

SUL ROSS STATE UNIVERSITY

A Member of the Texas State University System

ALPINE, TEXAS



Financial Report

For the Year Ended

August 31, 2017

UNAUDITED

SUL ROSS STATE UNIVERSITY

FINANCIAL REPORT

For the Year Ended August 31, 2017



SUL ROSS STATE UNIVERSITY
MEMBER THE TEXAS STATE UNIVERSITY SYSTEM™
ALPINE, TEXAS 79832

Office of The President
PO Box C-100

(432) 837-8000
Fax (432) 837-8334

November 13, 2017

Honorable Greg Abbott, Governor
Honorable Glenn Hegar, Texas Comptroller
Ursula Parks, Director, Legislative Budget Board
Lisa Collier, First Assistant State Auditor

Ladies and Gentlemen:

We are pleased to submit the annual financial report of the Sul Ross State University for the year ended Aug. 31, 2017, 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 \(GASB\) 34](#), 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 Oscar P. Jimenez at 432-837-8042. John Young may be contacted at 432-837-8180 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

Bill Kibler, Ph.D.
President

UNAUDITED

TABLE OF CONTENTS

BOARD OF REGENTS TEXAS STATE UNIVERSITY SYSTEM 3

ADMINISTRATIVE OFFICIALS 3

STUDENT ENROLLMENT 4

PROPRIETARY FUND FINANCIAL STATEMENTS (Primary Statements)

 STATEMENT OF NET POSITION 8

 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION 11

 STATEMENT OF CASH FLOWS 13

 MATRIX OF OPERATING EXPENSES REPORTED BY FUNCTION 15

NOTES TO THE FINANCIAL STATEMENTS 16

SUPPLEMENTAL SUPPORTING INFORMATION

SCHEDULES:

 1A - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS..... 36

 1B -STATE GRANTS PASS THROUGH FROM/TO STATE AGENCIES 39

 2A - MISCELLANEOUS BOND INFORMATION.....40

 2B - CHANGES IN BONDED INDEBTEDNESS40

 2C - DEBT SERVICE REQUIREMENTS.....40

 2D - ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE.....40

 2E - DEFEASED BONDS OUTSTANDING40

 3-RECONCILIATION OF CASH IN STATE TREASURY41

 4- HIGHER EDUCATION ASSISTANCE FUND42

BOARD OF REGENTS
TEXAS STATE UNIVERSITY SYSTEM
At August 31, 2017

OFFICERS

Rossanna SalazarChairman
William Scott..... Vice Chairman

MEMBERS

Terms Expire February 1, 2017
Donna N. WilliamsArlington
Dr. Jaime R. Garza San Antonio

Terms Expire February 1, 2019
Charlie Amato..... San Antonio
Vernon Reaser III.....Bellaire

Terms Expire February 1, 2021
Alan L. Tinsley Madisonville
David Montagne... ..Orange
Veronica Muzquiz Edwards.....San Antonio

Brian McCall, Chancellor

ADMINISTRATIVE OFFICIALS
SUL ROSS STATE UNIVERSITY
At August 31, 2017

Dr. William KiblerPresident
Cesario Valenzuela Vice President for Finance & Operations
Jim CaseExecutive Vice President and Provost for Academic and Student Affairs
Mary Beth Marks Vice President for Enrollment Management
Butch Worley Vice President for External Affairs
David Gibson Chief Information Officer
Jeanne QvarstromAssistant Vice President Institutional Effectiveness
Leo Dominguez.....Associate Vice President for University Services

**Sul Ross State University
Headcount Enrollment for Academic Year 2016-17**

| | | Fall 2016 | Spring 2017 | SUMMER I 2017 | SUMMER II 2017 |
|--------|--------------------|--------------------------------|--------------|---------------|----------------|
| | | Academic Classification | | | |
| Alpine | Undergraduate | 1,454 | 1,263 | 360 | 361 |
| | Post-Baccalaureate | 61 | 47 | 21 | 18 |
| | Graduate | 559 | 523 | 281 | 284 |
| | Total | 2,074 | 1,833 | 662 | 663 |
| RGC | Undergraduate | 814 | 795 | 368 | 290 |
| | Post-Baccalaureate | 56 | 47 | 16 | 16 |
| | Graduate | 144 | 125 | 79 | 70 |
| | Total | 1,014 | 967 | 463 | 376 |
| Total | Undergraduate | 2,268 | 2,058 | 728 | 651 |
| | Post-Baccalaureate | 117 | 94 | 37 | 34 |
| | Graduate | 703 | 648 | 360 | 354 |
| | Total | 3,088 | 2,800 | 1,125 | 1,039 |

| | | | | | |
|--------|--------------|-------------------------|--------------|------------|------------|
| Alpine | | Residency Status | | | |
| | Resident | 2,010 | 1,766 | 635 | 635 |
| | Non Resident | 49 | 51 | 25 | 27 |
| | Foreign | 15 | 16 | 2 | 1 |
| RGC | Total | 2,074 | 1,833 | 662 | 663 |
| | Resident | 1003 | 959 | 461 | 375 |
| | Non Resident | 10 | 8 | 2 | 1 |
| | Foreign | 1 | | | |
| | Total | 1,014 | 967 | 463 | 376 |

Enrollment Data (Fall Semester) - Duplicated

| | <u>Students</u> | <u>Semester Hours</u> |
|-----------|-----------------|-----------------------|
| Fall 2016 | 3,088 | 29,254 |

UNAUDITED

Sul Ross State University
Student Enrollment Data
For the Year Ended August 31, 2017
(Concluded)

| TYPE OF STUDENT | NUMBER OF STUDENTS BY SEMESTER | | | |
|--|--------------------------------|--------------|------------------|--------------|
| | FALL 2016 | SPRING 2017 | SUMMER TERM 2017 | |
| | | | FIRST | SECOND |
| Texas Residents | 2,075 | 1,840 | 398 | 306 |
| Out of State (Classified as Residents) | | | | |
| Out of State | 59 | 59 | 8 | 30 |
| Foreign | 16 | 16 | | 3 |
| Children of Disabled Firemen or Peace Officers | | | | |
| Children of Deceased Public Servants | | | | |
| Peace Officer | 3 | 1 | 1 | 1 |
| Concurrent Enrollment | 21 | 20 | | 1 |
| Foster Children of the State | 9 | 5 | 3 | 2 |
| Good Neighbor | | | | |
| High School Honor Scholarships | | | | |
| High Ranking Senior | 4 | 2 | | |
| Hazelwood Act | 118 | 109 | 56 | 49 |
| Senior Citizens | 6 | 5 | 1 | 4 |
| Commission for the Blind/Deaf | 5 | 5 | | |
| Fireman Exempt | 4 | 7 | 3 | 3 |
| Thesis Only | | | | |
| Nursing | | | | |
| Faculty/Staff | 56 | 57 | 32 | 30 |
| Teaching Assistants | 12 | 11 | 5 | 4 |
| Competitive Scholarships | 16 | 16 | 4 | 6 |
| Military Personnel and Dependents | | | | |
| Faculty Ter 54.211 | | 1 | 1 | 1 |
| Mexico Pilot | | | | |
| National Student Exchange Program | | | | |
| Reciprocal Exchange International | | | | |
| New Mexico Adjacent County | 11 | 10 | 5 | 6 |
| Texas Tomorrow Waiver | | | | |
| Adopted Students | 5 | 3 | | |
| Pase | 4 | 3 | | |
| Distance Learning | 658 | 625 | 607 | 592 |
| Family & Consumer Science Alliance Agreement | | | | |
| Clinical Preceptor Exempt | | | | |
| Beaumont-Louisiana Non-resident | | | | |
| Economic Development | | | | |
| Tx SB 1528 - Affidavit | 1 | 1 | | |
| TDCJ-54.218 Education Code | | | | |
| Trio Grant Math 0301 | | | | |
| HB 1406 Non US Citizen | 5 | 4 | 1 | 1 |
| Totals | <u>3,088</u> | <u>2,800</u> | <u>1,125</u> | <u>1,039</u> |

Enrollment Data (Fall Semester)

| Fiscal Year | STUDENTS | SEMESTER HOURS |
|-------------|----------|----------------|
| 2017 | 3,088 | 29,254 |
| 2016 | 2,992 | 27,756 |
| 2015 | 2,906 | 27,185 |
| 2014 | 2,865 | 25,466 |
| 2013 | 2,700 | 26,077 |
| 2012 | 2,956 | 29,858 |

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PRIMARY FINANCIAL STATEMENTS

