increase (Decrease)	Economic Gain/Loss

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 3 - Reconciliation of Cash in State Treasury
August 31, 2020

Cash in State Treasury	Unrestricted	Restricted	Current Year Total
Special Mineral Fund 0241	$ 0.00	$ 0.00	$ 0.00
Local Revenue Fund 0261	2,068,036.06	0.00	2,068,036.06
Total Cash in State Treasury (Stmt of Net Position)	$ 2,068,036.06	$ 0.00	$ 2,068,036.06

WE ARE THE LUMBERJACKS

DID YOU KNOW?

80+
Majors

12,969
Enrollment

17:1
Student to faculty ratio