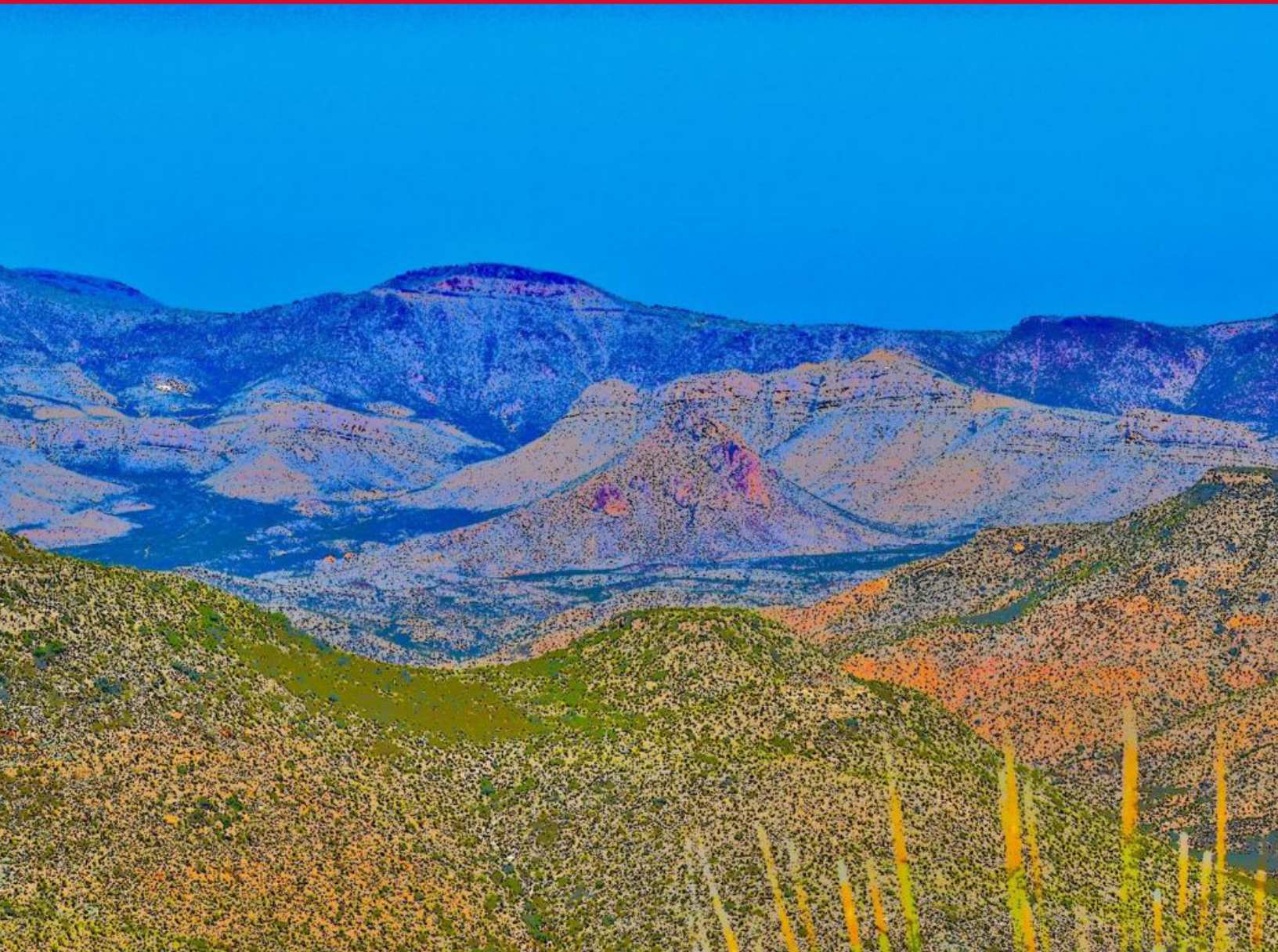




SUL ROSS

THE FRONTIER UNIVERSITY of Texas

Annual Financial Report



For the Fiscal Year Ended August 31, 2020

MEMBER THE TEXAS STATE UNIVERSITY SYSTEM

UNAUDITED

ALPINE • DEL RIO • EAGLE PASS • UVALDE



MEMBER TEXAS STATE UNIVERSITY SYSTEM

November 20, 2020

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

Ladies and Gentlemen:

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

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

If you have any questions, please contact Jim Goodman at 432-837-8076 or Corina Ramirez at 432-837-8042.

Sincerely,

A handwritten signature in black ink, appearing to read "Pete P. Gallego". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

Pete P. Gallego
President

OFFICE OF THE PRESIDENT
Briscoe Administration Building 200
PO Box 100 • Alpine, TX 79832
432.837.8000

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Annual Financial Report

for the fiscal year ended August 31, 2020

for

Sul Ross State University

Alpine, TX

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UNAUDITED



November 20, 2020

Pete P. Gallego, President
Sul Ross State University and Rio Grande College
Alpine Texas 79832

Dear Mr. Gallego:

Submitted herein is the Annual Financial Report of Sul Ross State University and Rio Grande College for the fiscal year ended August 31, 2020.

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

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

If you have any questions, please contact Corina Ramirez, at (432) 837-8042.

Respectfully submitted,

Corina Ramirez
Director of Accounting and Finance

Approved

Jim Goodman
Vice President of Finance and Operations

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

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

**SENIOR ADMINISTRATIVE OFFICIALS
TEXAS STATE UNIVERSITY SYSTEM**

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

**ADMINISTRATIVE OFFICIALS
SUL ROSS STATE UNIVERSITY**

PRESIDENT

Pete P. Gallego

FISCAL OFFICE

Jim Goodman	Vice President of Finance and Operations
Corina Ramirez	Director of Accounting and Finance