UNAUDITED
Texas State University System
Sul Ross State University
Statement of Net Position
For the Year Ended August 31, 2017

| | Amount |
|--|----------------------|
| ASSETS | |
| Current Assets: | |
| Cash and Cash Equivalents: (Note 3) | |
| Cash on Hand (Including Petty Cash) | 9,441.84 |
| Cash in Bank | (354,962.02) |
| Cash in Transit/Reimb Due From Treasury | 2,774,214.53 |
| Cash in State Treasury (Schedule 3) | 1,611,813.67 |
| Cash Equivalents | 25,355,599.37 |
| Securities Lending Collateral | 0.00 |
| Short Term Investments (Note 3) | 0.00 |
| Restricted: | |
| Cash and Cash Equivalents: (Note 3) | |
| Cash on Hand | 200.00 |
| Cash in Bank | (1,465,427.13) |
| Cash in Federal Treasury | 0.00 |
| Cash in Transit/Reimb Due From Treasury | 0.00 |
| Cash in State Treasury (Schedule 3) | 0.00 |
| Cash Equivalents | 805,642.27 |
| Short Term Investments (Note 3) | 0.00 |
| Loans & Contracts | 0.00 |
| Legislative Appropriations | 4,309,777.10 |
| Receivables: | |
| Federal | 3,447,084.83 |
| Other Intergovernmental | 0.00 |
| Interest | 25,878.37 |
| Dividends | 0.00 |
| Accounts – Tuition | 4,091,877.01 |
| Allowance Accounts | (2,202,023.09) |
| Accounts – Other Revenue | 3,267,213.33 |
| Gifts/Pledges | 0.00 |
| Allowance – Gifts/Pledges | 0.00 |
| Investment Trade Receivable | 0.00 |
| Other | 0.00 |
| Interfund Receivables (Note 12) | 0.00 |
| Due From Other Agencies (Note 12) | 307,214.90 |
| Due From Component Units | 0.00 |
| Consumable Inventories | 181,008.24 |
| Merchandise Inventories | 22,666.75 |
| Prepaid Items | 740,297.24 |
| Loans and Contracts | 255,990.47 |
| Allowance-Loans & Contracts | 0.00 |
| Other Current Assets | 0.00 |
| Total Current Assets | 43,183,507.68 |
| Noncurrent Assets | |
| Restricted: | |
| Cash and Cash Equivalents: (Note 3) | |
| Cash in Bank | 0.00 |
| Cash in State Treasury | 0.00 |
| Cash Equivalents | 0.00 |
| Short Term Investments | 0.00 |
| Investments (Note 3) | 0.00 |
| Receivables | 0.00 |
| Loans & Contracts | 0.00 |
| Other Restricted Non-Current Assets | 0.00 |
| Loans and Contracts | 0.00 |
| Investments (Note 3) | 18,590,928.24 |
| NC INV Derivative Instruments | 0.00 |
| NC Restricted Investments - Derivative Instruments | 0.00 |
| Receivables: | |
| Gifts/Pledges | 0.00 |
| Allowance – Gifts/Pledges | 0.00 |
| Interfund Receivables (Note 12) | 0.00 |
| Capital Assets: (Note 2) | |
| Non-Depreciable or Non-Amortizable | |
| Land and Land Improvements | 929,918.48 |
| Land Use Rights – Permanent | 0.00 |

UNAUDITED
Texas State University System
Sul Ross State University
Statement of Net Position
For the Year Ended August 31, 2017

| | |
|---|-----------------------|
| Other Intangible Capital Assets – Permanent | 0.00 |
| Construction in Progress | 522,601.52 |
| Other Capital Assets | 257,700.00 |
| Depreciable or Amortizable | |
| Building and Building Improvements | 113,924,430.33 |
| Less Accumulated Depreciation | (73,823,299.17) |
| Infrastructure | 666,789.36 |
| Less Accumulated Depreciation | (666,789.36) |
| Facilities and Other Improvements | 7,441,649.76 |
| Less Accumulated Depreciation | (3,015,345.31) |
| Furniture and Equipment | 8,567,507.73 |
| Less Accumulated Depreciation | (6,595,883.85) |
| Vehicles, Boats, and Aircraft | 1,885,855.32 |
| Less Accumulated Depreciation | (1,370,813.15) |
| Land Use Rights – Term | 0.00 |
| Less Accumulated Amortization | 0.00 |
| Computer Software – Intangible | 173,740.00 |
| Less Accumulated Amortization | (173,740.00) |
| Other Intangible Capital Assets – Term | 0.00 |
| Less Accumulated Amortization | 0.00 |
| Other Capital Assets | 7,801,997.26 |
| Less Accumulated Depreciation | (4,841,168.21) |
| Non-current Prepaid Insurance | 0.00 |
| Intangible Assets – Service Concession Arrangements | 0.00 |
| Accumulated Amortization – Intangible Assets SCA | 0.00 |
| NC Hedging Derivative Instrument Assets | 0.00 |
| Assets Held in Trust | 0.00 |
| Other Noncurrent Assets | 0.00 |
| Total Noncurrent Assets | 70,276,078.95 |
| Total Assets | 113,459,586.63 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Derivative Hedging Instrument Activity | 0.00 |
| Unamortized Loss on Refunding Debt | 0.00 |
| Other Deferred Outflows of Resources | 0.00 |
| NC Deferred Outflow of Resources - Pension | 0.00 |
| NC Deferred Outflow of Resources | 0.00 |
| Total Deferred Outflows of Resources | 0.00 |
| LIABILITIES | |
| Current Liabilities: | |
| Payables from: | |
| Vouchers Payable | 0.00 |
| Accounts Payable | 1,722,109.83 |
| Investment Trade Payable | 0.00 |
| CL Payable from Restricted Assets Non-LTL | 0.00 |
| Payroll Payable | 2,011,051.69 |
| Federal | 0.00 |
| Other Intergovernmental | 0.00 |
| Interest Payable | 0.00 |
| Interfund Payables (Note 12) | 0.00 |
| Due to Other Agencies (Note 12) | 0.00 |
| CL Investment Derivative Instrument Liability | 0.00 |
| Unearned Revenues | 10,264,337.83 |
| Short Term Debt | 0.00 |
| Employees' Compensable Leave (Note 5) | 693,517.00 |
| Claims and Judgments Payable (Note 5) | 0.00 |
| Capital Leases Obligations (Note 5, 8) | 0.00 |
| Notes and Loans Payable (Note 5) | 0.00 |
| Revenue Bonds Payable (Note 5, 6) | 0.00 |
| Unamortized Premiums on Rev Bonds Payable CL (Note 5, 6) | 0.00 |
| Unamortized Discounts on Rev Bonds Payable CL (Note 5, 6) | 0.00 |
| G. O. Bonds Payable-Current Portion (Note 5, 6) | 0.00 |
| Unamortized Premiums on GO Bonds Payable CL (Note 5, 6) | 0.00 |
| Unamortized Discounts on GO Bonds Payable CL (Note 5, 6) | 0.00 |
| Pollution Remediation Obligation-Current Portion | 0.00 |

UNAUDITED
Texas State University System
Sul Ross State University
Statement of Net Position
For the Year Ended August 31, 2017

| | |
|--|------------------------------------|
| Payable From Restricted Assets-Current Portion | 0.00 |
| Obligations/Reverse Repurchase | 0.00 |
| Obligations Under Securities Lending | 0.00 |
| Investment Pooled for Others | 0.00 |
| Funds Held for Others | 214,854.84 |
| Hedging Derivative Liability | 0.00 |
| Other Current Liabilities | <u>636,064.04</u> |
| Total Current Liabilities | <u><u>15,541,935.23</u></u> |
| | |
| Noncurrent Liabilities | |
| Interfund Payables (Note 12) | 0.00 |
| Claims and Judgments Payable (Note 5) | 0.00 |
| Capital Leases Obligations (Note 5, 8) | 0.00 |
| Employees' Compensable Leave (Note 5) | 522,288.00 |
| Notes and Loans Payable (Note 5) | 0.00 |
| Revenue Bonds Payable (Note 5, 6) | 0.00 |
| Unamortized Premiums on Rev Bonds Payable (Note 5, 6) | 0.00 |
| Unamortized Discounts on Rev Bonds Payable (Note 5, 6) | 0.00 |
| G. O. Bonds Payable (Note 5, 6) | 0.00 |
| Unamortized Premiums on GO Bonds Payable (Note 5, 6) | 0.00 |
| Unamortized Discounts on GO Bonds Payable (Note 5, 6) | 0.00 |
| Pollution Remediation Obligation | 0.00 |
| Payable From Restricted Assets | 0.00 |
| Assets Held for Others | 0.00 |
| Net OPEB Obligation | 0.00 |
| NC Net Pension Liability | 0.00 |
| NC Investment Derivative Instrument Liability | 0.00 |
| NC Hedging Derivative Instrument Liability | 0.00 |
| Other Non-Current Liabilities | <u>0.00</u> |
| Total Non-Current Liabilities | <u><u>522,288.00</u></u> |
| | |
| Total Liabilities | <u><u>16,064,223.23</u></u> |
| | |
| DEFERRED INFLOWS OF RESOURCES | |
| Derivative Hedging Instrument Activity | 0.00 |
| Service Concession Arrangements | 0.00 |
| Unamortized Gain on Refunding Debt | 0.00 |
| Other Deferred Inflows of Resources | 0.00 |
| NC Deferred Inflow of Resources | 0.00 |
| NC Deferred Inflow of Resources - Pension | <u>0.00</u> |
| Total Deferred Inflows of Resources | <u><u>0.00</u></u> |
| | |
| NET POSITION | |
| Net Investment in Capital Assets | 51,685,150.71 |
| Restricted for: | |
| Debt Retirement | 2,901,945.35 |
| Capital Projects | 2,924,280.05 |
| Other | 12,715,784.00 |
| Funds Held as Permanent Investments: | |
| Nonexpendable: | |
| Endowment Funds | 15,654,102.28 |
| Expendable: | |
| Endowment Funds | 3,183,184.52 |
| Unrestricted | <u>8,330,916.49</u> |
| | |
| Total Net Position | <u><u>97,395,363.40</u></u> |

