



ANNUAL FINANCIAL REPORT

for the fiscal year ended August 31, 2017

Sam Houston State University
Huntsville, Texas



Dana G. Hoyt

Sam Houston State University

MEMBER THE TEXAS STATE UNIVERSITY SYSTEM™

OFFICE OF THE PRESIDENT

November 20, 2017

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

Ladies and Gentlemen:

We are pleased to submit the Annual Financial Report of Sam Houston State University for the year ended August 31, 2017, in compliance with TEX.GOV'T CODE ANN §2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts.

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

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

Sincerely,

Dana G. Hoyt
President

Annual Financial Report

for the fiscal year ended August 31, 2017

for

Sam Houston State University

Huntsville, TX

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Sam Houston State University

MEMBER THE TEXAS STATE UNIVERSITY SYSTEM

CONTROLLER'S OFFICE

November 20, 2017

Dr. Dana G. Hoyt, President
Sam Houston State University
Huntsville, Texas 77341

Dear Dr. Hoyt:

Submitted herein is the Annual Financial Report of Sam Houston State University for the fiscal year ended August 31, 2017.

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

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

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

Respectfully submitted,

Amanda Withers, MBA
Interim Controller

Sarah Woods, CPA
Associate Controller

Approved:

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

**BOARD OF REGENTS
TEXAS STATE UNIVERSITY SYSTEM
AUGUST 31, 2017**

<u>Member</u>	<u>Member's City (Texas)</u>	<u>Term Expiration</u>
Rossanna Salazar, Chairman	Austin	2017
William F. Scott, Vice Chairman	Nederland	2019
Charlie Amato	San Antonio	2019
Veronica Muzquiz Edwards	San Antonio	2021
Dr. Jaime R. Garza	San Antonio	2017
David Montagne	Beaumont	2021
Vernon Reaser III	Houston	2019
Alan L. Tinsley	Madisonville	2021
Donna N. Williams	Arlington	2017
Kaitlyn Tyra, Student Regent	Huntsville	2018

**SENIOR ADMINISTRATIVE OFFICIALS
TEXAS STATE UNIVERSITY SYSTEM**

Brian McCall, Ph.D.
Roland Smith, Ph.D.

Chancellor
Vice Chancellor of Finance

**ADMINISTRATIVE OFFICIALS
SAM HOUSTON STATE UNIVERSITY**

PRESIDENT

Dana G. Hoyt, Ph.D

FISCAL OFFICE

J. Carlos Hernancez, EdD, CPA
Amanda Withers, MBA

Vice President for Finance and Operations
Interim Controller

Sam Houston State University

Proprietary Fund Financial Statements

Texas State University System
Sam Houston State University
Statement of Net Position
August 31, 2017

	2017	2016
ASSETS		
Current Assets:		
Cash and Cash Equivalents: (Note 3)		
Cash on Hand (Including Petty Cash)	\$ 26,050.00	\$ 27,350.00
Cash in Bank	28,365,463.47	54,613,361.85
Cash in Transit/Reimburse from Treasury	1,335,094.18	1,564,594.58
Cash in State Treasury (Schedule 3)	14,617,419.45	13,909,321.84
Cash Equivalents	36,638,854.08	23,214,077.72
Restricted:		
Cash and Cash Equivalents: (Note 3)		
Cash in Bank	153,406.44	660,224.54
Cash Equivalents	27,718,653.34	31,169,642.63
Short Term Investments (Note 3)	26,508,807.84	28,860,104.44
Legislative Appropriations	15,951,968.70	8,631,495.10
Receivables:		
Federal	3,740,466.71	2,949,872.37
Other Intergovernmental	650,000.00	-
Accounts - Tuition	48,701,772.60	42,415,590.95
Allowance Accounts	(7,839,280.61)	(7,046,024.11)
Other	1,668,481.67	138,885.97
Due From Other Agencies (Note 12)	404,397.02	3,262,158.09
Merchandise Inventories	294,907.95	412,607.45
Prepaid Items	112,457.83	23,920.40
Loans and Contracts	12,400,314.96	4,824,942.31
Other Current Assets	13,066,055.23	13,041,011.74
Total Current Assets	\$ 224,515,290.86	\$ 222,673,137.87
Non-Current Assets:		
Restricted:		
Investments (Note 3)	\$ 108,703,134.20	\$ 94,604,694.51
Investments (Note 3)	42,376,514.85	28,571,450.63
Receivables:		
Gifts/Pledges	5,799,592.21	1,539,988.26
Capital Assets: (Note 2)		
Non-Depreciable or Non-Amortizable		
Land and Land Improvements	36,709,944.47	29,651,084.04
Construction in Progress	161,716,556.75	90,113,771.37
Other Capital Assets	1,416,865.55	937,399.30

Texas State University System
Sam Houston State University
Statement of Net Position
August 31, 2017

	<u>2017</u>	<u>2016</u>
Depreciable or Amortizable		
Buildings and Building Improvements	444,583,128.86	440,043,107.41
Less Accumulated Depreciation	(247,150,430.45)	(231,155,471.41)
Infrastructure	20,976,029.39	15,498,669.50
Less Accumulated Depreciation	(8,531,336.34)	(7,820,782.35)
Facilities and Other Improvements	37,229,856.51	35,215,257.53
Less Accumulated Depreciation	(13,656,225.87)	(12,092,293.78)
Furniture and Equipment	39,294,666.29	36,655,309.33
Less Accumulated Depreciation	(28,284,415.73)	(26,637,070.50)
Vehicles, Boats, and Aircraft	4,886,710.01	4,738,997.20
Less Accumulated Depreciation	(3,911,839.53)	(3,561,312.80)
Computer Software - Intangible	3,243,398.02	3,243,398.02
Less Accumulated Amortization	(3,098,273.76)	(3,075,501.60)
Other Capital Assets	13,878,595.95	14,137,161.74
Less Accumulated Depreciation	(9,871,104.28)	(9,951,225.83)
Total Non-Current Assets	<u>\$ 606,311,367.10</u>	<u>\$ 500,656,630.57</u>
Total Assets	<u>\$ 830,826,657.96</u>	<u>\$ 723,329,768.44</u>
 DEFERRED OUTFLOWS OF RESOURCES		
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>
 LIABILITIES		
Current Liabilities:		
Payables from:		
Accounts Payable	\$ 15,389,373.58	\$ 13,452,052.14
Payroll Payable	3,880,187.57	4,720,962.61
Due to Other Agencies (Note 12)	700,162.08	825,991.66
Unearned Revenues	115,299,512.15	106,274,465.76
Employees' Compensable Leave (Note 5)	3,538,036.04	3,400,679.33
Funds Held for Others	1,612,608.01	1,372,326.12
Total Current Liabilities	<u>\$ 140,419,879.43</u>	<u>\$ 130,046,477.62</u>
Non-Current Liabilities:		
Employees' Compensable Leave (Note 5)	\$ 2,915,186.03	\$ 2,865,776.22
Other Non-Current Liabilities	1,202,328.89	1,228,945.01
Total Non-Current Liabilities	<u>4,117,514.92</u>	<u>\$ 4,094,721.23</u>
Total Liabilities	<u>\$ 144,537,394.35</u>	<u>\$ 134,141,198.85</u>