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Sul Ross State University

Proprietary Fund Financial Statements

**Texas State University System
Sul Ross State University
Statement of Net Position
August 31, 2020**

	<u>2020</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents: (Note 3)	
Cash on Hand (Including Petty Cash)	\$ 8,441.84
Cash in Bank	77,751.63
Cash in Transit/Reimburse from Treasury	416,575.09
Cash in State Treasury (Schedule 3)	1,844,904.97
Cash Equivalents	10,779,152.18
Restricted:	
Cash and Cash Equivalents: (Note 3)	
Cash on Hand	360.00
Cash in Bank	-
Cash Equivalents	7,614,514.58
Legislative Appropriations	7,403,666.04
Receivables:	
Federal	1,768,308.76
Other Intergovernmental	-
Interest	25,995.29
Accounts - Tuition	7,597,643.30
Allowance Accounts	(3,589,231.09)
Other	13,742.81
Due From Other Agencies (Note 12)	185,555.50
Consumable Inventories	236,295.00
Merchandise Inventories	22,716.26
Prepaid Items	116,228.79
Loans and Contracts	3,044,737.81
Allowance - Loans and Contracts	(2,808,668.00)
Other Current Assets	-
Total Current Assets	<u>\$ 34,758,690.76</u>
Non-Current Assets:	
Restricted:	
Other Assets Restricted Non-Current Assets	\$ 26,000.00
Investments (Note 3)	21,608,878.00
Capital Assets: (Note 2)	
Non-Depreciable or Non-Amortizable	
Land and Land Improvements	929,918.48
Construction in Progress	918,946.71
Other Capital Assets	257,700.00

Texas State University System
Sul Ross State University
Statement of Net Position
August 31, 2020

	<u>2020</u>
Depreciable or Amortizable	
Buildings and Building Improvements	114,647,305.87
Less Accumulated Depreciation	(83,925,226.06)
Infrastructure	666,789.36
Less Accumulated Depreciation	(666,789.36)
Facilities and Other Improvements	7,441,649.76
Less Accumulated Depreciation	(3,728,746.19)
Furniture and Equipment	8,018,312.47
Less Accumulated Depreciation	(6,809,687.99)
Vehicles, Boats, and Aircraft	2,778,021.54
Less Accumulated Depreciation	(1,665,034.21)
Computer Software - Intangible	173,740.00
Less Accumulated Amortization	(173,740.00)
Other Capital Assets	8,964,955.31
Less Accumulated Depreciation	(5,725,077.75)
Total Non-Current Assets	<u>\$ 63,737,915.94</u>
Total Assets	<u>\$ 98,496,606.70</u>
DEFERRED OUTFLOWS OF RESOURCES	
Total Deferred Outflows of Resources	<u>-</u>
LIABILITIES	
Current Liabilities:	
Payables from:	
Accounts Payable	\$ 70,798.25
Payroll Payable	146,583.49
Due to Other Agencies (Note 12)	4,087.51
Unearned Revenues	7,262,619.58
Employees' Compensable Leave (Note 5)	657,144.85
Funds Held for Others	299,732.70
Other Current Liabilities	713,863.24
Total Current Liabilities	<u>\$ 9,154,829.62</u>
Non-Current Liabilities:	
Employees' Compensable Leave (Note 5)	\$ 694,668.83
Other Non-Current Liabilities	-
Total Non-Current Liabilities	<u>694,668.83</u>
Total Liabilities	<u>\$ 9,849,498.45</u>

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**Texas State University System
Sul Ross State University
Statement of Net Position
August 31, 2020**

	<u>2020</u>
DEFERRED INFLOWS OF RESOURCES	
Total Deferred Inflows of Resources	<u>-</u>
NET POSITION	
Net Investment in Capital Assets	\$ 41,766,558.35
Restricted For:	
Capital Projects	6,448,806.12
Other	3,420,305.71
Funds Held As Permanent Investments:	
Non-Expendable:	
Endowment Funds	15,961,762.23
Expendable:	
Endowment Funds	5,522,968.93
Unrestricted	<u>15,526,706.91</u>
Total Net Position	<u><u>\$ 88,647,108.25</u></u>

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

	<u>2020</u>
OPERATING REVENUES:	
Tuition and Fees - Pledged	\$ 16,000,914.18
Tuition and Fees - Discounts/Allowances	(5,608,875.14)
Auxiliary Enterprises - Pledged	5,162,390.64
Auxiliary Enterprise – Discounts/Allowances	(1,501,913.67)
Other Sales of Goods and Services - Pledged	393,284.24
Federal Revenue	4,198,228.07
Federal Pass-Through Revenue	587,598.36
State Grant Pass-Through Revenue	2,223,829.13
Other Grants and Contracts -Non-pledged	268,972.78
Other Operating Revenues - Pledged	34,713.64
Total Operating Revenues	<u>\$ 21,759,142.23</u>
OPERATING EXPENSES:	
Instruction	\$ 12,910,874.52
Research	1,964,040.09
Public Service	1,343,868.53
Academic Support	3,508,480.49
Student Services	3,579,929.05
Institutional Support	11,658,103.09
Operation and Maintenance of Plant	4,304,574.97
Scholarship and Fellowships	5,479,128.94
Auxiliary	6,279,078.91
Depreciation and Amortization	4,560,246.18
Total Operating Expenses	<u>\$ 55,588,324.77</u>
Operating Income (Loss)	<u>\$ (33,829,182.54)</u>
NONOPERATING REVENUES (EXPENSES):	
Legislative Revenue (GR)	\$ 16,037,136.00
Additional Appropriations (GR)	4,772,079.76
Federal Revenue	5,522,611.11
Federal Pass-Through Revenue	-
Gifts - Pledged	211.23
Gifts - Non-Pledged	2,447,271.49
Investment Income - Non-Pledged	20,431.11
Investment Income - Pledged	240,263.55
Gain (Loss) on Sale of Capital Assets	
Net Increase (Decrease) Fair Value - Pledged	

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

	2020
Net Increase (Decrease) Fair Value - Non-pledged	1,031,652.52
Judgements and Settlements	
Settlement of Claims	-
Interest Expenses and Fiscal Charges	
Other Nonoperating Revenue (Expenses) - Non-Pledged	103,186.31
Other Nonoperating Revenue (Expenses)-Pledged	-
Other Nonoperating Expenses	(310,183.23)
Total Nonoperating Revenues (Expenses)	\$ 29,864,659.85
 Income (Loss) before Capital Contributions, Endowments and Transfers	 \$ (3,964,522.69)
 Capital Contributions, Endowments and Transfers	
Capital Appropriations (HEAF)	\$ 2,546,261.00
Additions to Permanent and Term Endowments	153,291.81
Transfer In (Note 12)	22,035.00
Transfer Out (Note 12)	(2,202,507.33)
Legislative Transfer In (Note 12)	37,493.00
Legislative Transfer Out (Note 12)	(1,531,018.00)
Legislative Appropriations Lapsed	(7,777.12)
Total Capital Contributions, Endowments and Transfers	\$ (982,221.64)
 Change in Net Position	 (4,946,744.33)
Beginning Net Position	93,593,852.58
Restatements (Note 14)	-
Beginning Net Position, as restated	93,593,852.58
Ending Net Position	\$ 88,647,108.25