UNAUDITED
Texas State University System
Sul Ross State University
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2017

| | Amount |
|---|-----------------|
| Operating Revenues: | |
| Tuition and Fees – Pledged | 17,180,238.74 |
| Tuition and Fees – Non-Pledged | 0.00 |
| Tuition and Fees – Discounts/Allowances | (8,021,952.02) |
| Professional Fees – Pledged | 0.00 |
| Professional Fees – Non-Pledged | 0.00 |
| Professional Fees – Discounts/Allowances | 0.00 |
| Auxiliary Enterprise – Pledged | 5,186,452.50 |
| Auxiliary Enterprise – Non-Pledged | 0.00 |
| Auxiliary Enterprise – Discounts/Allowances | 0.00 |
| Other Sales of Goods and Svcs – Pledged | 1,190,266.37 |
| Other Sales of Goods and Svcs – Non-Pledged | 0.00 |
| Other Sales of Goods and Svcs – Disc/Allowances | 0.00 |
| Interest and Investment Income – Pledged | 0.00 |
| Interest and Investment Income – Non-Pledged | 0.00 |
| Net Increase (Decrease) FMV – Pledged | 0.00 |
| Net Increase (Decrease) FMV – Non-Pledged | 0.00 |
| Federal Revenue | 4,676,548.18 |
| Federal Pass Through Revenue | 609,134.84 |
| State Grant Revenue | 0.00 |
| State Grant Pass Through Revenue | 1,647,284.06 |
| Other Contract and Grants – Pledged | 0.00 |
| Other Contract and Grants – Non-Pledged | 275,446.36 |
| Other Operating Revenues – Pledged | 161,062.50 |
| Other Operating General Revenues – Non-Pledged | 0.00 |
| Other Operating Revenues – Non-Pledged | 0.00 |
| Total Operating Revenues | 22,904,481.53 |
| Operating Expenses: | |
| Instruction | 13,023,991.48 |
| Research | 2,145,228.40 |
| Public Service | 1,741,811.14 |
| Academic Support | 5,187,382.98 |
| Student Services | 3,625,007.57 |
| Institutional Support | 10,217,739.33 |
| Operation and Maintenance of Plant | 4,345,700.10 |
| Scholarships and Fellowships | 3,324,301.12 |
| Auxiliary | 6,557,578.50 |
| Depreciation & Amortization | 4,636,717.68 |
| Total Operating Expenses | 54,805,458.30 |
| Operating Income (Loss) | (31,900,976.77) |
| Nonoperating (Revenues) Expenses: | |
| Legislative Revenue (GR) | 17,679,781.00 |
| Additional Appropriations (GR) | 5,421,170.97 |
| Federal Revenue | 5,613,910.28 |
| Federal Pass Through Revenue | 0.00 |
| State Pass Through Revenue | 0.00 |

UNAUDITED
Texas State University System
Sul Ross State University
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2017

| | |
|--|-------------------|
| Gifts – Pledged | 0.00 |
| Gifts – Non-Pledged | 2,893,354.05 |
| Land Income | 0.00 |
| Investment Income – Non-Pledged | 21,277.76 |
| Investment Income – Pledged | 45,420.89 |
| Loan Prem/ Fees Securities | 0.00 |
| Investing Activities Expenses | (43,919.59) |
| Interest on LTD – Nonoperating | 0.00 |
| Borrower Rebates & Agent Fees | 0.00 |
| Gain/Loss Sale Capital Assets | 0.00 |
| Net (Increase) Decrease Fair Value – Pledged | 0.00 |
| Net (Increase) Decrease Fair Value – Non-Pledged | 1,945,645.76 |
| Judgments and Settlements | 0.00 |
| Settlement of Claims | 0.00 |
| Interest Expenses and Fiscal Charges | 0.00 |
| Other Nonoperating Revenues – Non-Pledged | 280,092.40 |
| Other Nonoperating Revenues – Pledged | 0.00 |
| Other Nonoperating Expenses | (920,023.37) |
| Total Nonoperating Revenues (Expenses) | 32,936,710.15 |
| Income (Loss) before Capital Contributions, Endowments and Transfers | 1,035,733.38 |
| Capital Contributions, Endowments and Transfers | |
| Capital Appropriations (HEAF) | 2,546,261.00 |
| Capital Contributions(PR) | 0.00 |
| Capital Contributions(GR) | 0.00 |
| Federal Grant - Capital Grant Contributions | 100,236.66 |
| Additions to Permanent and Term Endowments | 59,699.14 |
| Special Items | 0.00 |
| Extraordinary Items | 0.00 |
| Interagency Transfer Cap Assets – Increase (Note 12) | 3,791.15 |
| Interagency Transfer Cap Assets – Decrease (Note 12) | 0.00 |
| Transfers-In (Note 12) | 8,802,837.00 |
| Transfers-Out (Note 12) | (4,081,050.97) |
| Legislative Transfer-In (Note 12) | 520,286.00 |
| Legislative Transfer-Out (Note 12) | (2,931,135.29) |
| Legislative Appropriations Lapsed | (138,515.71) |
| Total Capital Contributions, Endowments and Transfers | 4,882,408.98 |
| Change in Net Position | 5,918,142.36 |
| Total Net Position, September 1, 2016 | 91,477,221.04 |
| Restatements | 0.00 |
| Total Net Position, September 1, 2016, as Restated | 91,477,221.04 |
| Total Net Position, August 31, 2017 | 97,395,363.40 |

UNAUDITED
Texas State University System
Sul Ross State University
Statement of Cash Flows
For the Year Ended August 31, 2017

| | Total |
|---|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts from Customers | 1,241,320.37 |
| Proceeds from Tuition and Fees | 8,691,253.71 |
| Proceeds from Research Grants and Contracts | 4,583,994.03 |
| Proceeds from Gifts | 0.00 |
| Proceeds from Loan Programs | 12,105,295.76 |
| Proceeds from Auxiliaries | 4,821,596.95 |
| Proceeds from Other Operating Revenues | 161,062.50 |
| Payments to Suppliers for Goods and Services | -17,540,878.43 |
| Payments to Employees for Salaries | -22,778,409.20 |
| Payments to Employees for Benefits | -8,159,927.90 |
| Payments for Loans Provided | -11,818,682.55 |
| Payments for Other Operating Expenses | -204,263.77 |
| Net Cash Provided by Operating Activities | -28,897,638.53 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Proceeds from Debt Issuance | 0.00 |
| Proceeds from State Appropriations | 24,305,000.83 |
| Proceeds from Gifts | 2,923,903.74 |
| Proceeds from Endowments | 0.00 |
| Proceeds of Transfers from Other Funds | 59,386.00 |
| Proceeds from Grant Receipts | 5,613,910.28 |
| Proceeds from Advances from Other Funds | 0.00 |
| Proceeds from Loan Programs | 0.00 |
| Proceeds from Other Noncapital Financing Activities | 280,092.40 |
| Proceeds from Contributed Capital | 0.00 |
| Payments of Principal on Debt Issuance | 0.00 |
| Payments of Interest | 0.00 |
| Payments of Other Costs of Debt Issuance | 0.00 |
| Payments for Transfers to Other Funds | -190,348.00 |
| Payments for Grant Disbursements | 0.00 |
| Payments for Advances to Other Funds | 0.00 |
| Payments for Other Noncapital Financing Uses | -938,765.22 |
| Net Cash Provided by Noncapital Financing Activities | 32,053,180.03 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Proceeds from the Sale of Capital Assets | 0.00 |
| Proceeds from Debt Issuance | 9,263,737.00 |
| Proceeds from State Grants and Contracts | 0.00 |
| Proceeds from Federal Grants and Contracts | 100,236.66 |
| Proceeds from Gifts | 0.00 |
| Proceeds from Other Capital and Related Financing Activities | 0.00 |
| Proceeds from Capital Contributions | 0.00 |
| Proceeds from Advances from Other Funds | 0.00 |
| Payments for Additions to Capital Assets | -1,469,953.09 |
| Payments of Principal on Debt | -5,651,456.70 |
| Payments for Capital Leases | 0.00 |
| Payments of Interest on Debt Issuance | -1,170,381.56 |
| Payments for interfund receivables | 0.00 |
| Payments of Other Costs of Debt Issuance | 0.00 |
| Net Cash Provided by Capital and Related Financing Activities | 1,072,182.31 |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Proceeds from Sales of Investments | 0.00 |
| Proceeds from Interest Income | 22,747.54 |

UNAUDITED
Texas State University System
Sul Ross State University
Statement of Cash Flows
For the Year Ended August 31, 2017

| | |
|---|------------------|
| Proceeds from Investment Income | 0.00 |
| Proceeds from Principal Payments on Loans | 0.00 |
| Payments to Acquire Investments | 0.00 |
| Payments for Nonprogram Loans Provided | 0.00 |
| Net Cash Provided by Investing Activities | <u>22,747.54</u> |

| | |
|--|----------------------|
| Net Increase (Decrease) in Cash and Cash Equivalents | 4,250,471.35 |
| Cash and Cash Equivalents, September 1, 2016 | 24,486,051.18 |
| Changes in Accounting Principle | 0.00 |
| Changes in Reporting Entity | 0.00 |
| Restatements to Beginning Cash and Cash Equivalents | 0.00 |
| Cash and Cash Equivalents, September 1, 2016- Restated | <u>24,486,051.18</u> |
| Cash and Cash Equivalents, August 31, 2017 | <u>28,736,522.53</u> |

**RECONCILIATION OF OPERATING INCOME TO
NET CASH PROVIDED BY OPERATING ACTIVITIES**

| | |
|---|-----------------------|
| Operating Income (Loss) | -31,900,976.77 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities: | |
| Amortization and Depreciation | 4,636,717.68 |
| Bad Debt Expense | 274,510.00 |
| Operating Income (Loss) and Cash Flow Categories: Classification Differences | 0.00 |
| Changes in Assets and Liabilities: | |
| (Increase) Decrease in Receivables | -3,780,197.88 |
| (Increase) Decrease in Due from Other Funds | 0.00 |
| (Increase) Decrease in Inventories | 104.26 |
| (Increase) Decrease in Prepaid Expenses | -158,908.42 |
| (Increase) Decrease in Notes Receivable | 0.00 |
| (Increase) Decrease in Loans & Contracts | 286,613.21 |
| (Increase) Decrease in Other Assets | 0.00 |
| (Increase) Decrease in State Appropriations | 0.00 |
| Increase (Decrease) in Payables | 305,848.32 |
| Increase (Decrease) in Deposits | 51,054.00 |
| Increase (Decrease) in Due to Other Funds | 0.00 |
| Increase (Decrease) in Unearned Revenue | 119,626.14 |
| Increase (Decrease) in Compensated Absence Liability | 88,135.00 |
| Increase (Decrease) in Benefits Payable | 0.00 |
| Increase (Decrease) in Other Liabilities | 1,179,835.93 |
| Total Adjustments | <u>3,003,338.24</u> |
| Net Cash Provided by Operating Activities | <u>-28,897,638.53</u> |