**Texas State University System
Sam Houston State University
Statement of Net Position
August 31, 2017**

	<u>2017</u>	<u>2016</u>
DEFERRED INFLOWS OF RESOURCES		
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>
NET POSITION		
Net Investment in Capital Assets	\$ 449,432,125.84	\$ 375,940,497.17
Restricted For:		
Capital Projects	25,420,430.10	22,621,493.00
Other	18,769,392.63	15,143,354.09
Funds Held As Permanent Investments:		
Non-Expendable:		
Endowment Funds	66,928,874.15	64,355,361.01
Expendable:		
Endowment Funds	41,779,933.18	36,563,782.68
Unrestricted	<u>83,958,507.71</u>	<u>74,564,081.64</u>
Total Net Position	<u><u>\$ 686,289,263.61</u></u>	<u><u>\$ 589,188,569.59</u></u>

Texas State University System
Sam Houston State University
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended August 31, 2017

	2017	2016
OPERATING REVENUES:		
Tuition and Fees - Pledged	\$ 203,215,525.03	\$ 194,070,476.63
Tuition and Fees - Discounts/Allowances	(51,066,371.94)	(56,701,764.89)
Auxiliary Enterprises - Pledged	41,931,865.81	41,925,450.59
Auxiliary Enterprise – Discounts/Allowances	(6,787,543.44)	-
Other Sales of Goods and Services - Pledged	4,457,690.83	4,766,291.66
Federal Revenue	4,540,255.78	4,679,347.58
Federal Pass-Through Revenue	1,440,495.86	868,945.92
State Grant Pass-Through Revenue	13,639,037.80	12,979,314.16
Other Grants and Contracts -Non-pledged	2,518,698.53	2,342,653.76
Other Operating Revenues - Pledged	6,824,338.29	9,530,145.71
Total Operating Revenues	\$ 220,713,992.55	\$ 214,460,861.12
OPERATING EXPENSES:		
Instruction	\$ 97,581,506.78	\$ 92,905,921.53
Research	4,721,736.06	4,371,873.42
Public Service	11,032,058.70	10,600,418.01
Academic Support	41,075,602.52	38,605,147.63
Student Services	26,064,599.37	24,049,428.18
Institutional Support	19,986,543.42	19,206,014.21
Operation and Maintenance of Plant	25,174,493.72	19,613,033.52
Scholarship and Fellowships	28,759,020.54	27,703,643.44
Auxiliary	43,377,351.97	42,274,140.28
Depreciation and Amortization	22,382,744.27	21,484,682.34
Total Operating Expenses	\$ 320,155,657.35	\$ 300,814,302.57
Operating Income (Loss)	\$ (99,441,664.80)	\$ (86,353,441.45)
NONOPERATING REVENUES (EXPENSES):		
Legislative Revenue (GR)	\$ 53,615,930.00	\$ 52,437,410.00
Additional Appropriations (GR)	16,379,788.62	15,669,378.19
Federal Revenue	32,146,243.59	30,485,009.61
Federal Pass-Through Revenue	-	17,949.70
Gifts - Pledged	4,024,023.70	8,220,396.66
Gifts - Non-Pledged	5,797,336.41	-
Investment Income - Non-Pledged	4,279,401.88	3,325,420.52
Investment Income - Pledged	1,438,403.97	2,976,957.80
Gain (Loss) on Sale of Capital Assets	(120,345.80)	(384,289.59)
Net Increase (Decrease) Fair Value - Pledged	244,009.09	1,321,288.22
Net Increase (Decrease) Fair Value - Non-pledged	7,686,325.02	225,687.29
Settlement of Claims	1,056,176.17	692,863.40

Texas State University System
Sam Houston State University
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended August 31, 2017

	<u>2017</u>	<u>2016</u>
Other Nonoperating Revenue (Expenses)-Pledged	533,571.08	(33,530.87)
Other Nonoperating Expenses	(56,447.65)	-
Total Nonoperating Revenues (Expenses)	<u>\$ 127,024,416.08</u>	<u>\$ 114,954,540.93</u>
Income (Loss) before Capital Contributions, Endowments and Transfers	\$ 27,582,751.28	\$ 28,601,099.48
Capital Contributions, Endowments and Transfers		
Capital Appropriations (HEAF)	\$ 17,329,858.00	\$ 11,553,239.00
Additions to Permanent and Term Endowments	5,418,645.27	5,109,834.82
Interagency Transfer Capital Assets - Increase (Note 12)	-	7,637.00
Transfer In (Note 12)	73,129,935.00	441,144.00
Transfer Out (Note 12)	(20,589,246.52)	(19,385,063.43)
Legislative Transfer In (Note 12)	4,284,046.00	580,852.00
Legislative Transfer Out (Note 12)	(6,241,462.12)	(2,529,619.16)
Legislative Appropriations Lapsed	(340,375.21)	(2,121.84)
Total Capital Contributions, Endowments and Transfers	<u>\$ 72,991,400.42</u>	<u>\$ (4,224,097.61)</u>
Change in Net Position	100,574,151.70	24,377,001.87
Beginning Net Position	589,188,569.59	564,811,567.72
Restatements (Note 14)	(3,473,457.68)	-
Beginning Net Position, as restated	585,715,111.91	564,811,567.72
Ending Net Position	<u>\$ 686,289,263.61</u>	<u>\$ 589,188,569.59</u>