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

Operating Expenses	Instruction		Research		Public Service		Academic Support		Student Services	
Cost of Goods Sold	\$	(2,394.42)	\$	-	\$	57,764.20	\$	-	\$	-
Salaries and Wages		9,812,627.41		1,345,056.19		887,011.06		2,150,062.88		2,248,081.47
Payroll Related Costs		2,706,492.17		290,984.65		222,156.29		574,640.09		650,215.47
Professional Fees and Services		24,065.53		769.00		400.00		55,478.14		7,766.69
Federal Grant Pass-Through Expense		-		-		-		-		-
State Grant Pass-Through Expense		-		-		-		-		-
Travel		74,013.98		29,091.66		11,434.90		88,932.91		75,180.16
Materials and Supplies		182,220.48		114,135.21		60,889.83		284,588.80		274,204.47
Communications and Utilities		1,648.27		18.59		(1,832.10)		14,284.88		22,378.12
Repairs and Maintenance		551.95		4,488.26		-		4,623.40		153.26
Rentals and Leases		36,103.59		3,441.51		6,562.72		154,808.05		10,137.32
Printing and Reproduction		1,359.18		13,186.98		300.67		9,239.83		-
Depreciation and Amortization*		-		-		-		-		-
Bad Debt Expense		-		-		-		-		-
Interest		-		-		-		-		-
Scholarships		11,500.00		1,000.00		-		68,637.06		51,517.00
Claims and Judgments		-		-		-		-		-
Other Operating Expenses		62,686.38		161,868.05		99,180.95		103,184.46		240,295.09
Total Operating Expenses	\$	12,910,874.52	\$	1,964,040.10	\$	1,343,868.52	\$	3,508,480.50	\$	3,579,929.05

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

UNAUDITED

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

Institutional Support		Operation and Maintenance of Plant	Scholarship and Fellowships	Auxiliary Enterprises	Depreciation and Amortization	Total Expenses
\$	82,794.59	\$ -	\$ -	\$ 23,150.08	\$ -	\$ 161,314.45
	4,741,229.77	1,171,615.50	427,624.10	2,183,326.24	-	24,966,634.62
	1,377,394.09	336,439.08	241.64	820,686.32	-	6,979,249.80
	620,417.59	254,166.10	-	70,289.17	-	1,033,352.22
	-	-	-	-	-	-
	-	-	-	-	-	-
	103,287.40	3,848.95	109.80	255,396.24	-	641,296.00
	1,593,054.17	182,751.45	-	1,783,452.77	-	4,475,297.18
	411,958.69	826,462.55	-	642,316.63	-	1,917,235.63
	176,175.31	11,785.69	-	11,555.45	-	209,333.32
	558,196.83	957,221.04	-	21,933.96	-	1,748,405.02
	12,843.82	-	-	-	-	36,930.48
	-	-	-	-	4,560,246.18	4,560,246.18
	8,747.00	-	-	-	-	8,747.00
	3.46	-	-	-	-	3.46
	273,413.05	-	5,050,761.26	138,848.00	-	5,595,676.37
	109,995.12	-	-	-	-	109,995.12
	1,588,592.19	560,284.61	392.14	328,124.05	-	3,144,607.92
\$	11,658,103.08	\$ 4,304,574.97	\$ 5,479,128.94	\$ 6,279,078.91	\$ 4,560,246.18	\$ 55,588,324.77

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

	2020
CASH FLOWS FROM OPERATING ACTIVITIES	
Proceeds from Tuition and Fees	\$ 3,686,804.86
Proceeds from Research Grants and Contracts	7,097,160.35
Proceeds from Auxiliaries	3,660,476.97
Proceeds from Other Operating Revenues	800,966.18
Payments to Suppliers for Goods and Services	(11,583,506.27)
Payments to Employees for Salaries	(24,782,950.95)
Payments to Employees for Benefits	(6,979,249.79)
Payments for Other Operating Expenses	(3,254,606.50)
Net Cash Provided by Operating Activities	\$ (31,354,905.15)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from Debt Issuance	
Proceeds from State Appropriations	\$ 23,181,421.22
Proceeds from Gifts	2,600,774.53
Proceeds from Grant Receipts	5,522,611.11
Proceeds from Other Noncapital Financing Activities	123,507.58
Payments for Transfers to Other State Agencies	(138,285.38)
Payments for Other Noncapital Financing Uses	(654,131.23)
Net Cash Provided by Noncapital Financing Activities	\$ 30,635,897.83
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Debt Issuance	\$ -
Proceeds from Capital Contributions	-
Payments for Additions to Capital Assets	(1,001,167.81)
Payments of Principal on Debt	(2,239,350.46)
Payments of Interest on Debt Issuance	(987,905.90)
Net Cash Provided by Capital and Related Financing Activities	\$ (4,228,424.17)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Investment Income	\$ 260,694.66
Payments to Acquire Investments	68,025.50
Net Cash Provided by Investing Activities	\$ 328,720.16
Net Increase (Decrease) in Cash and Cash Equivalents	(4,618,711.33)
Beginning Cash and Cash Equivalents	25,360,411.62
Restatements to Beginning Cash and Cash Equivalents	-
Beginning Cash and Cash Equivalents, as restated	\$ 25,360,411.62
Ending Cash and Cash Equivalents	\$ 20,741,700.29

UNAUDITED
Texas State University System
Sul Ross State University
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2020

	<u>2020</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income (Loss)	\$ (33,829,182.54)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Amortization and Depreciation	4,560,246.18
Bad Debt Expense	8,747.00
Operating Income (Loss) and Cash Flow Categories: Classification Differences	
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	(1,354,385.40)
(Increase) Decrease in Due from Other Funds	(185,555.50)
(Increase) Decrease in Inventories	(55,232.01)
(Increase) Decrease in Prepaid Expenses	465,160.03
(Increase) Decrease in Loans & Contracts	306,533.87
(Increase) Decrease in Other Assets	(26,000.00)
Increase (Decrease) in Payables	(1,770,269.99)
Increase (Decrease) in Due to Other Funds	4,087.51
Increase (Decrease) in Unearned Revenue	244,827.59
Increase (Decrease) in Compensated Absence Liability	183,683.68
Increase (Decrease) in Other Liabilities	92,434.43
Total Adjustments	<u>2,474,277.39</u>
Net Cash Provided by Operating Activities	<u><u>\$ (31,354,905.15)</u></u>
Non Cash Transactions	
Donation of Capital Assets	-
Net Change in Fair Value of Investments	1,031,652.52

Sul Ross State University

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

Note 1: Summary of Significant Accounting Policies

Reporting Entity

Sul Ross State University ("the University") is an Institution of Higher Education of the State of Texas and its financial records comply with State statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' Reporting Requirements.