Non Cash Transactions

| | |
|---|--------------|
| Donation of Capital Assets | 32,940.60 |
| Net Change in Fair Value of Investments | 1,945,645.76 |
| Borrowing Under Capital Lease Purchase | |
| Other | |

UNAUDITED
Texas State University System
Sul Ross State University
Matrix of Operating Expenses Reported by Function
For the Year Ended August 31, 2017

| Operating Expenses | Instruction | Research | Public Service | Academic Support | Student Services | Institutional Support | Operation and Maintenance of Plant | Scholarship and Fellowships | Auxiliary Enterprises | Depreciation and Amortization* | Total Expenses |
|------------------------------------|----------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|------------------------------------|-----------------------------|-----------------------|--------------------------------|----------------------|
| Cost of Goods Sold | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Salaries and Wages | 9,073,074.32 | 1,258,548.80 | 1,042,270.91 | 2,676,502.86 | 2,035,684.84 | 4,534,836.39 | 1,120,527.42 | 468,770.34 | 1,836,164.25 | 0.00 | 24,046,380.13 |
| Payroll Related Costs | 3,285,996.79 | 309,049.12 | 337,422.84 | 851,483.94 | 697,079.97 | 1,535,794.21 | 430,118.79 | 0.00 | 712,973.24 | 0.00 | 8,159,927.90 |
| Professional Fees and Services | 4,970.50 | 75,649.41 | 3,731.82 | 211,292.63 | 10,500.00 | 211,501.22 | 48,181.75 | 0.00 | 35,883.53 | 0.00 | 601,710.86 |
| Federal Grant Pass-Through Expense | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| State Grant Pass-Through Expense | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Travel | 174,750.80 | 83,089.63 | 39,440.15 | 128,141.61 | 153,459.34 | 157,346.83 | 828.68 | 0.00 | 249,276.79 | 0.00 | 986,333.83 |
| Materials and Supplies | 234,147.24 | 287,076.08 | 111,433.90 | 862,077.07 | 293,523.64 | 1,644,137.48 | 163,399.78 | 0.00 | 2,322,263.92 | 0.00 | 5,918,059.11 |
| Communications and Utilities | 53,821.87 | 29,450.00 | 10,465.56 | 21,991.71 | 25,302.42 | 282,706.40 | 934,960.25 | 0.00 | 777,738.80 | 0.00 | 2,136,437.01 |
| Repairs and Maintenance | 1,071.55 | 6,777.45 | 0.00 | 17,950.56 | 997.82 | 79,927.16 | 17,505.07 | 0.00 | 33,817.24 | 0.00 | 158,146.85 |
| Rentals and Leases | 27,677.44 | 10,254.18 | 16,045.00 | 19,882.96 | 11,972.50 | 42,732.60 | 1,571,128.86 | 0.00 | 12,745.37 | 0.00 | 1,712,438.91 |
| Printing and Reproduction | 22,253.41 | 7,683.68 | 20,170.45 | 29,228.02 | 36,917.66 | 47,477.21 | 614.00 | 0.00 | 25,791.23 | 0.00 | 190,135.66 |
| Depreciation and Amortization* | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4,636,717.68 | 4,636,717.68 |
| Bad Debt Expense | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 112,435.00 | 0.00 | 0.00 | 162,075.00 | 0.00 | 274,510.00 |
| Interest | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 53.77 | 0.00 | 0.00 | 0.00 | 0.00 | 53.77 |
| Scholarships | 6,975.00 | 0.00 | 0.00 | 200,949.32 | 54,610.14 | 55,069.80 | 0.00 | 2,855,530.78 | 0.00 | 0.00 | 3,173,135.04 |
| Claims and Judgments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Operating Expenses | 139,253.56 | 77,650.05 | 160,830.51 | 167,872.30 | 304,959.24 | 1,513,721.26 | 58,335.50 | 0.00 | 388,849.13 | 0.00 | 2,811,471.55 |
| Total Operating Expenses | 13,023,991.48 | 2,145,228.40 | 1,741,811.14 | 5,187,382.98 | 3,625,007.57 | 10,217,739.33 | 4,345,700.10 | 3,324,301.12 | 6,557,578.50 | 4,636,717.68 | 54,805,458.30 |

UNAUDITED
SUL ROSS STATE UNIVERSITY
A Member of the Texas State University System
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2017

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 in to 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 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 appropriated fund.

Discrete Component Units

Sul Ross State University has two discrete component units. Information on the component unit can be found in Note 19.

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.

Restricted Net Assets: When both restricted and unrestricted net assets are available for use, restricted resources are used first, then unrestricted resources are used as they are needed.

UNAUDITED
SUL ROSS STATE UNIVERSITY
A Member of the Texas State University System
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2017

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 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. Funds invested through the State Treasurer's Cash Management Program are considered cash equivalents.

Investments: The University accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gain (loss) on the carrying value of investments are reported in the statements of revenues, expenses, and changes in net assets.

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 include 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 cost of these items is expensed when the items are consumed.

Inventories consisted of the following at August 31, 2017:

| | |
|-----------------------|---------------------|
| General Stores | \$ 157,178.25 |
| Print Shop | 12,923.66 |
| Industrial Technology | 6,353.05 |
| RAS Meats Lab | 2,935.04 |
| Museum | 23,829.99 |
| Motor Pool | 455.00 |
| | <u>\$203,674.99</u> |

Restricted Assets: Restricted assets include cash and investments that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets.

Deferred Revenue: Deferred revenues include amounts received from students and grant and contract sponsors that have not yet been earned. As of August 31, 2017, this amount totaled \$10,264,337.83.

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.

UNAUDITED
SUL ROSS STATE UNIVERSITY
A Member of the Texas State University System
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2017

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 10 to 30 years for buildings, 16 years for infrastructure and land improvements, and 3 to 16.25 years for equipment. Inexhaustible assets such as works of art and historical treasures are not depreciated.

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. Accounts payable as of August 31, 2017 total \$1,722,109.83.

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 assets.

Non-current Liabilities: Non-current liabilities include (1) notes payable (2) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year; and (3) other liabilities that, although payable within one year, are to be paid from funds that are classified as noncurrent assets.

Net Assets: The University's net assets are classified as follows:

Invested in capital assets, net of related debt: This represents the University's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

Restricted net assets - expendable: Restricted expendable net assets include resources in which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Restricted net assets - nonexpendable: Nonexpendable restricted net assets consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Unrestricted net assets: Unrestricted net assets consist of net assets, which do not meet the definition of the proceeding categories. Unrestricted net assets often have 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:

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.

UNAUDITED
SUL ROSS STATE UNIVERSITY
A Member of the Texas State University System
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2017

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 No. 34, 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 assets. 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:

- (1) Transfers: Legally required transfers that are reported when incurred as 'Transfers In' by the recipient fund and as 'Transfers Out' by the disbursing fund.
- (2) 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.
- (3) Interfund receivables and payables: Interfund loans are reported as interfund receivables and payables. If repayment is due during the current year or soon thereafter it is classified as "Current". Repayment due two or more years is classified as "Non-Current".
- (4) 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.

UNAUDITED
SUL ROSS STATE UNIVERSITY
A Member of the Texas State University System
NOTES TO THE FINANCIAL STATEMENTS
 August 31, 2017

Note 2: Capital Assets

Following are the changes in capital assets for the year ended August 31, 2017:

| | Balance 9/1/2016 | Adjustments | Completed CIP | Increase Interagency Transfers | Decrease Interagency Transfers | Additions | Deletions | Balance 8/31/2017 |
|---|---------------------------|-------------|------------------|--------------------------------------|--------------------------------------|-----------------------|-----------------------|---------------------------|
| Non-Depreciable Assets | | | | | | | | |
| Land and Land Improvements | \$ 929,918.48 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | \$ 929,918.48 |
| Construction in Progress | \$ 420,349.55 | 0.00 | 0.00 | 0.00 | 0.00 | 102,251.97 | 0.00 | \$ 522,601.52 |
| Other Assets | \$ 257,700.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | \$ 257,700.00 |
| Total Non-Depreciable Assets | \$ 1,607,968.03 | 0.00 | 0.00 | 0.00 | 0.00 | 102,251.97 | 0.00 | \$ 1,710,220.00 |
| Depreciable Assets | | | | | | | | |
| Buildings and Building Improvements | \$ 113,427,422.46 | 0.00 | 0.00 | 0.00 | 0.00 | 497,007.87 | 0.00 | \$ 113,924,430.33 |
| Infrastructure | \$ 666,789.36 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | \$ 666,789.36 |
| Furniture & Equipment | \$ 9,290,395.49 | 0.00 | 0.00 | 0.00 | 0.00 | 398,199.07 | (1,121,086.83) | \$ 8,567,507.73 |
| Vehicles, Boats and Aircraft | \$ 1,833,705.72 | 0.00 | 0.00 | 28,950.60 | 0.00 | 23,199.00 | 0.00 | \$ 1,885,855.32 |
| Other Assets | \$ 7,153,727.34 | 0.00 | 0.00 | 0.00 | 0.00 | 654,257.92 | (5,988.00) | \$ 7,801,997.26 |
| Facilities & Other Improvements | \$ 7,321,575.34 | 0.00 | 0.00 | 0.00 | 0.00 | 120,074.42 | 0.00 | \$ 7,441,649.76 |
| Total Depreciable Assets at Historical Costs | \$ 139,693,615.71 | 0.00 | 0.00 | 28,950.60 | 0.00 | 1,692,738.28 | (1,127,074.83) | \$ 140,288,229.76 |
| Less Accumulated Depreciation for | | | | | | | | |
| Buildings and Building Improvements | \$ (70,465,043.43) | 0.00 | 0.00 | 0.00 | 0.00 | (3,358,255.74) | 0.00 | \$ (73,823,299.17) |
| Infrastructure | \$ (666,789.36) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | \$ (666,789.36) |
| Furniture & Equipment | \$ (7,021,920.78) | 0.00 | 0.00 | 0.00 | 0.00 | (658,987.73) | 1,085,024.66 | \$ (6,595,883.85) |
| Vehicles, Boats and Aircraft | \$ (1,219,533.03) | 0.00 | 0.00 | (25,159.45) | 0.00 | (126,120.67) | 0.00 | \$ (1,370,813.15) |
| Other Assets | \$ (4,592,202.25) | 0.00 | 0.00 | 0.00 | 0.00 | (254,953.96) | 5,988.00 | \$ (4,841,168.21) |
| Facilities & Other Improvements | \$ (2,776,945.73) | 0.00 | 0.00 | 0.00 | 0.00 | (238,399.58) | 0.00 | \$ (3,015,345.31) |
| Total Accumulated Depreciation | \$ (86,742,434.58) | 0.00 | 0.00 | (25,159.45) | 0.00 | (4,636,717.68) | 1,091,012.66 | \$ (90,313,299.05) |
| Total Depreciable Assets, Net | \$ 52,951,181.13 | 0.00 | 0.00 | 3,791.15 | 0.00 | (2,943,979.40) | (36,062.17) | \$ 49,974,930.71 |
| Intangible Capital Assets Amortized | | | | | | | | |
| Intangible Computer Software | \$ 173,740.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | \$ 173,740.00 |
| Total Intangible Capital Assets Amortized | \$ 173,740.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | \$ 173,740.00 |
| Less Accumulated Amortization for | | | | | | | | |
| Intangible Computer Software | \$ (173,740.00) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | \$ (173,740.00) |
| Total Accumulated Amortization | \$ (173,740.00) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | \$ (173,740.00) |
| Total Amortizable Assets, Net | \$ - | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | \$ - |
| Total Capital Assets, Net | \$ 54,559,149.16 | 0.00 | 0.00 | 3,791.15 | 0.00 | (2,841,727.43) | (36,062.17) | \$ 51,685,150.71 |

UNAUDITED
SUL ROSS STATE UNIVERSITY
A Member of the Texas State University System
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2017

NOTE 3: Deposits, Investments, & Repurchase Agreements

Authorized Investments

The University is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act (Sec. 2256.001 Texas Governmental Code). Such investments include (1) obligations of the United States or its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than A by a national investment rating firm, (4) certificates of deposit and (5) other instruments and obligations authorized by statute.

Deposits of Cash in Bank

As of Aug. 31, 2017 the carrying amount of deposits was \$ (1,820,389.15)

Governmental and Business - Type Activities

| | |
|---|-------------------|
| Cash in Bank - Carrying Amount | \$ (1,820,389.15) |
| Less: Certificates of Deposit included in carrying amount and reported as Cash Equivalent | - |
| 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 | (1,820,389.15) |
| Total Cash in Bank per AFR | \$ |
| Governmental Funds Current Assets Cash in Bank | - |
| Governmental Funds Current Assets Restricted Cash in Bank | - |
| Governmental Funds Noncurrent Assets Restricted Cash in Bank | - |
| Propriety Funds Current Assets Cash in Bank | \$ (354,962.02) |
| Propriety Funds Current Assets Restricted Cash in Bank | (1,465,427.13) |
| Propriety Funds Noncurrent Restricted Cash in Bank | - |
| Cash in Bank per AFR | \$ (1,820,389.15) |

At August 31, 2017, the actual balance on deposit with local banks was \$1,209,412.90.

Investments

The investments as of August 31, 2017 are at the "Fair Market Value". To comply with the reporting requirements of GASB Statement No. 40, the University's investments are shown below to give an indication of credit risk assumed by the University at year end.

UNAUDITED
SUL ROSS STATE UNIVERSITY
A Member of the Texas State University System
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2017

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

| | |
|---|---------------|
| U.S. Government Agency Obligations | |
| U.S. Government Agency Obligations (Texas Treasury Safekeeping) | 10,000.00 |
| Corporatate Obligations | - |
| Corporate Obligations (Texas Treasury Safekeeping) | - |
| Corporate Asset and Mortgage Backed Securities | - |
| Equity | 18,397,185.95 |
| Repurchase Agreement | - |
| Fixed Income Money Market and Bond Mutual Fund | 157,742.29 |
| Other Commingled Funds | - |
| Other Commingled Funds - Texpool | 26,161,241.64 |
| Commercial Paper | - |
| Real Estate | 26,000.00 |
| Miscellaneous | - |
| | 44,752,169.88 |
| Total | 44,752,169.88 |

Consisting of the Following

| | |
|---|------------------|
| Proprietary Funds Current Cash Equivalents | \$ 25,355,599.37 |
| Proprietary Funds Current Restricted Cash Equivalents | 805,642.27 |
| Proprietary Funds Short Term Investments | - |
| Proprietary Funds Non-Current Restricted Cash Equivalents | - |
| Proprietary Funds Non-Current Restricted Investments | - |
| Proprietary Funds Non-Current Investments | 18,590,928.24 |
| | 18,590,928.24 |
| Total as Above | \$ 44,752,169.88 |

UNAUDITED
SUL ROSS STATE UNIVERSITY
A Member of the Texas State University System
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2017

Securities Lending and Reverse Repurchase Agreements

The University does not participate in reverse repurchase agreements or a securities lending program and had no securities out on loan to brokers/dealers at August 31, 2017.

NOTE 4: SHORT-TERM DEBT

Sul Ross State University did not have any short-term debt activity for FY 2017.

NOTE 5: SUMMARY OF LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

| | Balance September 1, 2016 | Additions | Reductions | Balance August 31, 2017 | Due within One year |
|------------------------------|---------------------------------|-------------------|---------------------|-------------------------------|------------------------|
| Accrued compensated absences | <u>1,127,670.00</u> | <u>861,791.00</u> | <u>(773,656.00)</u> | <u>1,215,805.00</u> | <u>693,517.00</u> |
| Total Long-Term Liabilities | | | | | |

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 Assets. For the year ended August 31, 2017, the total accrued liability including accrued overtime totaled \$1,215,805.00. 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 or 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 \$94,129.90 for accrued vacation (and/or compensatory time) to employees who separated from state service during fiscal year August 31, 2017.

UNAUDITED
SUL ROSS STATE UNIVERSITY
A Member of the Texas State University System
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2017

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 notes 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 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 information purpose only:

| <u>Description</u> | <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|-------------|-------------------------|-------------------------|-------------------------|
| All Series | 2018 | \$ 2,758,753.79 | \$ 1,340,254.04 | \$ 4,099,007.83 |
| | 2019 | 2,055,248.26 | 1,205,720.54 | 3,260,968.80 |
| | 2020 | 2,140,270.46 | 1,110,121.04 | 3,250,391.50 |
| | 2021-2025 | 8,602,150.25 | 4,050,646.54 | 12,652,796.79 |
| | 2026-2030 | 6,860,000.00 | 2,258,050.00 | 9,118,050.00 |
| | 2031-2035 | 5,675,000.00 | 634,150.00 | 6,309,150.00 |
| | 2036-2040 | | | |
| | 2041-2045 | | | |
| Totals | | <u>\$ 28,091,422.76</u> | <u>\$ 10,598,942.16</u> | <u>\$ 38,690,364.92</u> |

A portion of the debt represents Tuition Revenue Bonds historically funded by the Texas Legislature through General Revenue Appropriations. The institution was appropriated \$2,931,162.00 during the current fiscal year for Tuition Revenue Bond debt service. The institution expects future Legislative appropriations to meet the debt service requirements for Tuition Revenue Bonds.

UNAUDITED
SUL ROSS STATE UNIVERSITY
A Member of the Texas State University System
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2017

NOTE 7: DERIVATIVE INSTRUMENTS

Derivative Investing

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

The University holds various forms of collateralized mortgage obligations such as fixed coupon, inverse floating rate and principal only. The University invested in these securities in part to maximize yields and in part to hedge against falling interest rates. These securities are reported at fair value in the balance sheet. They are reported in aggregate as U.S. Government and Agency Securities in the disclosure of credit risk in this note.

These securities are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to pre-payments by mortgagees, which may result from a decline in interest rates. However, these investments do not pose a significant risk. The University's investments in derivatives comprise less than 1% as of August 31, 2017 and August 31, 2016 with a fair value of \$0.00 and \$0.00 respectively.

The majority of these investments were purchased prior to fiscal year 1995. In 1995, the Texas Legislature took steps to limit state entities' and local governments' ability to invest in high risk derivatives by amending the Public Funds Investment Act. These statutory limitations do not apply to certain institutions of higher education having total endowments of at least \$95 million. The University is in compliance with the Public Funds Investment Act.

NOTE 8: LEASES

Operating Lease Obligations and Rental Agreement

Included in operating expenses is \$1,733,539.46 rent paid or due under operating leases for FY 2017.

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

UNAUDITED
SUL ROSS STATE UNIVERSITY
A Member of the Texas State University System
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2017

Year Ended August 31,

| | |
|----------------------|----------------|
| 2018 (Future Year 1) | \$1,733,539.66 |
| 2019 (Future Year 2) | \$1,733,539.66 |

Total Minimum Future Lease Rental Payments \$3,467,079.32

Note 9: PENSION PLANS AND OPTIONAL RETIREMENT PROGRAM

Teacher Retirement System of Texas (TRS)

The University participates in a cost-sharing, multi-employer, defined benefit pension plan administered by TRS. The plan provides retirement, disability annuities and death and survivor benefits. The benefit and contribution provisions of the TRS Plan are authorized by state law and may be amended by the Legislature.