**Texas State University System
Sam Houston State University
Matrix of Operating Expenses Reported by Function
For the Fiscal 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	\$ -	\$ -	\$ 73,743.77	\$ -	\$ 57,270.01	\$ 995.16	\$ -	\$ -	\$ 142,198.86	\$ -	\$ 274,207.80
Salaries and Wages	72,380,952.96	2,551,977.25	5,308,890.38	19,490,064.84	14,679,014.17	12,152,988.37	8,757,454.15	906,343.28	12,151,849.24	-	148,379,534.64
Payroll Related Costs	17,489,839.63	507,129.15	1,386,833.45	5,015,063.97	4,250,198.40	3,548,527.25	2,929,142.25	386.23	3,334,745.86	-	38,461,866.19
Professional Fees and Services	209,464.40	22,069.20	779,218.11	322,784.76	187,219.92	308,142.66	1,509,076.22	-	617,859.81	-	3,955,835.08
Federal Grant Pass-Through Expense	-	239,303.51	-	-	-	-	-	-	-	-	239,303.51
State Grant Pass-Through Expense	-	-	-	-	-	-	-	-	-	-	-
Travel	2,333,374.13	263,837.65	188,156.00	977,754.64	598,100.20	375,075.38	37,204.44	-	2,183,749.19	-	6,957,251.63
Materials and Supplies	2,596,093.43	490,737.99	1,267,484.27	10,917,284.56	2,847,626.81	1,189,646.50	5,585,129.22	-	12,843,103.24	-	37,737,106.02
Communications and Utilities	91,331.17	18,765.05	162,944.82	689,593.22	797,166.04	243,529.81	3,420,197.89	-	2,423,909.33	-	7,847,437.33
Repairs and Maintenance	174,637.06	38,230.16	48,610.38	1,361,088.96	152,974.71	21,005.21	1,866,680.69	-	428,277.69	-	4,091,504.86
Rentals and Leases	183,502.08	15,680.84	416,825.47	253,728.67	238,849.56	526,518.33	12,792.16	-	395,865.20	-	2,043,762.31
Printing and Reproduction	25,808.02	14,063.00	65.90	40,507.94	42,504.60	142,880.71	512.50	-	379,053.20	-	645,395.87
Depreciation and Amortization*	-	-	-	-	-	-	-	-	-	22,382,744.27	22,382,744.27
Bad Debt Expense	176,826.67	8,453.47	19,743.26	139,315.18	92,790.81	57,290.29	48,414.06	-	253,194.92	-	796,028.66
Interest	-	-	48.40	28.30	-	-	-	-	-	-	76.70
Scholarships	52,400.00	82,650.00	-	-	-	-	-	27,782,552.04	4,730,704.29	-	32,648,306.33
Claims and Judgments	-	-	-	-	-	-	-	-	-	-	-
Other Operating Expenses	1,867,277.23	468,838.79	1,379,494.49	1,868,387.48	2,120,884.14	1,419,943.75	1,007,890.14	69,738.99	3,492,841.14	-	13,695,296.15
Total Operating Expenses	\$ 97,581,506.78	\$ 4,721,736.06	\$ 11,032,058.70	\$ 41,075,602.52	\$ 26,064,599.37	\$ 19,986,543.42	\$ 25,174,493.72	\$ 28,759,020.54	\$ 43,377,351.97	\$ 22,382,744.27	\$ 320,155,657.35

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

**Texas State University System
Sam Houston State University
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2017**

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from Tuition and Fees	\$ 147,377,536.71	\$ 133,248,423.76
Proceeds from Research Grants and Contracts	24,631,115.95	23,067,050.77
Proceeds from Auxiliaries	35,144,322.37	41,925,450.59
Proceeds from Other Operating Revenues	11,282,029.12	14,296,437.37
Payments to Suppliers for Goods and Services	(95,795,776.08)	(88,600,090.23)
Payments to Employees for Salaries	(148,379,534.64)	(140,044,796.69)
Payments to Employees for Benefits	(38,275,099.67)	(35,876,665.07)
Payments for Loans Provided	(7,575,372.65)	(1,167,419.57)
Payments for Other Operating Expenses	(15,981,615.96)	(1,071,119.91)
Net Cash Provided by Operating Activities	\$ (87,572,394.85)	\$ (54,222,728.98)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from Debt Issuance		
Proceeds from State Appropriations	\$ 83,947,724.42	\$ 70,889,938.24
Proceeds from Gifts	9,821,360.11	8,220,396.66
Proceeds from Endowments	5,418,645.27	5,109,834.82
Proceeds from Grant Receipts	32,146,243.59	30,502,959.31
Proceeds from Other Noncapital Financing Activities	1,533,299.60	(33,530.87)
Payments for Other Noncapital Financing Uses	(1,889,871.00)	(508,403.12)
Net Cash Provided by Noncapital Financing Activities	\$ 130,977,401.99	\$ 114,181,195.04
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Debt Issuance	\$ 72,800,000.00	\$ -
Proceeds from Capital Contributions	-	11,553,239.00
Payments for Additions to Capital Assets	(95,994,718.74)	(93,145,111.83)
Payments of Principal on Debt	(15,290,936.10)	(10,178,069.07)
Payments of Interest on Debt Issuance	(9,318,917.15)	(9,515,472.84)
Net Cash Provided by Capital and Related Financing Activities	\$ (47,804,571.99)	\$ (101,285,414.74)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Investment Income	\$ 5,717,805.85	\$ 6,302,378.32
Payments to Acquire Investments	(17,621,873.20)	(25,605,044.11)
Net Cash Provided by Investing Activities	\$ (11,904,067.35)	\$ (19,302,665.79)
Net Increase (Decrease) in Cash and Cash Equivalents	(16,303,632.20)	(60,629,614.47)
Beginning Cash and Cash Equivalents	125,158,573.16	185,788,187.63
Restatements to Beginning Cash and Cash Equivalents	-	-
Beginning Cash and Cash Equivalents, as restated	\$ 125,158,573.16	\$ 185,788,187.63
Ending Cash and Cash Equivalents	\$ 108,854,940.96	\$ 125,158,573.16
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (99,441,664.80)	\$ (86,353,441.45)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Amortization and Depreciation	22,382,744.27	21,484,682.34