Due to the statewide requirements embedded into Governmental Accounting Standards Board Statement (GASB) 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 of this statement. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

Fund Structure

The accompanying financial statements are presented on the basis of funds. A fund is considered a separate accounting entity. In accordance with GASB No. 35, the University is reporting as a special-purpose government entity engaged only in Business-Type Activities within the Proprietary Fund Type. The accompanying entity-wide Financial Statements are prepared as such.

Proprietary Fund

Business Type Activity

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

Blended Component Units

No component units have been identified which should have been blended into an appropriation fund.

Discrete Component Units

Sul Ross State University has no discrete component units.

Basis of Accounting

For financial reporting purposes, the University is considered a special-purpose government engaged only in Business-Type activities. Accordingly, the University's financial statements have been presented using the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. The proprietary funds utilized by the University distinguish operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All significant intra-agency transactions have been eliminated.

Sul Ross State University

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

Budget and Budgetary Accounting

The budget is prepared biennially and represents appropriations authorized by the Legislature and approved by the Governor (the "General Appropriations Act"). Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

Assets, Liabilities, and Fund Balances/Net Position

Assets

Cash Equivalents

For purposes of the statements of cash flows, the University considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Investments

The University accounts for its investments at fair value in accordance with GASB Statement No. 72, *Fair Value measurement and Application*. Fair value, which is determined based on quoted market prices, is the amount at which an investment could be exchanged in a current transaction between parties other than in a forced or liquidation sale. Changes in unrealized gains (losses) on the carrying value of investments are reported as a component of investment income in the accompanying in the Statement of Revenues, Expenses, and Changes in Net Position.

Accounts Receivable

Accounts receivable consists of tuition and fees charged to students and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable also includes amounts due from the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts.

Inventories and Prepaid Items

Inventories are carried at the lower of cost or market on or the average cost basis. The consumption method of accounting is used to account for inventories and prepaid items. The costs of these items are expensed when the items are consumed.

Restricted Assets

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

Unearned Revenues

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

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. Livestock for educational purposes is recorded at estimated fair value. For equipment, the University capitalizes all items with a unit cost of \$5,000 or more. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred.

Sul Ross State University

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

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Inexhaustible assets such as works of art and historical treasures are not depreciated.

Liabilities

Accounts Payable

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

Compensated Absences

Employee vacation pay and overtime is accrued at year-end for financial statement purposes. The liability is recorded at year-end as Employee Compensable Leave (current and non-current) in the statement of net assets. The expense is recorded as a component of operating expenses in the statement of revenues, expenses and changes in net position.

Other Liabilities – Current and Non-Current

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

Net Position

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

Invested in Capital Assets, net of related debt

This represents the University’s total investment in capital assets net of accumulated depreciation.

Net Position – Restricted

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

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

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

Net Position - Unrestricted

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

Income Taxes

The University, as an agency of the State of Texas, is excluded from Federal income taxes under Section 115(1) of the Internal Revenue Code, as amended.

Classification of Revenues

The University has classified its revenues as either operating or non-operating revenues according to the following criteria:

Sul Ross State University

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

Operating revenues – Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, (3) some federal, state, and local grants and contracts and Federal appropriations, and (4) interest on institutional student loans.

Non-operating revenues – Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenues by GASB, such as state appropriations and investment income.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs are recorded as either operating or non-operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance.

Interfund Activities and Balances

The agency has the following types of transactions between funds:

Transfers

Legally required transfers that are reported when incurred as "Transfers In" by the recipient fund and as "Transfers Out" by the disbursing fund.

Reimbursements

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

Interfund Receivables and Payables

Interfund loans are reported as interfund receivables and payables. If repayment is due during the current year or soon thereafter, the balance is classified as "Current". Repayment due in two (or more) years are classified as "Non-Current."

Interfund Sales and Purchases

Includes charges or collections for services rendered by one fund to another that are recorded as revenues of the recipient fund and expenditures or expenses of the disbursing fund.

The composition of the agency's interfund activities and balances are presented in Note 12 Interfund Activity and Transactions.

Sul Ross State University

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

CARES Act

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

GEERF funding, awarded to the State of Texas Governor's Office and passed through the Texas Higher Education Coordinating Board to the University, provides direct financial assistance to support students' efforts to continue or restart their progress toward earning a post-secondary credential or degree. Initial GEERF awards totaling \$191,104 were awarded to maintain need-based financial aid programs and keep more students enrolled at colleges and universities. The initial awards were followed by an additional \$184,887 in emergency student support to allow students whose families have been severely financially impacted by COVID-19 to stay enrolled in higher education.

HEERF funding, awarded directly to the University, provides support to prevent, prepare for, and respond to COVID-19. The University's awards totaled \$1,779,991. Under the terms of the grant agreements, at least 50% of the funds are used to provide emergency financial aid grants to students for expenses related to the disruption of campus operations due to COVID-19. The remainder of the award may be used to cover costs associated with significant changes to the delivery of instruction due to COVID-19, subject to certain restriction outlined in the grant agreements.

In addition to the programs above, the University received federal stimulus funding through the Minority Serving Institutions Program, in the amount of \$129,854.

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

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

Program	Total Awarded	Expensed/Earned	Unearned
HEERF - Student Allocation	889,996.00	889,996.00	-
HEERF - Institutional Allocation	889,995.00	613,286.46	276,708.54
GEERF- Student Financial Aid	191,104.00	-	191,104.00
GEERF- Emergency Student Financial Aid	184,887.00	-	184,887.00
Other			
Minority Serving Institutions Program (MSI)	129,854.00	-	129,854.00
Total	<u>2,285,836.00</u>	<u>1,503,282.46</u>	<u>782,553.54</u>