All University personnel employed in a TRS-eligible position on a one-half time or greater basis that is projected to last for 4½ months or more are eligible for membership in the TRS retirement plan. Students employed in positions that require student status as a condition of employment do not participate.

The pension benefits formulas are based on members’ average annual compensation and years of service credit. The standard annuity is 2.3% of the average of the five highest annual salaries multiplied by years of service credit. For grandfathered employees who were hired on or before August 31, 2005 and meet certain criteria, the standard annuity is based on the average of the three highest annual salaries. The plan does not provide automatic post-employment benefit changes; including automatic cost of living adjustments.

Normal service retirement is at age 65 with 5 years of credited service or when the sum of the member’s age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member’s age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule.

TRS is primarily funded through State and employee contributions. TRS contribution rates are established by the State Legislature. Contributions by employees were 7.7 percent of gross earnings for 2017, while employer contribution were 6.8 percent of the participants’ gross earnings for 2017. Depending upon the source of funding for a participant’s salary, the University may be required to make contributions in lieu of the State. Contributions to TRS for the year ended August 31, 2017, attributable to the University’s portion of the pension obligation were as follows:

| TRS Contributions for the Year Ended August 31, 2017 | |
|---|-----------|
| Employee contributions | \$564,741 |
| Employer contributions | \$639,486 |

UNAUDITED
SUL ROSS STATE UNIVERSITY
A Member of the Texas State University System
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2017

| | |
|-------------|-------------|
| State Match | \$ 0 |
| Total | \$1,204,227 |

TRS currently does not separately account for each of its component government agencies because TRS itself bears sole responsibility for retirement commitments beyond contributions fixed by the State Legislature. Further information regarding actuarial assumptions and conclusions, together with audited financial statements are included in TRS’s annual financial report, which may be found on the TRS website at www.trs.state.gov.

In accordance with the *Reporting Requirements for Annual Financial Reports of State Agencies and Universities (Reporting Requirements)* promulgated by the Texas Comptroller of Public Accounts, the Texas State University System has implemented GASB Statement No. 68, *Accounting and Financial Report for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which includes the net pension expense, net pension liability, and related deferred inflows and outflows. Under the *Reporting Requirements*, employees of the university are treated as employees of the System for GASB 68 reporting; therefore, these financial statements neither record nor disclose the net pension expense, net pension liability, or related deferred inflows and outflows attributable to the university. Recording and disclosure of this information occurs for the System as a whole in the consolidated Annual Financial Report of the Texas State University System (TSUS). The State of Texas and TSUS share responsibility for funding their proportional shares of the obligations of this Plan.

Optional Retirement Program (ORP)

The State has also established the Optional Retirement Program (ORP) for institutions of higher education, which is available to certain eligible employees in lieu of participation in the TRS. Employees eligible for participation in ORP are defined in Texas Administrative Code § 25.4.

ORP provides for the purchase of annuity contracts and mutual funds. Participants are vested in the employer contributions after one year and one day of service. Depending upon the source of funding for the employee’s compensation, the University may be required to make the employer contributions in lieu of the State.

The employee and employer contribution rates are established by the State Legislature. The State provides an option for a local supplement on top of the state base rate. Fiscal year 2017 contributions were made by participants at a rate of 6.65 percent of annual compensation. Employer contributions were per cent of annual compensation, comprised of the state base rate of 6.60 percent plus percent as a local supplement.

Contributions made by participants and the University for the fiscal year ended August 31, 2017 were as follows:

| ORP Contributions for the Year Ended August 31, 2017 | |
|---|-----------|
| Participant contributions | \$417,411 |

UNAUDITED
SUL ROSS STATE UNIVERSITY
A Member of the Texas State University System
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2017

| | |
|------------------------|-----------|
| Employer contributions | \$456,627 |
| Total | \$874,038 |

Since contributions are invested in individual annuity contracts, neither the State nor the University have any liability for this program.

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 Postemployment benefits other than pension benefits (OPEB)

Note 12: INTERFUND ACTIVITY AND TRANSACTIONS

Interfund Activities and Balances are numerous transactions between funds and agencies. At year-end, amounts to be received or paid are reported as:

- Interfund Receivables or Interfund Payables: None
- Due From Other Agencies or Due To Other Agencies: See table below
- Due From Other Funds or Due To Other Funds: See table below
- Transfers In or Transfers Out: See table below
- Legislative Transfers In or Legislative Transfers Out: See table below

The agency 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 statement.

Individual balances and activity at August 31, 2017, follows:

| Required Note 12 Presentation: | | |
|---|-------------------------------------|-------------------------------------|
| Current Portion | Current Interfund Receivable | Current Interfund Receivable |
| General Revenue (01) | \$ 0.00 | \$ 0.00 |
| Total Interfund Receivable/Payable | \$ 0.00 | \$ 0.00 |

Required Note 12 Presentation:

UNAUDITED
SUL ROSS STATE UNIVERSITY
A Member of the Texas State University System
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2017

| Non-Current Portion | Non-Current Interfund Receivable | Non-Current Interfund Receivable | Purpose (Disclosure Required) |
|---|-------------------------------------|-------------------------------------|----------------------------------|
| General Revenue (01) | \$ 0.00 | \$ 0.00 | |
| Special Revenue (02) | \$ 0.00 | \$ 0.00 | |
| Enterprise Fund (05) | \$ 0.00 | \$ 0.00 | |
| Total Interfund Receivable/Payable | \$ 0.00 | \$ 0.00 | |

| Optional Note 12 Presentation: | | | |
|---|----------------------------|--------------------------|-------------------------|
| | Due From Other Agencies | Due To Other Agencies | Source |
| General Revenue (01) | | | |
| Special Revenue (02) | | | |
| Enterprise Fund (05) | | | |
| Appd Fund 0802 and D23 Fund 0802 | | | |
| (Agy 608, D23 Fund 0802) | \$ 20,683.23 | | TDMV Shared Cash |
| Appd Fund 9999 and D23 Fund 7999 | | | |
| (Agy 732, D23 Fund 7999) | \$ 12,244.26 | | Federal/State Grant P-T |
| (Agy 754, D23 Fund 7999) | \$ 24,600.00 | | Federal Grant P-T |
| (Agy 802, D23 Fund 7999) | \$ 249,687.41 | | Federal/State Grant P-T |
| Total Due From/To Other Agencies | \$ 307,214.90 | \$ 0.00 | |

| Optional Note 12 Presentation: | | |
|-------------------------------------|------------------------|------------------------|
| | Transfers In | Transfers Out |
| General Revenue (01) | | |
| Special Revenue (02) | | |
| Enterprise Fund (05) | | |
| Appd Fund 0210 and D23 Fund 0210 | | |
| (Agy 902, D23 Fund 0210) | \$ 21,737.00 | |
| Total Transfer for Fund 0210 | \$ 21,737.00 | \$ 0.00 |
| Appd Fund 9999 and D23 Fund 7999 | | |
| (Agy 758, D23 Fund 7999) | \$ 22,100.00 | \$ 2,515,449.62 |
| (Agy 758, D23 Fund 7999) | \$ 8,759,000.00 | \$ 1,565,601.35 |
| Total Transfer for Fund 9999 | \$ 8,781,100.00 | \$ 4,081,050.97 |
| Total Transfers | \$ 8,802,837.00 | \$ 4,081,050.97 |

UNAUDITED
SUL ROSS STATE UNIVERSITY
A Member of the Texas State University System
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2017

| Required Note 12 Presentation: | | |
|-------------------------------------|-----------------------------|------------------------------|
| | Legislative Transfers In | Legislative Transfers Out |
| General Revenue (01) | | |
| Appd Fund 0001 and D23 Fund 0001 | | |
| (Agy 403, D23 Fund 0001) | \$ 37,649.00 | |
| (Agy 758, D23 Fund 0001) | | \$ 2,931,135.29 |
| (Agy 781, D23 Fund 1001) | \$ 482,637.00 | |
| Total Transfer for Fund 0001 | \$ 520,286.00 | \$ 2,931,135.29 |
| Total Legislative Transfers | \$ 520,286.00 | \$ 2,931,135.29 |

Note 13: CONTINUANCE SUBJECT TO REVIEW

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

Note 14: ADJUSTMENTS TO FUND BALANCES AND NET ASSETS

Sul Ross State University did not have any adjustments to fund Balance for FY 2017.

Note 15: CONTINGENCIES AND COMMITMENTS

At August 31, 2017, 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.

Note 16: SUBSEQUENT EVENTS

Sul Ross State University did not have any events to report that may materially affect the financial condition of the university.

NOTE 17: RISK MANAGEMENT

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 General Revenue Fund Consolidated, from Sul Ross State University appropriations, one-half of the unemployment benefits paid and twenty-five

UNAUDITED
SUL ROSS STATE UNIVERSITY
A Member of the Texas State University System
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2017

percent 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 one-hundred percent 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, 2017. The University has reserved funds for uninsured losses. These are reported in the Designated Funds. At August 31, 2017 there were no accrued contingent liabilities.

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 or leased by Sul Ross State University are covered by one of two commercial insurance policies specifically customized for the Texas State University System. Both policies provide coverage to the extent of \$1,000,000 combined single liability. The coverage exceeds the extent of the waiver of state immunity in the Tort Claims Act.

Sul Ross State University maintains Fire and Extended Coverage and Boiler insurance on all buildings. There were \$-0- insurance claims made during the fiscal year ended August 31, 2017.

Note 18: MANAGEMENT DISCUSSION AND ANALYSIS (MO&A)

Sul Ross State University is not required to issue a Management 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 organizations 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 organizations that should be considered Component Units.