**Texas State University System
Sam Houston State University
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2017**

	<u>2017</u>	<u>2016</u>
Bad Debt Expense	796,028.66	1,543,620.09
Operating Income (Loss) and Cash Flow Categories: Classification Differences		
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	(13,796,662.77)	(4,120,287.98)
(Increase) Decrease in Due from Other Funds	2,857,761.07	(2,855,228.60)
(Increase) Decrease in Inventories	117,699.50	(51,032.96)
(Increase) Decrease in Prepaid Expenses	(88,537.43)	156,430.07
(Increase) Decrease in Loans & Contracts	(7,575,372.65)	(1,167,419.57)
(Increase) Decrease in Other Assets	(25,043.49)	2,812,956.00
Increase (Decrease) in Payables	(2,098,996.31)	11,346,973.65
Increase (Decrease) in Due to Other Funds	(125,829.58)	175,622.24
Increase (Decrease) in Unearned Revenue	9,025,046.39	4,925,806.30
Increase (Decrease) in Compensated Absence Liability	186,766.52	(290,168.16)
Increase (Decrease) in Other Liabilities	213,665.77	(1,831,240.95)
Total Adjustments	<u>11,869,269.95</u>	<u>32,130,712.47</u>
Net Cash Provided by Operating Activities	<u>\$ (87,572,394.85)</u>	<u>\$ (54,222,728.98)</u>
Non Cash Transactions		
Donation of Capital Assets	-	7,637.00
Net Change in Fair Value of Investments	7,930,334.11	1,546,975.51

SAM HOUSTON STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended August 31, 2017

Note 1: Summary of Significant Accounting Policies

Reporting Entity

Sam Houston State University is an agency of the State of Texas and a component of The Texas State University System and its financial records comply with applicable State statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' Reporting Requirements for Annual Financial Reports of State Agencies and Universities.

Sam Houston State University serves the state by providing a high quality education to residents of the state.

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 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.

Fund Structure

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

Proprietary Fund Types

Business-Type Activity

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

Basis of Accounting

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

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

Budget and Budgetary Accounting

The 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 fiscal year-end for which they were appropriated.

Assets, Liabilities, and Fund Balances/Net Position

Assets

Cash and Cash Equivalents

All highly liquid investments with a maturity of three months or less at the time of purchase are considered cash and cash equivalents.

Securities Lending Collateral

The University reports investments at fair value in the Statement of Net Position with the following exceptions. (Fair value is the amount at which an investment could be exchanged in a current transaction between parties, other than in a forced or liquidation sale.)

The exceptions are as follows:

1. Nonparticipating contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure, provided that the fair value of those contracts is not significantly affected by the financial institution's credit standing or other relevant factors.
2. Money market investments and participating interest-earning investment contracts that mature within one year or less of the date of their acquisition may be reported at amortized cost, assuming that the investment is not affected by the financial institution's credit standing or other relevant factors.
3. For real estate, mortgages, venture capital, limited partnerships, and future and forward contracts, etc. held by non-external pool entities, fair value is not permitted. Instead, amortized cost or historical cost should be used.

Restricted Assets

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

Inventories and Prepaid Items

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

Capital Assets

Assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year should be capitalized. All capital assets are capitalized at cost or estimated historical cost if actual historical cost is not available. Donated capital assets are reported at fair value as of the acquisition date. Purchases of assets by governmental funds are reported as expenditures. Depreciation is reported on all “exhaustible” assets. “Inexhaustible” assets such as works of art and historical treasures are not depreciated. Road and highway infrastructure is reported using the modified approach. Other depreciable Assets are depreciated over the estimated useful life of the asset using the straight-line method.

Other Receivables

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

LiabilitiesAccounts Payable

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

Other Payables

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

Employees' Compensable Leave Balances

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

Capital Lease Obligations

Capital lease contracts payable, which are not funded by current resources, represent the liability for future lease payments under capital lease contracts. Note 8 provides details for capital lease obligations.

Fund Balance/Net Position

The difference between fund assets and liabilities is “Net Position” on the government-wide, proprietary and fiduciary fund statements, and the “Fund Balance” is the difference between fund assets and liabilities on the governmental fund statements.

Reservations of Fund Balance

Fund balances for governmental funds are classified as either reserved or unreserved in the fund financial statements. Reservations are legally restricted to a specific future use or not available for expenditure.

Reserved for Encumbrances

This represents commitments of the value of contracts awarded or assets ordered prior to year-end but not received as of that date. Encumbrances are not included with expenditures or liabilities. They represent current resources designated for specific expenditures in subsequent operating periods.

Reserved for Consumable Inventories

This represents the amount of supplies, postage and prepaid assets to be used in the next fiscal year.

Unreserved/Undesignated

Other represents the unappropriated balance at year-end.

Net Investment in Capital Assets

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

Net Position - Restricted

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

Net Position - Unrestricted

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

Interfund Activities and Transactions

The agency has the following types of transactions among 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 that 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”. Balances for repayment due in two (or more) years are classified as “Non-Current.”

Interfund Sales and Purchases

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.

Note 2: Capital Assets

A summary of changes in Capital Assets for the year ended August 31, 2017 is presented below:

	Reclassifications							Balance 8/31/2017
	Balance 9/1/2016	Adjustments/ Restatements	Completed CIP	Inc-Int' agy Trans	Dec-Int' agy Trans	Additions	Deletions	
Non-Depreciable Assets								
Land and Land Improvements	29,651,084.04	0.00	8,106.10	0.00	0.00	7,050,754.33	0.00	36,709,944.47
Construction in Progress	90,113,771.37	0.00	(12,040,086.42)	0.00	0.00	83,707,141.45	(64,269.65)	161,716,556.75
Other Assets	937,399.30	0.00	0.00	0.00	0.00	479,466.25	0.00	1,416,865.55
Total Non-Depreciated Assets	120,702,254.71	0.00	(12,031,980.32)	0.00	0.00	91,237,362.03	(64,269.65)	199,843,366.77
Depreciable Assets								
Buildings and Building Improvements	440,043,107.41	0.00	4,540,021.45	0.00	0.00	0.00	0.00	444,583,128.86
Infrastructure	15,498,669.50	0.00	5,477,359.89	0.00	0.00	0.00	0.00	20,976,029.39
Furniture and Equipment	36,655,309.33	0.00	0.00	0.00	0.00	4,283,206.85	(1,643,849.89)	39,294,666.29
Vehicles, Boats and Aircraft	4,738,997.20	0.00	0.00	0.00	0.00	147,712.81	0.00	4,886,710.01
Other Capital Assets	14,137,161.74	0.00	0.00	0.00	0.00	326,437.05	(585,002.84)	13,878,595.95
Facilities and Other Improvements	35,215,257.53	0.00	2,014,598.98	0.00	0.00	0.00	0.00	37,229,856.51
Total Depreciable Assets	546,288,502.71	0.00	12,031,980.32	0.00	0.00	4,757,356.71	(2,228,852.73)	560,848,987.01
Less Accumulated Depreciation for:								
Buildings and Building Improvements	(231,155,471.41)	0.00	0.00	0.00	0.00	(15,994,959.04)	0.00	(247,150,430.45)
Infrastructure	(7,820,782.35)	0.00	0.00	0.00	0.00	(710,553.99)	0.00	(8,531,336.34)
Furniture and Equipment	(26,637,070.50)	0.00	0.00	0.00	0.00	(3,235,118.97)	1,587,773.74	(28,284,415.73)
Vehicles, Boats and Aircraft	(3,561,312.80)	0.00	0.00	0.00	0.00	(350,526.73)	0.00	(3,911,839.53)
Other Capital Assets	(9,951,225.83)	0.00	0.00	0.00	0.00	(504,881.29)	585,002.84	(9,871,104.28)
Facilities and Other Improvements	(12,092,293.78)	0.00	0.00	0.00	0.00	(1,563,932.09)	0.00	(13,656,225.87)
Total Accumulated Depreciation	(291,218,156.67)	0.00	0.00	0.00	0.00	(22,359,972.11)	2,172,776.58	(311,405,352.20)
Depreciable Assets Net	255,070,346.04	0.00	12,031,980.32	0.00	0.00	(17,602,615.40)	(56,076.15)	249,443,634.81
Intangible Capital Assets Amortized								
Land Use Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Computer Software	3,243,398.02	0.00	0.00	0.00	0.00	0.00	0.00	3,243,398.02
Other Intangible Capital Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Intangible Capital Assets Amortized	3,243,398.02	0.00	0.00	0.00	0.00	0.00	0.00	3,243,398.02
Less Accumulated Amortization								
Land Use Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Software	(3,075,501.60)	0.00	0.00	0.00	0.00	(22,772.16)	0.00	(3,098,273.76)
Other Capital Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accumulated Amortization Total	(3,075,501.60)	0.00	0.00	0.00	0.00	(22,772.16)	0.00	(3,098,273.76)
Business Type Activities Capital Assets, Net	375,940,497.17	0.00	0.00	0.00	0.00	73,611,974.47	(120,345.80)	449,432,125.84

Note 3: Deposits, Investments, and Repurchase Agreements

Sam Houston State University is authorized by statute to make investments following the “prudent person rule.” There were no significant violations of legal provisions during the period.

Deposits of Cash in Bank

As of August 31, 2017, the carrying amount of deposits was \$28,518,869.91 as presented below.

Governmental and Business-Type Activities	
Cash	
Cash in Bank Carrying Amount	\$ 28,518,869.91
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	
Cash In Bank per AFR	\$ 28,518,869.91
Proprietary Funds Current Assets Cash in Bank	28,365,463.47
Proprietary Funds Current Assets Restricted Cash in Bank	153,406.44
Cash in Bank per AFR	\$ 28,518,869.91

These amounts consist of all cash in local banks and a portion of short-term investments.

These amounts are included on the Combined Statement of Net Assets as part of the “Cash and Cash Equivalents” and “Securities Lending Collateral” accounts.

As of August 31, 2017 the total bank balance was \$21,566,815.64.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the agency will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The agency does not have a deposit policy for custodial credit risk. As of August 31, 2017, Sam Houston State University was subject to minimal custodial credit risk for deposits.

Foreign currency risk for deposits is the risk that changes in exchange rates will adversely affect the deposit. The agency’s policy is to limit deposits subject to foreign currency risk to 5% of total deposits. Sam Houston State University held no exposure to foreign currency risk for deposits as of August 31, 2017.

Investments

Sam Houston State University invests its endowment funds to provide funding for scholarships, fellowships, professorships, academic chairs, and other uses as specified by donors. Investments of University funds for endowments and quasi endowments shall be accomplished in accordance with the following principals:

There are two primary investment objectives. One is to provide a continuing and dependable cash payout, stable, and preferably growing in real terms, after giving effect to inflation. The second is to cause the total value of the funds to appreciate, over time, exclusive of growth derived from donations.

1. The cash payout requirement for endowment and quasi endowment funds are significant and continuous. Income must be sufficient to provide an adequate cash stream to support the programs for which the endowments and quasi endowment accounts need to appreciate to insure preservation of purchasing power, and also to satisfy the need for future growth in payouts.
2. The endowment and quasi endowment funds will be invested to meet these objectives, by maximizing returns consistent with an appropriate level of risk and subject to generation of adequate current income. Additionally, the investments shall be diversified at all times to provide reasonable assurance that investment in a single security, a class of securities, or industry will not have an excessive impact on the funds.

As of August 31, 2017, investments, at fair market value, consisted of the following:

Governmental and Business-Type Activities Cash Equivalents	Fair Value
Other Commingled Funds (Texpool)	64,357,507.42
Commercial Paper	
Securities Lending Collateral Investment Pool	
Real Estate	
Misc (alternative investments, limited partnerships, guaranteed investment contract, political subdivision, bankers' acceptance, negotiable CD)	
SUBTOTAL CASH EQUIVALENTS	\$ 64,357,507.42

Governmental and Business-Type Activities Short-Term Investments	Fair Value
Fixed Income	26,341,641.55
Other Commingled Funds	167,166.29
SUBTOTAL SHORT-TERM INVESTMENTS	\$ 26,508,807.84

Governmental and Business-Type Activities Long-Term Investments	Fair Value
U.S. Government	
U.S. Treasury Securities	
U.S. Treasury Strips	
U.S. Treasury TIPS	
U.S. Government Agency Obligations	
Corporate Obligations	
International Obligations (Govt and Corp)	
Equity	118,738,068.06
Fixed Income	26,686,089.29
Other Commingled Funds	5,655,491.70
SUBTOTAL LONG-TERM INVESTMENTS	\$ 151,079,649.05
TOTAL	\$ 241,945,964.31

Governmental and Business-Type Activities Investments - As Reported in the Financial Statements	Fair Value
Proprietary Funds Current Cash Equivalents	36,638,854.08
Proprietary Funds Current Restricted Cash Equivalents	27,718,653.34
Proprietary Funds Short Term Investments	26,508,807.84
Proprietary Funds Non-Current Investments	151,079,649.05
TOTAL	241,945,964.31

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the agency will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The agency's investment policy limits holding of securities by counterparties to those involved with securities lending. As of August 31, 2017, Sam Houston State University had minimal investments subject to custodial credit risk.