Sul Ross State University

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

Note 2: Capital Assets

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

			Reclassifications					
	Balance 9/1/2019	Adjustments/Restatements	Completed CIP	Inc-Int'gy Trans	Dec-Int'gy Trans	Additions	Deletions	Balance 8/31/2020
<u>Non-Depreciable Assets</u>								
Land and Land Improvements	929,918.48	-	-	-	-	-	-	929,918.48
Construction in Progress	582,467.12	-	-	-	-	336,479.59	-	918,946.71
Other Assets	257,700.00	-	-	-	-	-	-	257,700.00
Total Non-Depreciated Assets	1,770,085.60	-	-	-	-	336,479.59	-	2,106,565.19
<u>Depreciable Assets</u>								
Buildings and Building Improvements	114,647,305.87	-	-	-	-	-	-	114,647,305.87
Infrastructure	666,789.36	-	-	-	-	-	-	666,789.36
Facilities and Other Improvements	7,441,649.76	-	-	-	-	-	-	7,441,649.76
Furniture and Other Improvements	8,147,193.12	-	-	-	-	209,705.57	(338,586.22)	8,018,312.47
Vehicles, Boats, & Aircraft	2,643,534.35	-	-	13,638.80	-	120,848.39	-	2,778,021.54
Other Capital Assets	8,653,241.05	-	-	-	-	334,134.26	(22,420.00)	8,964,955.31
Total Depreciable Assets	142,199,713.51	-	-	13,638.80	-	664,688.22	(361,006.22)	142,517,034.31
<u>Less Accumulated Depreciation for:</u>								
Buildings and Building Improvements	(80,554,476.44)	-	-	-	-	(3,370,749.62)	-	(83,925,226.06)
Infrastructure	(666,789.36)	-	-	-	-	-	-	(666,789.36)
Facilities and Other Improvements	(3,494,112.71)	-	-	-	-	(234,633.48)	-	(3,728,746.19)
Furniture and Other Improvements	(6,718,322.27)	-	-	-	-	(429,951.94)	338,586.22	(6,809,687.99)
Vehicles, Boats, & Aircraft	(1,461,842.53)	-	-	(13,638.80)	-	(189,552.88)	-	(1,665,034.21)
Other Capital Assets	(5,412,139.49)	-	-	-	-	(335,358.26)	22,420.00	(5,725,077.75)
Total Accumulated Depreciation	(98,307,682.80)	-	-	(13,638.80)	-	(4,560,246.18)	361,006.22	(102,520,561.56)
Depreciable Assets Net	43,892,030.71	-	-	-	-	(3,895,557.96)	-	39,996,472.75
<u>Intangible Capital Assets Amortized</u>								
Land Use Rights	-	-	-	-	-	-	-	-
Computer Software	173,740.00	-	-	-	-	-	-	173,740.00
Other Intangible Capital Assets	-	-	-	-	-	-	-	-
Total Intangible Capital Assets Amortized	173,740.00	-	-	-	-	-	-	173,740.00
<u>Less Accumulated Amortization</u>								
Land Use Rights	-	-	-	-	-	-	-	-
Capital Software	(173,740.00)	-	-	-	-	-	-	(173,740.00)
Other Capital Assets	-	-	-	-	-	-	-	-
Accumulated Amortization Total	(173,740.00)	-	-	-	-	-	-	(173,740.00)
Business Type Activities Capital Assets, Net	45,662,116.31	-	-	-	-	(3,559,078.37)	-	42,103,037.94

Note 3: Deposits, Investments, and Repurchase Agreements

Deposits

As of August 31, 2020, the actual bank balance was \$4,029,395.35. The carrying value is presented below:

Cash

Current Unrestricted Assets – Cash in Bank	\$ 77,751.63
Current Restricted Assets – Cash in Bank	-
Noncurrent Restricted Assets – Cash in Bank	-
	<u>\$ 77,751.63</u>

Sul Ross State University

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

Investments

SRSU is authorized to invest operating funds in obligations and instruments as defined in the Public Funds Investment Act (Sec. 2256.001 Texas Government Code) and the Public Funds Collateral Act (Texas Government Code 2257). The Operating Funds Investment Policy of SRSU is designed to provide the maximum safety of invested principal, ensure liquidity for all operating requirements which may be reasonably anticipated, manage interest-rate risk, maximize overall return within the established risk constraints, and provide for diversification of investment assets.

Endowment funds represent private funds including, but not limited to, gifts of property, stock, and real assets, donated to SRSU to provide funding for scholarships, fellowships, professorships, academic chairs, and other uses as specified by the donor. It is the policy of SRSU to invest endowment funds in accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA), the Texas Property Code Chapter 163.

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

- **Level 1** – inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that can be accessed at the measurement date.
- **Level 2** – inputs are inputs (other than quoted prices included within Level 1) that are observable for an asset or liability, either directly (quoted market prices for similar assets or liabilities) or indirectly (corroborated from observable market information).
- **Level 3** – inputs are unobservable inputs for an asset or liability.

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

SRSU invests excess working capital in TexPool. TexPool, the largest and oldest local government investment pool in the State of Texas, is managed by the Texas Comptroller of Public Accounts. TexPool investments consist exclusively of U.S. Government securities, repurchase agreements collateralized by U.S. Government securities, and AAA-rated no-load money market mutual funds. TexPool is rated AAA by Standard & Poor's. No limitations or restrictions on redemptions exist and redemptions can occur at any time. There are no unfunded commitments.

Sul Ross State University

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

As of August 31, 2020, investments at fair market value consisted of the following:

Fair Value of Investments

	Value at 8/31	Fair Value Measured by		
		Level 1	Level 2	Level 3
U.S. Government:				
U.S. Treasury Securities	5,475.00	5,475.00		
Equity	1,304,196.00	1,304,196.00		
International Equity	3,261,791.00	3,261,791.00		
International Other Commingled Funds	1,141,786.00	1,141,786.00		
Domestic Mutual Funds	2,315,479.00	2,315,479.00		
International Mutual Funds	837,858.00	837,858.00		
Fixed Income Money Market and Bond Mutual Fund	4,026,705.00	4,026,705.00		
Other Commingled Funds	2,452,977.00	2,452,977.00		
Externally Managed Investments - Domestic	6,262,611.00			6,262,611.00
Investments	21,608,878.00	15,346,267.00	-	6,262,611.00
Other Commingled Funds (TexPool)	18,393,666.76			
Cash Equivalents	18,393,666.76			
Total Cash Equivalents and Investments	40,002,544.76			

Reconciliation to SNP

Current Unrestricted Assets - Cash Equivalents	10,779,152.18
Current Restricted Assets - Cash Equivalents	7,614,514.58
Noncurrent Assets - Investments	21,608,878.00
Total Cash Equivalents and Investments Per SNP	40,002,544.76

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Operating Funds Investment Policy of Sul Ross State University allows the investment of State funds in corporate bonds to be 20% to 100% of the total portfolio. The bonds must be rated in one of the four highest rating categories (AAA, AA, A, BBB).