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

UNAUDITED
SUL ROSS STATE UNIVERSITY
A Member of the Texas State University System
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2017

of the Sul Ross State University Center for Big Bend Studies. During 2017, the Friends of the Center for Big Bend Studies expended \$ 581,184.00 in support of the 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. During 2017, the Support Organization expended \$ 116,553.81 in support of the mission and programs of the University.

Note 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

Note 21: Note Used

This note is not applicable to the AFR.

Note 22: DONOR-RESTRICTED ENDOWMENTS

| Donor Restricted Endowment | Amounts of Net Appreciation | Reported in Net Assets |
|-------------------------------|--------------------------------|---------------------------|
| True Endowments | \$ 2,712,656.52 | Restricted for Expendable |
| Term Endowments | 470,528.00 | Restricted for Expendable |
| | <u>\$ 3,183,184.52</u> | |

| | SRSU 756 |
|---|---------------------|
| Net appreciation related to true/term endowments | 3,183,184.52 |
| | |
| Fair value adjustment | 1,945,645.76 |
| | |
| Changes from PY Balances: | |
| True – Expendable | 1,184,256.72 |
| Term –Expendable | 195,217.52 |

UNAUDITED
SUL ROSS STATE UNIVERSITY
A Member of the Texas State University System
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2017

| | |
|---------------------|-----------|
| True-Nonexpendable | 78,083.14 |
| Term –Nonexpendable | -0- |

Note 23: EXTRAORDINARY AND SPECIAL ITEMS

Sul Ross State University does not have any Extraordinary or Special items to report for FY 2017.

Note 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Federal Receivables at August 31, 2017 are comprised of the following:

Federal Receivables by Program:

| | |
|------------------------------------|-------------------|
| Research | 98,264.11 |
| Public Service | 38,145.12 |
| Academic Support | 1,615,254.65 |
| Student Services | 915,665.68 |
| Operation and Maintenance of Plant | 1,368.05 |
| Scholarships and Fellowships | <u>778,387.22</u> |
| Total | \$ 3,447,084.83 |

As Reported on the Financial Statements

| | |
|-------------------------------|-----------------|
| Current Federal Receivable | \$ 3,447,084.83 |
| Noncurrent Federal Receivable | <u>- 0 -</u> |
| Total Net Federal Receivable | \$ 3,447,084.83 |

Note 25: TERMINATION BENEFITS

Sul Ross State University does not have any Termination Benefits to disclose for FY 17.

Note 26: SEGMENT INFORMATION

Sul Ross State University does not have any identifiable activity (or group of activities), to disclose segment information for FY 17.

UNAUDITED
SUL ROSS STATE UNIVERSITY
A Member of the Texas State University System
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2017

Note 27: SERVICE CONCESSION ARRANGEMENTS

Sul Ross State University does not have any guarantees and commitment arrangements to report for FY 17.

Note 28: DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

Sul Ross State University does not have any deferred outflows or inflows of resources to disclose for FY 17.

Note 29: TROUBLED DEBT RESTRUCTURING

Sul Ross State University does not have any Troubled Debt Restructuring to disclose for FY 17.

Note 30: NON-EXCHANGE FINANCIAL GUARANTEES

Sul Ross State University does not have any Non-Exchange Financial Guarantees to report for FY 17.

Note 31: Tax Abatements

For the fiscal year ended August 31, 2017, Sul Ross State University had -0-abated taxes with businesses.

Note 32: Fund Balance

Sul Ross State University had no restrictions/covenants causing fund balances to be committed and restricted: Fund balances are classified as non-spendable, restricted, committed, assigned or unassigned.

UNAUDITED

SUPPLEMENTAL SUPPORTING INFORMATION SCHEDULES

UNAUDITED
SUL ROSS STATE UNIVERSITY
SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended August 31, 2017

| Federal Grantor/ Pass Through Grantor/ Program Title | CFDA Number | Identifying # | Pass Through From | | | Direct Program Amt |
|--|----------------|------------------|-------------------|----------------------|---------------------------|-------------------------|
| | | | Agy./ Univ. | Agy./Univ Amount | Non-State Entities Amt | |
| | | | \$ | \$ | \$ | \$ |
| U.S. Department of Agriculture | | | | | | |
| Pass Through From: | | | | | | |
| New Mexico State University | | | | | | |
| Hispanic Serving Institutions Education Grants | 10.223 | 2015-38422-24068 | | | 11,960.64 | |
| Total U.S. Department of Agriculture | | | | - | 11,960.64 | - |
| Institute of Museum and Library Services | | | | | | |
| Pass Through From: | | | | | | |
| Texas State Library and Archives Commission | | | | | | |
| Grants to States | 45.310 | | 306 | 947.38 | | |
| Total Institute of Museum and Library Services | | | | 947.38 | - | - |
| U.S. Small Business Administration | | | | | | |
| Pass Through From: | | | | | | |
| University of Texas at San Antonio | | | | | | |
| Small Business Development Center | 59.037 | | 743 | 277,942.64 | | (30,249.32) |
| Total U.S. Small Business Administration | | | | 277,942.64 | - | (30,249.32) |
| U.S. Department of Education | | | | | | |
| Direct Programs: | | | | | | |
| Higher Education-Institutional Aid | 84.031 | | | | | 2,479,125.54 |
| Pass Through From: | | | | | | |
| San Antonio College | | P031C110039 | | | 76,241.73 | |
| Pass Through To: | | | | | | |
| Midland College | | | | | | |
| Gaining Early Awareness and Readiness for Undergraduate Programs | 84.334 | | | | | 827,147.51 |
| Total U.S. Department of Education | | | | - | 76,241.73 | 3,306,273.05 |
| Research and Development (R&D) Cluster | | | | | | |
| U.S. Department of Agriculture | | | | | | |
| Pass Through From: | | | | | | |
| Texas A&M University - Kingsville | | | | | | |
| Soil Survey | 10.903 | | 732 | 22,409.19 | | 3,261.49 |
| Total U.S. Department of Agriculture | | | | 22,409.19 | - | 3,261.49 |
| U.S. Department of the Interior | | | | | | |
| Direct Programs: | | | | | | |
| Challenge Cost Share | 15.238 | | | | | 30,068.25 |
| Migratory Bird Monitoring, Assessment and Conservation | 15.655 | | | | | 17,853.90 |
| Outdoor Recreation Acquisition, Development and Planning | 15.916 | | | | | 20,774.38 |
| Cooperative Research and Training Programs | 15.945 | | | | | 1,109.07 |
| Pass Through From: | | | | | | |
| National Wild Turkey Federation | | | | | | |
| Wildland Fire Research and Studies Program | 15.232 | L13AC00117 | | | 43,491.68 | |
| Texas A&M University - Kingsville | | | | | | |
| Wildland Fire Research and Studies Program | 15.611 | | 732 | 5,500.00 | | (718.54) |
| Texas State University - San Marcos | | | | | | |
| Multistate Conservation Grant Program Cooperative Endangere | 15.615 | | 754 | 13,512.73 | | (4,607.63) |
| State Wildlife Grants | 15.634 | | 754 | 40,187.57 | | (19,814.44) |
| Texas Parks and Wildlife Department | | | | | | |
| Wildlife Restoration and Basic Hunter Education | 15.611 | | 802 | 228,210.70 | | 4,303.26 |
| Multistate Conservation Grant Program | 15.628 | | 802 | 20,424.63 | | 3,053.63 |
| Total U.S. Department of the Interior | | | | 307,835.63 | 43,491.68 | 52,021.88 |
| Student Financial Assistance Cluster | | | | | | |
| U.S. Department of Education | | | | | | |
| Direct Programs: | | | | | | |
| Federal Supplemental Educational Opportunity Grants | 84.007 | | | | | 74,532.00 |
| Federal Work-Study Program | 84.033 | | | | | 217,332.00 |
| Federal Family Education Loans | 84.038 | | | | | 2,000.00 |
| Federal Pell Grant Program | 84.063 | | | | | 5,613,910.28 |
| Federal Direct Student Loans | 84.268 | | | | | 10,600,250.00 |
| Total U.S. Department of Education | | | | - | - | 16,508,024.28 |
| TRIO Cluster | | | | | | |
| U.S. Department of Education | | | | | | |
| Direct Programs: | | | | | | |
| TRIO-Student Support Services | 84.042 | | | | | 228,324.08 |
| TRIO-Talent Search | 84.044 | | | | | 252,687.01 |
| TRIO-Upward Bound | 84.047 | | | | | 304,977.37 |
| TRIO-McNair Post-Baccalaureate Achievement | 84.217 | | | | | 235,931.23 |
| Total U.S. Department of Education | | | | - | - | 1,021,919.69 |
| TOTAL FEDERAL FINANCIAL ASSISTANCE | | | | \$ 609,134.84 | \$ 131,694.05 | \$ 20,861,251.07 |