Foreign currency risk for investments is the risk that changes in exchange rates will adversely affect the investment. The agency's policy is to limit investments subject to foreign currency risk to 5% of total investments. As of August 31, 2017, Sam Houston State University was not subject to foreign currency risk.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The general investment policy of the agency limits investments in debt securities that are not in the top three investment grade ratings issued by nationally recognized statistical rating organizations to 5% of total investments. As of August 31, 2017, Sam Houston State University was subject to minimal credit risk.

Investment Type	AAAf	AAf	Unrated
Fixed Income	\$0.00	\$0.00	\$53,027,730.84

Concentration of credit risk is the risk of loss attributable to the magnitude of investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this disclosure requirement. As of August 31, 2017, Sam Houston State University was not subject to concentration of credit risk.

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

Reverse Repurchase, Securities Lending, Derivative Investing

Sam Houston State University did not participate in Reverse Repurchase Agreements, Securities Lending, or Derivative Investing during fiscal year 2017.

Note 4: Short-Term Debt

During the fiscal year ended August 31, 2017, Sam Houston State University had no short-term debt activity.

Note 5: Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended August 31, 2017, the following changes occurred in liabilities.

BUSINESS-TYPE ACTIVITIES	Balance 09/01/2016	Additions	Reductions	Balance 08/31/2017	Amounts Due Within One Year	Amounts Due Thereafter
Compensable Leave	\$6,266,455.55	\$760,955.67	\$574,189.15	\$6,453,222.07	\$3,538,036.04	\$2,915,186.03
Other Non-Current Liabilities	\$1,228,945.01		\$26,616.12	\$1,202,328.89		\$1,202,328.89
TOTAL BUSINESS-TYPE ACTIVITIES	\$7,495,400.56	\$760,955.67	\$600,805.27	\$7,655,550.96	\$3,538,036.04	\$4,117,514.92

Notes And Loans Payable

None.

Claims & Judgements

At August 31, 2017, various lawsuits and claims involving Sam Houston State 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, the University anticipates no liability on the merits of outstanding claims.

Employees' Compensable Leave

Full-time State employees earn annual leave from eight to twenty-one hours per month depending on the respective employee's years of State employment. The State's policy is that an employee may carry his accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to 532 for those employees with 35 or more years of State service. Employees with at least six months of State service, who terminate their employment, are entitled to payment for all accumulated annual leave up to the maximum allowed. The University recognizes the accrued liability for the unpaid annual leave in the Unrestricted Current Funds. For the year ended August 31, 2017, the accrued liability totaled \$6,453,222.07.

The University made lump sum payments totaling \$574,189.15 for accrued vacation and/or compensatory time to employees who separated from state service during the fiscal year ending August 31, 2017.

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. The University's policy is to recognize the cost of sick leave when paid and the liability is not shown in the financial statements since experience indicates the expenditure for sick leave to be minimal.

Note 6: Bonded Indebtedness

All bonded indebtedness for Sam Houston 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 informational purposes only.

**DEBT SERVICE REQUIREMENTS ATTRIBUTABLE
TO SAM HOUSTON STATE UNIVERSITY**

Description	Year	Principal	Interest	Total
All Series	2018	\$ 13,317,424.58	\$ 11,120,676.56	\$ 24,438,101.14
	2019	13,343,251.18	10,485,807.26	23,829,058.44
	2020	13,974,890.24	9,843,217.78	23,818,108.02
	2021-2025	61,818,877.62	39,353,029.28	101,171,906.90
	2026-2030	53,060,000.00	25,296,661.50	78,356,661.50
	2031-2035	38,885,000.00	14,156,404.10	53,041,404.10
	2036-2040	24,455,000.00	7,056,898.06	31,511,898.06
	2041-2045	18,310,000.00	2,116,850.00	20,426,850.00
	Totals	\$ 237,164,443.62	\$ 119,429,544.54	\$ 356,593,988.16

A portion of the debt represents Tuition Revenue Bonds historically funded by the Texas Legislature through General Revenue Appropriations. The institution was appropriated \$6,242,843 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

Sam Houston State University did not have any derivative activity for the fiscal year ended August 31, 2017.

Note 8: Leases

As of August 31, 2017, Sam Houston State University was not involved in any capital lease agreements.

Sam Houston State University has entered into various operating leases for buildings and equipment. Rental expenses for operating leases were \$208,601.64 for the fiscal year ended August 31, 2017.

Future minimum lease payments under operating leases having an initial term in excess of one year as of August 31, 2017 were as follows:

Fiscal Year Ended August 31, 2017	
2018	186,013.03
2019	151,784.80
2020	84,451.31
2021	947.00
Total future minimum lease payments	\$ 423,196.14

Note 9: Defined Benefit Pension Plans and Defined Contribution Plan

Optional Retirement Program contributions for Sam Houston State University are reported by the Texas State University System office in the consolidated annual financial report.

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 disclosure of information on post-employment benefits other than pension benefits (OPEB) will be provided by Employees Retirement System.

Note 12: Interfund Activity and Transactions

As explained in Note 1 on Interfund 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 Grant Pass Through From/To State Agencies*); Due From Other Funds or Due To Other Funds; Transfers in or transfers out; Legislative Transfers In or Legislative Transfers Out.

Sam Houston State University has not participated in any interfund borrowing during fiscal year 2017.

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 statements.