As of August 31, 2020, SRSU's credit quality ratings, as assigned by Standard and Poor's for securities with credit risk exposure were as follows:

Investment Type:	Standard and Poor's Rating							Total
	AAA	AA	A	BBB	BB	B	Unrated	
Fixed Income Money Market and Bond Mutual Funds	2,317,026	137,427	271,394	573,712	230,806	14,535	481,803	4,026,705
Externally Managed Investments	-	-	-	-	-	-	868,669	868,669
Total	2,317,026	137,427	271,394	573,712	230,806	14,535	1,350,472	4,895,374

Note 4: Short-Term Debt

Sul Ross State University did not have any short-term debt activity for FY 2020.

Sul Ross State University

Notes to the Financial Statements For 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:

	Balance September 1, 2019	Additions	Reductions	Balance August 31, 2020	Due within One year
Accrued compensated absences	1,168,130.00	544,304.33	360,620.65	1,351,813.68	657,144.85

Compensated Absences

Full-time state employees earn annual leave from seven to twenty hours per month depending on the respective employee's years of state employment. The State's policy is that an employee may carry his accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to 520 for those employees with 35 or more years of state service. Employees with at least six months of state services who terminate their employment are entitled to payment for all accumulated annual leave up to the maximum allowed. The University recognized the accrued liability for the unpaid annual leave in the Statement of Net Position. For the year ending August 31, 2020, the total accrued liability including accrued overtime totaled \$1,351,813.68. Sick leave, the accumulation of which is unlimited, is earned at the rate of eight hours per month and is paid only when an employee is off due to illness or to the estate of an employee in the event of his/her death. The maximum sick leave that may be paid to an employee's estate is one-half of the employee's accumulated entitlement of 336 hours, whichever is less. No liability is recorded for non-vesting accumulating rights to receive pay benefits.

The University made lump sum payments totaling \$360,620.65 for accrued vacation (and/or compensatory time) to employees who separated from state service during fiscal year ending August 31, 2020.

Post Employment Health Care and Life Insurance Benefits

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

Note 6: Bonded Indebtedness

All bonded indebtedness for Sul Ross State University is issued by System Administration through the Texas State University System Revenue Financing System. System Administration and each component institution within the system are members of the Revenue Financing System. The Board of Regents pledged all of the funds (revenues) and balances derived or attributable to any member of the Revenue Financing System that are lawfully available to the Board for payments on Parity Debt.

System Administration issued the debt; therefore, the bonds payable attributable to the institution are

Sul Ross State University

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

included with the Bonds Payable reported by System Administration. The Institution must repay the debt that was issued on its behalf; consequently, the following debt amortization schedule is presented for informational purposes only:

DEBT SERVICE REQUIREMENTS ATTRIBUTABLE TO SUL ROSS STATE UNIVERSITY

Year	Principal	Interest	Total
2021	2,306,560.00	876,839.46	3,183,399.46
2022	2,375,000.00	774,256.56	3,149,256.56
2023	1,535,000.00	659,299.76	2,194,299.76
2024	1,605,000.00	586,246.00	2,191,246.00
2025	1,320,000.00	534,241.76	1,854,241.76
2026-2030	7,125,000.00	1,976,852.10	9,101,852.10
2031-2034	5,475,000.00	515,470.70	5,990,470.70
Totals	21,741,560.00	5,923,206.34	27,664,766.34

A portion of the debt represents Tuition Revenue Bonds historically funded by the Texas Legislature through General Revenue Appropriations. The Institution was appropriated \$1,531,018.00 during the current fiscal year for Tuition Revenue Bond debt service. The Institution expects future Legislative appropriations to meet debt service requirements for Tuition Revenue Bonds.

Note 7: Derivative Instruments

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

Note 8: Leases

Operating Lease Obligation and Rental Agreement

Included in operating expenses is \$1,501,695.17 rent paid or due under operating leases for FY 2020.

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

Year	Amount
2021	1,484,053.44
2022	1,471,117.95
2023	1,460,732.18
2024	1,444,877.14
Total	\$ 5,860,780.71

Note 9: Defined Benefit Pension Plans and Defined Contribution Plan

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

Sul Ross State University

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

Note 10: Deferred Compensation

Not Applicable. The Employee's Retirement System will report the plans, balances and liabilities for the State.

Note 11: Post Employment Health Care and Life Insurance Benefits

Not Applicable. The Employee's Retirement System will report information on Post Employment benefits other than pension benefits (OPEB).

Note 12: Interfund Activity and Transactions

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

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

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

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

DUE FROM/TO OTHER STATE ENTITIES	Due From Other Agencies	Due to Other Agencies	Purpose
GENERAL (01)			
(Agency 743, D23 Fund 7999)	\$185,555.50		FEDERAL P-T
Appd Fund 9999, D23 Fund 7999			
State Pass Throughs			
(Agency 320, D23 Fund 1001)		\$3,675.76	STATE P-T
(Agency 320, D23 Fund 2001)		\$411.75	STATE P-T
Appd Fund 9999, D23 Fund 7999			
University Components			
(Agency 756, D23 Fund 7999)			
Appd Fund 9999, D23 Fund 9999			
State Shared Cash Funds			
(Agency 608, D23 Fund 0802)			
TOTAL DUE TO AND DUE FROM	\$185,555.50	\$4,087.51	

Sul Ross State University

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

Transfers in/out from State Entities were as follows:

TRANSFERS IN FROM/OUT TO OTHER STATE ENTITIES	Transfers In from Other State Entities	Transfers Out to Other State Entities	Purpose
Agency 608, D23 Fund 0802		\$1,713.73	Transfer to TX DMV for Collegiate License Plates
Agency 753, D23 Fund 9999		\$138,285.38	Transfer to SHSU
Agency 758, D23 Fund 9999		\$1,718,560.22	Transfer to TSUS for Bond Payment
Agency 758, D23 Fund 9999		\$343,948.00	Transfer to TSUS for Shared Expense
Agency 902, D23 Fund 0210	\$22,035.00		Military Veterans Exemptions - Hazlewood
Total Interfund Receivable/Payable	\$22,035.00	\$2,202,507.33	

Legislative transfers in and out were as follows:

	Legislative Transfers In	Legislative Transfers Out
GENERAL REVENUE (01)		
Appd Fund 0001, D23 Fund 0001		
(Agency 902, D23 Fund 0001)	\$37,493.00	
(Agency 758, D23 Fund 0001)		\$1,531,018.00
Total Legislative Transfers	\$37,493.00	\$1,531,018.00

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

Note 13: Continuance Subject to Review

Not Applicable. Sul Ross State University is not subject to the Texas Sunset Act.