UNAUDITED

| Total PT From & Direct Program | Pass Through To | | Expenditures Amount | Total PT To & Expenditures |
|-----------------------------------|------------------|---------------------|-------------------------|-------------------------------|
| | Agy./ Univ. # | Agy./Univ Amount | | |
| \$ | \$ | \$ | \$ | \$ |
| 11,960.64 | | | 11,960.64 | 11,960.64 |
| <u>11,960.64</u> | <u>-</u> | <u>-</u> | <u>11,960.64</u> | <u>11,960.64</u> |
| 947.38 | | | 947.38 | 947.38 |
| <u>947.38</u> | <u>-</u> | <u>-</u> | <u>947.38</u> | <u>947.38</u> |
| 247,693.32 | | | 247,693.32 | 247,693.32 |
| <u>247,693.32</u> | <u>-</u> | <u>-</u> | <u>247,693.32</u> | <u>247,693.32</u> |
| 2,479,125.54 | | | 2,479,125.54 | 2,479,125.54 |
| 76,241.73 | | | 76,241.73 | 76,241.73 |
| 827,147.51 | | | 827,147.51 | 827,147.51 |
| <u>3,382,514.78</u> | <u>-</u> | <u>-</u> | <u>3,382,514.78</u> | <u>3,382,514.78</u> |
| 25,670.68 | | | 25,670.68 | 25,670.68 |
| <u>25,670.68</u> | <u>-</u> | <u>-</u> | <u>25,670.68</u> | <u>25,670.68</u> |
| 30,068.25 | | | 30,068.25 | 30,068.25 |
| 17,853.90 | | | 17,853.90 | 17,853.90 |
| 20,774.38 | | | 20,774.38 | 20,774.38 |
| 1,109.07 | | | 1,109.07 | 1,109.07 |
| 43,491.68 | | | 43,491.68 | 43,491.68 |
| 4,781.46 | | | 4,781.46 | 4,781.46 |
| 8,905.10 | | | 8,905.10 | 8,905.10 |
| 20,373.13 | | | 20,373.13 | 20,373.13 |
| 232,513.96 | | | 232,513.96 | 232,513.96 |
| 23,478.26 | | | 23,478.26 | 23,478.26 |
| <u>403,349.19</u> | <u>-</u> | <u>-</u> | <u>403,349.19</u> | <u>403,349.19</u> |
| 74,532.00 | | | 74,532.00 | 74,532.00 |
| 217,332.00 | | | 217,332.00 | 217,332.00 |
| 2,000.00 | | | 2,000.00 | 2,000.00 |
| 5,613,910.28 | | | 5,613,910.28 | 5,613,910.28 |
| 10,600,250.00 | | | 10,600,250.00 | 10,600,250.00 |
| <u>16,508,024.28</u> | <u>-</u> | <u>-</u> | <u>16,508,024.28</u> | <u>16,508,024.28</u> |
| 228,324.08 | | | 228,324.08 | 228,324.08 |
| 252,687.01 | | | 252,687.01 | 252,687.01 |
| 304,977.37 | | | 304,977.37 | 304,977.37 |
| 235,931.23 | | | 235,931.23 | 235,931.23 |
| <u>1,021,919.69</u> | <u>-</u> | <u>-</u> | <u>1,021,919.69</u> | <u>1,021,919.69</u> |
| <u>\$ 21,602,079.96</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 21,602,079.96</u> | <u>\$ 21,602,079.96</u> |

UNAUDITED
SUL ROSS STATE UNIVERSITY
SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS continued
For the Fiscal Year Ended August 31, 2017

Note 1 - Non-monetary Assistance

Sul Ross State University did not receive any non-monetary federal assistance during fiscal year 2017.

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.

| | |
|--|------------------|
| Federal Revenue per Exhibit IV/SRECNP: | |
| Operating | \$ 4,676,548.18 |
| Non-operating | 5,613,910.28 |
| Capital Contributions | 100,236.66 |
| Total Federal Revenue | \$ 10,390,695.12 |
| Federal Pass-Through Revenue per Exhibit IV/SRECNP: | |
| Operating | \$ 609,134.84 |
| Non-operating | - |
| Capital Contributions | - |
| Total Federal Pass-Through Revenue | \$ 609,134.84 |
| Total Federal and Federal Pass-Through Revenue | \$ 10,999,829.96 |
| Reconciling Items: | |
| Non-monetary assistance | \$ - |
| Student Loans Processed: | |
| Federal Family Education Loans (CFDA 84.032) | - |
| Federal Perkins Loans (CFDA 84.038) | 2,000.00 |
| Federal Direct Student Loans (CFDA 84.268) | 10,600,250.00 |
| Health Education Assistance Loans (CFDA 93.108) | - |
| Federal revenue received on the fixed fee basis contract | - |
| Federal revenue received under a vendor relationship | - |
| Total Pass-Through and Expenditures per Federal Schedule | \$ 21,602,079.96 |

Note 3 - Student Loans Processed and Administrative Costs Recovered

| Federal Grantor/CFDA Number/ Program Name | Beg. Balance of Loans 8/31/16 | New Loans Processed | Admin. Costs Recovered | Repayment / Adj. Activity | Outstanding Bal. of Loans 8/31/17 |
|--|----------------------------------|------------------------|---------------------------|------------------------------|--------------------------------------|
| U.S. Department of Education: | | | | | |
| 84.032 Federal Family Education Loans | \$ - | \$ - | \$ - | \$ - | \$ - |
| 84.038 Federal Perkins Loans (*) | 729,033.34 | 2,000.00 | - | 27,962.72 | 703,070.62 |
| 84.268 Federal Direct Student Loans | 354,779.00 | 10,600,250.00 | - | 10,851,663.05 | 103,365.95 |
| 93.108 Health Education Assistance Loans | - | - | - | - | - |
| Total U.S. Department of Education | \$ 1,083,812.34 | \$ 10,602,250.00 | \$ - | \$ 10,879,625.77 | \$ 806,436.57 |

(*) Sul Ross State University out-sources the Federal Perkins Loan Program to ACS, Inc.

Note 4 - Depository Libraries for Government Publications

Sul Ross State University does not participate as a depository library in the Government Publications program.

Note 5 - Unemployment Insurance

Sul Ross State University did not make any expenditures under CFDA 17.225 during fiscal year 2017.

Note 6 - Rebates from the Special Supplemental Food Program for Women, Infant and Children (WIC)

Sul Ross State University does not participate in the WIC program (CFDA 10.557).

Note 7 - Federal Deferred Revenue

Sul Ross State University is exempt from reporting federal deferred revenue.

Note 8 - Disaster Grants - Public Assistance

Sul Ross State University did not make any expenditures under CFDA 97.036 during fiscal year 2017.

Note 9 - Economic Adjustment Assistance

Sul Ross State University did not make any expenditures under CFDA 11.307 during fiscal year 2017.

Note 10 - 10 Percent de Minimis Indirect Cost Rate

Sul Ross State University negotiates a federal indirect cost rate with the Dept. of Health and Human Services.

UNAUDITED
SUL ROSS STATE UNIVERSITY
SCHEDULE 1B
SCHEDULE OF STATE GRANT PASS THROUGH FROM/TO STATE AGENCIES
For the Fiscal Year Ended August 31, 2017

Pass Through From:

| | |
|--|-------------------------------|
| University of Texas System Office (Agy #720) | |
| Joint Admissions Medical Program (JAMP) | \$ 7,211.57 |
| | <u>\$ 7,211.57</u> |
| Texas Higher Education Coordinating Board (Agy #781) | |
| Texas Grants Program | \$ 1,563,804.00 |
| College Work Study Program | 20,116.00 |
| Top 10% Scholarships | 10,000.00 |
| | <u>\$ 1,593,920.00</u> |
| Texas Parks and Wildlife Department (Agy #803) | |
| Development of Prototype Feral Pig Toxicants | \$ 4,805.08 |
| Optimization of Toxicants for Controlling Feral Swine | \$ 10,000.00 |
| Habitat Relationships of Grassland Birds | \$ 31,347.41 |
| | <u>\$ 46,152.49</u> |
| Total Pass Through From Other Agencies (Exh. II) | <u><u>\$ 1,647,284.06</u></u> |

UNAUDITED
SUL ROSS STATE UNIVERSITY
SCHEDULE 2A
MISCELLANEOUS BOND
INFORMATION For the Year Ended
August 31, 2017

(SCHEDULE NOT USED)

SUL ROSS STATE UNIVERSITY
SCHEDULE 2B
CHANGES IN BONDED INDEBTEDNESS
For the Year Ended August 31, 2017

(SCHEDULE NOT USED)

SUL ROSS STATE UNIVERSITY
SCHEDULE 2C
DEBT SERVICE REQUIREMENTS
GENERAL OBLIGATION AND REVENUE BONDS
For the Year Ended August 31, 2017

(SCHEDULE NOT USED)

SUL ROSS STATE UNIVERSITY
SCHEDULE 2D
ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE
GENERAL OBLIGATION AND REVENUE BONDS
For the Year Ended August 31, 2017

(SCHEDULE NOT USED)

SUL ROSS STATE UNIVERSITY
SCHEDULE 2E DEFEASED BONDS
OUTSTANDING
For the Year Ended August 31, 2017

(SCHEDULE NOT USED)

UNAUDITED

SUL ROSS STATE UNIVERSITY
SCHEDULE 4
SCHEDULE OF HIGHER EDUCATION ASSISTANCE FUND
For the Year Ended August 31, 2017

| | Totals |
|---|-----------------------------------|
| Balance September 1, 2016 | \$ <u>1,856,406.84</u> |
| REVENUES | |
| HEAF Appropriation | <u>2,546,261.00</u> |
| Total Revenues | <u>2,546,261.00</u> |
| EXPENSES | |
| Equipment Capitalized | 31,800.30 |
| Salaries and Benefits | 37,052.86 |
| Banner Implementation | 17,332.00 |
| Amphitheater Renovation | 9,760.63 |
| Kokernot Lodge Renovation | 9,514.25 |
| Campus Network Layer One Upgrade | 51,182.12 |
| Campus Access Project Phase III | 27,500.00 |
| Equipment -Non Capitalized | 675,052.82 |
| Electrical Upgrade | 86,311.46 |
| President's Residence | 4,672.94 |
| Campus Access Project Phase I | 120,647.16 |
| Hailstorm 2014 Repairs | 4,400.00 |
| Library Acquisitions | 375,243.69 |
| E&G Building Repairs | 27,917.56 |
| Total Expenses | <u>1,478,387.79</u> |
| OTHER REVENUES (EXPENSES), GAINS/ (LOSSES) AND TRANSFERS | |
| Fund Adjustment from prior year | <u>0.00</u> |
| Total Other Revenue Gains/(Losses) and Transfers | 0.00 |
| BALANCE AT AUGUST 31, 2017 | \$ <u><u>2,924,280.05</u></u> |

UNAUDITED