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

Current Portion	Current Interfund Receivable	Current Interfund Payable	Purpose (Disclosure required)
GENERAL (01)			
Total Interfund Receivable/Payable			

Non-Current Portion	Non-Current Interfund Receivable	Non-Current Interfund Payable	Purpose (Disclosure required)
GENERAL REVENUE (01)			
SPECIAL REVENUE (02)			
Appd Fund 0210 and D23 Fund 0210			
(Agency 700, D23 Fund 0400)			
ENTERPRISE FUND (05)			
Appd Fund 9999, D23 Fund 1999			
(Agency 700, D23 Fund 0500)			
Total Interfund Receivable/Payable	-0-	-0-	-0-

UNAUDITED

DUE FROM/TO OTHER STATE ENTITIES	Due From Other Agencies	Due to Other Agencies	Purpose
GENERAL (01)			
Appd Fund 0001, D23 Fund 0001			
(Agency 781, D23 Fund 0001)			
Federal Pass Throughs			
(Agency 556, D23 Fund 7999)			
(Agency 601, D23 Fund 0006)			
(Agency 730, D23 Fund 7999)			
SPECIAL REVENUE (02)			
(Agency 327, D23 Fund 0973)			
Appd Fund 9999, D23 Fund 7999			
Federal Pass Throughs			
(Agency 556, D23 Fund 7999)	\$13,620.81		FEDERAL P-T
(Agency 601, D23 Fund 0006)	\$207,202.08		FEDERAL P-T
(Agency 701, D23 Fund 0148)	\$31,464.77		FEDERAL P-T
(Agency 730, D23 Fund 7999)	\$31,258.96		FEDERAL P-T
(Agency 754, D23 Fund 7999)		\$6,005.19	FEDERAL P-T
(Agency 763, D23 Fund 7999)	\$2,327.40		FEDERAL P-T
(Agency 781, D23 Fund 0001)	\$23,399.02		FEDERAL P-T
(Agency 802, D23 Fund 0951)	\$16,781.78		FEDERAL P-T
Appd Fund 9999, D23 Fund 7999			
State Pass Throughs			
(Agency 720, D23 Fund 7999)		\$320.93	STATE P-T
(Agency 754, D23 Fund 7999)			STATE P-T
(Agency 781, D23 Fund 0001)		\$693,835.96	STATE P-T
(Agency 781, D23 Fund 0824)			STATE P-T
(Agency 781, D23 Fund 0825)	\$73,894.80		STATE P-T
Appd Fund 9999, D23 Fund 7999			
University Components			
(Agency 754, D23 Fund 7999)			
Appd Fund 9999, D23 Fund 9999			
State Shared Cash Funds			
(Agency 608, D23 Fund 0802)	\$4,447.40		Collegiate License Plates
TOTAL DUE TO AND DUE FROM	\$404,397.02	\$700,162.08	

TRANSFERS IN FROM/OUT TO OTHER STATE ENTITIES	Transfers In from Other State Entities	Transfers Out to Other State Entities	Purpose
Agency 758, D23 Fund 9999	\$72,800,000.00		Transfer from System for Bond Proceeds
Agency 758, D23 Fund 9999		\$18,337,625.73	Transfer to TSUS for Bond Payment
Agency 758, D23 Fund 9999		\$2,219,806.00	Transfer to TSUS for System Shared Expense
Agency 758, D23 Fund 9999		\$31,814.79	Transfer to TSUS for Interest on Commercial Paper
Agency 781, D23 Fund 5103		\$0.00	Transfer to THECB for Be on Time
Agency 781, D23 Fund 0001		\$0.00	Transfer to THECB for Doctoral Set Asides
Agency 902, D23 Fund 0210	\$329,935.00		Military Veterans Exemptions - Hazlewood
Total Interfund Receivable/Payable	\$73,129,935.00	\$20,589,246.52	

Legislative transfers in and out were as follows:

	Legislative Transfers In	Legislative Transfers Out
GENERAL REVENUE (01)		
Appd Fund 0001, D23 Fund 0001		
(Agency 403, D23 Fund 0001)	\$571,452.00	
(Agency 781, D23 Fund 0001)	\$3,712,594.00	
(Agency 758, D23 Fund 0001)		\$6,241,462.12
Total Legislative Transfers	\$4,284,046.00	\$6,241,462.12

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

Note 13: Continuance Subject to Review

Not Applicable.

Sam Houston State University is not subject to the Texas Sunset Act.

Note 14: Adjustments to Fund Balances/Net Assets

During fiscal year 2017, Sam Houston State University identified that during the conversion of the ERP system sales tax related to the purchase of student meal plans was not reported on the income statement or filed with the state of Texas. This was fully disclosed to the state of Texas Comptroller's Office and all prior year sales tax was promptly reported and paid. This resulted in an overstatement of fund balance of \$3,195,542.71.

In addition, Sam Houston State University also conducted a full review of the allocation method to the individual funds in regard to bad debt expense for the period of 2011-2016. This review concluded that as an institution bad debt expense was accurate for those periods, however, the allocation to agency funds was overstated by \$277,914.97. Since agency funds only appear in SHSU's Statement of Net Position and not SHSU's Statement of Revenue, Expenses, and Changes in Net Position this required a restatement of opening fund balance.

Note 15: Contingencies and Commitments

At August 31, 2017, various lawsuits and claims involving Sam Houston State 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, the University anticipates no liability on the merits of outstanding claims.

Note 16: Subsequent Events

There have been no subsequent events that would have a material effect on the University's financial statements for the fiscal year ended August 31, 2017.

Note 17: Risk Management

Sam Houston State University participates in statewide self-insurance programs for coverage in the areas of workers' compensation and unemployment compensation.

Unemployment Compensation: The State provides coverage for unemployment benefits for university employees from appropriations made to the Texas Workforce Commission (TWC). The current General Appropriations Act provides that the University must reimburse the General Revenue Fund, from university appropriations, 50% of the unemployment benefits paid for State funded positions and 100% of the cost for unemployment compensation for any positions paid from funds held in local bank accounts and local funds held in the State Treasury. The Comptroller of Public Accounts determines the proportionate amount to be reimbursed from each appropriated fund type. The unemployment benefit plan is on a pay-as-you-go basis, in which no assets are set aside to be accumulated for the payment of claims. It is estimated that there were no material liabilities as of August 31, 2017.

Workers' Compensation: The administration of the State's employee workers' compensation program is vested with the State Office of Risk Management (SORM). In accordance with H.B. No. 1203, 77th Legislature, SORM developed and imposed a formula driven charge for workers' compensation costs upon

participating agencies. The workers' compensation assessment is prepaid to SORM through an Interagency Contract for workers' compensation coverage for its employees in compliance with TEX.LABOR CODE Chapter 412 and Chapter 501. The assessment for SHSU for FY 2017 was \$344,474.90. The assessment for SHSU for FY 2018 is \$317,215.32.