Note 14: Adjustments to Net Assets

Not Applicable.

Note 15: Contingencies and Commitments

Claims and Judgements

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

Sul Ross State University

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

Note 16: Subsequent Events

Not Applicable.

Note 17: Risk Management

Workers' Compensation and Unemployment Compensation

The State provides coverage for workers' compensation and unemployment compensation benefits from appropriations made to other State agencies for Sul Ross State University employees. The current General Appropriations Act provides that Sul Ross State University must reimburse the General Revenue Fund Consolidated, from Sul Ross State University appropriations, 50% of the unemployment benefits paid and 25% of the workers compensation benefits paid for former and current employees. The Comptroller of Public Accounts determines the proportionate amount to be reimbursed from each appropriated fund type. Sul Ross State University must reimburse the General Revenue Fund 100% of the cost for workers compensation and unemployment compensation for any employees paid from funds held in local bank accounts. Workers compensation and unemployment plans are on a pay-as-you-go basis, in which no assets are set aside to be accumulated for the payment of claims. No material outstanding claims are pending at August 31, 2020. The University has reserved funds for uninsured losses. These are reported in the Designated Funds. At August 31, 2020 there were no accrued contingent liabilities.

Fire and Extended Coverage

Sul Ross State University maintains Fire and Extended Coverage and Boiler insurance on all buildings. There were no insurance claims made during the fiscal year ended August 31, 2020.

Motor Vehicle

The Texas Motor Vehicle Safety Responsibility Act requires that every non-governmental vehicle operated on a State highway be insured for minimum limits of liability in the amount of \$20,000/\$40,000 bodily injury and \$15,000 property damage. All vehicles owned and/or leased by Sul Ross State University are covered by one or two commercial insurance policies specifically customized for the Texas State University System. Both policies provides coverage to the extent of \$1,000,000 combined single liability. The coverage exceeds the extent of the waivers of State immunity specified in the Texas Tort Claims Act, Civil Properties and Remedies Code Section 101.023.

Note 18: Management's Discussion and Analysis

Sul Ross State University is not required to issue a Management's Discussion and Analysis report.

Note 19: The Financial Reporting Entity

Component Units (CUs)

CUs are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, CUs can be other organization for which the nature and significance of their relationship with the primary government is such that exclusion would create misleading or incomplete financial statements. Sul Ross State University has determined that it does not have legally separate organization that should be considered Component Units.

Sul Ross State University

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

Related Parties

The following foundations and organizations, while not component units, are disclosed due to their significant relationship with the University:

Sul Ross State University Friends of the Center for Big Bend Studies Inc.

Sul Ross State University Friends of the Center for Big Bend Studies Inc. was formed in 2003 to seek, receive, and disperse funding in support of the programs of the Sul Ross State University Center for Big Bend Studies.

Sul Ross State University Support Organization

Sul Ross State University Support Organization was formed in 2003 exclusively for charitable, educational, and scientific purposes.

Note 20: Stewardship, Compliance, and Accountability

Sul Ross State University is not aware of any non-compliance items or material violations of finance related issues.

Note 21: Not Applicable

Not Applicable.

Note 22: Donor-Restricted Endowments

Donor - Restricted Endowment	Amounts of Net Appreciation	Reported in Net Position
True Endowments	4,742,824.22	Restricted for Expendable
Term Endowments	780,144.71	Restricted for Expendable
Total	\$ 5,522,968.93	

Note 23: Extraordinary and Special Items

Not Applicable. Sul Ross State University does not have any extraordinary or special items to report for the fiscal year ended August 31, 2020.

Note 24: Disaggregation of Receivable and Payable Balances

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

Sul Ross State University

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

Note 25: Termination Benefits

Not Applicable. Sul Ross State University does not have any termination benefits to disclose for FY 2020.

Note 26: Segment Information

Not applicable. Sul Ross State University does not have any identifiable activity (or group of activities), to disclose segments information for FY 2020.

Note 27: Service Concession Arrangements

Not applicable. Sul Ross State University does not have any guarantees and commitment arrangements to report for FY 2020.

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

Not applicable. Sul Ross State University does not have any deferred outflows or inflows or resources to disclose for FY 2020.

Note 29: Troubled Debt Restructuring

Not applicable. Sul Ross State University does not have any troubled debt restructuring to disclose for FY 2020.

Note 30: Non-Exchange Financial Guarantees

Not applicable. Sul Ross State University does not have any non-exchange financial guarantees to report for FY 2020.

Sul Ross State University

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

Note 31: Tax Abatements

Not applicable. For the fiscal year ended August 31, 2020, Sul Ross State University had no tax abatements to report.

Note 32: Fund Balances

Not applicable.

For the Fiscal Year Ended August 31, 2020

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

Agency 756 - Sul Ross State University
For the Fiscal Year Ended August 31, 2020

Federal Center/ Pass-through Center/ Program Title	CFDA Number	NIE Name/ Identifying Number	Aggr/ Univ No	Pass-through From			Direct Program Amount	Total PT From and Direct Prog Amount	Aggr/ Univ No.	Pass-through To			Expenditures Amount	Total PT To and Expenditures Amount
				Agencies or Universities Amount	Non-State Entities Amount					Agencies or Universities Amount	Non-State Entities Amount			
Institute of Museum and Library Services														
<u>Pass-Through From:</u> Grants to States														
<u>Pass-Through From:</u> Texas State Library and Archives Commission			45 310					936.00					936.00	936.00
Totals - Institute of Museum and Library Services			306	936.00	0.00	0.00	936.00			0.00	0.00	936.00	936.00	
Small Business Administration														
<u>Pass-Through From:</u> Small Business Development Centers			59 037					392,359.81				392,359.81	392,359.81	
<u>Pass-Through From:</u> University of Texas at San Antonio			743	392,359.81										
Totals - Small Business Administration				392,359.81	0.00	0.00	392,359.81			0.00	0.00	392,359.81	392,359.81	
U.S. Department of Education														
<u>Direct Programs:</u> Higher Education Institutional Aid			84 031					473,302.36				473,302.36	473,302.36	
Gaining Early Awareness and Readiness for Undergraduate Programs			84 334					813,392.00				813,392.00	813,392.00	
Education Stabilization Fund			84 425					1,503,282.46				1,503,282.46	1,503,282.46	
Totals - U.S. Department of Education				0.00	0.00	2,789,976.82	2,789,976.82			0.00	0.00	2,789,976.82	2,789,976.82	
U.S. Department of State														
<u>Direct Programs:</u> Academic Exchange Programs - Undergraduate Programs			18 009					19,961.87				19,961.87	19,961.87	
Totals - U.S. Department of State				0.00	0.00	19,961.87	19,961.87			0.00	0.00	19,961.87	19,961.87	
Research & Development Cluster														
U.S. Department of the Interior														
<u>Direct Programs:</u> Cooperative Research and Training Programs - Resources of the National Park System			15 945					3,203.53				3,203.53	3,203.53	
<u>Pass-Through From:</u> State Wildlife Grants			15 604					17,552.20				17,552.20	17,552.20	
<u>Pass-Through From:</u> Parks and Wildlife Department			802	17,552.20										
Totals - U.S. Department of the Interior				17,552.20	0.00	3,203.53	20,755.73			0.00	0.00	20,755.73	20,755.73	
U.S. Department of Agriculture														
<u>Direct Programs:</u> Hispanic Serving Institutions Education Grants			10 223					106,520.59				106,520.59	106,520.59	

Sul Ross State University
Schedule 1A
For the Fiscal Year Ended August 31, 2020

UNAUDITED

Soil and Water Conservation Pass-Through From: Texas A&M University - Kingsville		10.902							
			792	25,451.39		181,347.85	206,799.24		206,799.24
Totals - U.S. Department of Agriculture									
Fish and Wildlife Cluster									
U.S. Department of the Interior									
Pass-Through From:									
Wildlife Restoration and Basic Hunter Education		15.611					151,298.96	151,298.96	151,298.96
Pass-Through From: Parks and Wildlife Department			802	151,298.96					
Totals - U.S. Department of the Interior				151,298.96	0.00	0.00	151,298.96	151,298.96	151,298.96
Student Financial Assistance Programs Cluster									
U.S. Department of Education									
Direct Programs:									
Federal Supplemental Educational Opportunity Grants		84.007			104,070.00	104,070.00	104,070.00	104,070.00	104,070.00
Federal Work-Study Program		84.033			4,114.44	4,114.44	4,114.44	4,114.44	4,114.44
Federal Pell Grant Program		84.083			5,522.611.11	5,522.611.11	5,522.611.11	5,522.611.11	5,522.611.11
Federal Direct Student Loans		84.288			7,143,800.00	7,143,800.00	7,143,800.00	7,143,800.00	7,143,800.00
Totals - U.S. Department of Education				0.00	12,774,595.55	12,774,595.55	12,774,595.55	12,774,595.55	12,774,595.55
TRIO Cluster									
U.S. Department of Education									
Direct Programs:									
TRIO Student Support Services		84.042			215,604.29	215,604.29	215,604.29	215,604.29	215,604.29
TRIO Talent Search		84.044			298,983.92	298,983.92	298,983.92	298,983.92	298,983.92
TRIO Upward Bound		84.047			298,703.04	298,703.04	298,703.04	298,703.04	298,703.04
TRIO McNair Post-Baccalaureate Achievement		84.217			207,741.72	207,741.72	207,741.72	207,741.72	207,741.72
Totals - U.S. Department of Education				0.00	989,032.97	989,032.97	989,032.97	989,032.97	989,032.97
Total Expenditures of Federal Awards				587,598.36	0.00	16,864,639.18	17,452,237.54	0.00	17,452,237.54

Sul Ross State University

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

Note 1 – Non-Monetary Assistance

Donation of Federal Surplus Property

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

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

Sul Ross State University

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

Note 2 – Reconciliation

Per Combined Governmental Operating Statement

Statement of Activities and Proprietary Statement of Changes in Revenues, Expenses, & Net Assets

2020

Federal Revenue Proprietary Funds

Operating	Exhibit IV/SRECNA	\$	4,198,228.07
Non-Operating	Exhibit IV/SRECNA	\$	5,522,611.11
Capital Contributions	Exhibit IV/SRECNA		

Total Federal Revenue	\$	9,720,839.18
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Federal Pass-Through Revenue Proprietary Funds

Operating	Federal Pass-Through Revenue from Other State Agencies (SRECNA)	\$	587,598.36
Non-Operating	Federal Pass-Through Revenue from Other State Agencies (SRECNA)	\$	-
		\$	-

Total Federal Pass-Through Revenue	\$	587,598.36
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Total Federal & Federal Pass-Through Revenue	\$	10,308,437.54
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Reconciling Items:

Non-monetary Items			
Donation of Federal Surplus Personal Property	\$	-	

Total Non-monetary Items	\$	-
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New Loans Processed:

Federal Family Education Loans	84,032	\$	-
Federal Perkins Loan Program	84,038	\$	-
Federal Direct Student Loans	84,268	\$	7,143,800.00

Total New Loans Processed	\$	7,143,800.00
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Total Reconciliation Items	\$	7,143,800.00
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Total Per Note 2	\$	17,452,237.54
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Total Pass Through & Expenditures per Federal Schedule	\$	17,452,237.54
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Sul Ross State University

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

Note 3a – Student Loans Processed and Administrative Costs Recovered

New Loans Processed during FY 2020:

84.038 Federal Perkins Loan Program	\$ -
84.268 Federal Direct Loan Program	\$ 7,143,800.00
	<u>\$ 7,143,800.00</u>

Sul Ross State University

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

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

	New Loans Processed	Admin Cost Recovered	Total Loans Processed and Admin Cost Recovered
84.007 SEOG	\$ 104,070.00		\$ 104,070.00
84.063 Federal Pell Program	\$ 5,516,816.11	\$ 5,795.00	\$ 5,522,611.11
84.033 Federal Work Study	\$ 4,114.44		\$ 4,114.44

Sul Ross State University

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

Schedule 1B

State Pass-Through Grants from Other State Agencies

Pass Through From:

Agency Name

University of Texas System (JAMP) Joint Admission Medical Program	\$	5,753.40
Texas Higher Education Coordinating Board TEXAS Grant Program	\$	2,182,452.00
College Work Study Program	\$	16,769.50
Parks and Wildlife Department 506346 Black-tailed Prairie Dog (BTPD) Reintroduction fo the Marfa Grasslands	\$	16,235.04
515819 Archeological and Cultural Resource Services	\$	2,619.19
Total State Pass-Through Grant Revenue	\$	2,223,829.13

Pass Through to:

None