Sam Houston State University is required by certain bond covenants to carry fire and extended coverage and boiler insurance on buildings financed through the issuance of bonds using pledged Auxiliary Enterprise or other non-Educational and General Funds. The insurance protects the bond holders from a disruption to the revenue stream that is being utilized to make the bond interest and principal payments. Sam Houston State University had no insurance claims made during the fiscal year ended August 31, 2017.

The Texas Motor Vehicle Safety Responsibility Act requires that every non-governmental vehicle operated on a state highway be insured for minimum limits of liability in the amount of \$30,000/\$60,000 bodily injury and \$25,000 property damage. All vehicles owned and/or leased by Sam Houston State University are covered by a commercial insurance policy specifically customized for the Texas State University System, which provides coverage to the extent of \$1,000,000 combined single liability. The coverage exceeds the extent of the waivers of state immunity specified in the Texas Tort Claims Act, Civil Properties and Remedies Code Section 101.023.

Sam Houston State University is exposed to a variety of civil claims resulting from the performance of its duties. It is University policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed. The University assumes substantially all risks associated with tort and liability claims due to the performance of its duties. Currently, there is no purchase of commercial general liability insurance, nor is the University involved in any risk pools with other governmental entities. The liability of Sam Houston State University for personal injury and property damage is controlled by the Texas Tort Claims Act, VT.C.A Civil Practice and Remedies Code, Chapter 101, Section 101.021. The limits of liability are \$250,000 for each person, \$500,000 for each single occurrence for bodily injury or death and \$100,000 for each single occurrence for injury to or destruction of property. Following this limited exposure, Sam Houston State University, as a state agency, is protected by the doctrine of sovereign immunity, and as such, retains the risk up to the aforementioned limits. The University's liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Liabilities are reevaluated periodically to consider current settlements, frequency of claims, past experience and economic factors. There have been no significant reductions in insurance coverage in the past year and losses did not exceed coverages or funding arrangements during the past three years.

Note 18: Management Discussion and Analysis

Management Discussion and Analysis is a required part of the basic financial statements. Management Discussion and Analysis is omitted because Sam Houston State University is reported in a consolidated format with Texas State University System, which is reported as a component of the State of Texas. Management Discussion and Analysis as it relates to Texas State University System can be found in the State of Texas basic financial statements.

Note 19: The Financial Reporting Entity

Sam Houston State University is an agency of the State of Texas and a component of the Texas State University System and its financial records comply with applicable State statutes and regulations. As required by generally accepted accounting principles, these financial statements present Sam Houston State University.

Related Organizations

The Sam Houston University Foundation was formed in 2011 to support the educational, scientific, athletic, and research mission of Sam Houston State University. The Foundation raises and manages funds designated for support to the university. In total, the Foundation Board reported payments of \$302,792.00 for university support.

Note 20: Stewardship, Compliance and Accountability

Sam Houston State University has no material violations of finance related and contractual provisions and no new component units are included in the financial report. Per the laws of the State of Texas, Sam Houston State University cannot spend amounts in excess of appropriations granted by the Texas Legislature and there are no deficits reported in net position.

Note 21: N/A

Not Applicable.

Note 22: Donor-Restricted Endowments

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

<u>Donor- Restricted Endowment</u>	<u>Amounts Of Net Appreciation</u>	<u>Reported in Net Assets</u>
True Endowments	\$0.00	Restricted for Nonexpendable
Term Endowments	\$3,530,738.45	Restricted for Expendable
True Endowments	\$29,878,156.96	Restricted for Expendable

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

The fiscal year 2017 Sam Houston State University spending policy for endowments was to distribute as much of the total return allowable while maintaining the principle investment objective of protecting the real value of the endowment corpus.

Note 23: Extraordinary and Special Items

Not Applicable.

Sam Houston State University had no special or extraordinary items to report for the fiscal year ended August 31, 2017.

Note 24: Disaggregation of Receivable and Payable Balance

Sam Houston State University had the following aggregate receivable and payable balances as of August 31, 2017:

Current Receivables**Federal Receivables**

Instructional and Departmental Research	\$ 490,768.64
Public Service	
Financial Aid	3,249,698.07
Academic Support	
Total Net Federal Receivable	<u>\$ 3,740,466.71</u>

As Reported on the Financial Statements

Current Federal Receivable	\$ 3,740,466.71
Non-Current Federal Receivable	
Total Net Federal Receivable	<u>\$ 3,740,466.71</u>

Accounts Receivable

Allowance for Doubtful Accounts	\$ (7,839,280.61)
Returned Checks	421,855.43
Contracts and Grants	9,727,153.46
Auxiliaries	9,695,100.93
Tuition and Fees Receivable	28,688,360.84
Other Receivables	169,301.94
Total Net Accounts Receivable	<u>\$ 40,862,491.99</u>

Noncurrent Receivables

Gifts, Pledges and Donations	\$ 5,799,592.21
------------------------------	-----------------

Current Payables**Accounts Payable**

Taxes Payable	\$ 18,625.17
Construction Retainage	5,505,670.72
Construction Related Accounts Payable	7,996,000.74
Other Payables	1,869,076.95
Total Accounts Payable	<u>\$ 15,389,373.58</u>

Noncurrent Payables

The amount shown on the Statement of Net Position for “Other Non-Current Liabilities,” consists of the following:

Other Non-Current Liabilities	
Student Deposit Payables	\$ 1,202,328.89

Note 25: Termination Benefits

Not Applicable.

During the fiscal year ended August 31, 2017, Sam Houston State University did not provide termination benefits.

Note 26: Segment Information

Not applicable.

Sam Houston State University does not report Enterprise Funds, nor does it use enterprise fund accounting and reporting standards.

Note 27: Service Concession Arrangements

Not applicable.

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

Not applicable.

Note 29: Troubled Debt Restructuring

Not applicable.

Note 30: Non-Exchange Financial Guarantees

Not applicable.

Note 31: Tax Abatements

Not applicable.

Note 32: Fund Balances

Not applicable.

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Sam Houston 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	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From			Direct Program Amount	Total PT From and Direct Prog. Amount	Agy/ 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				
Corporation for National and Community Service Program Development and Innovation Grants	94.007	Iowa Campus Compact/ 270600			1,550.00		1,550.00					1,550.00	1,550.00		
Totals - Corporation for National and Community Service				\$	0.00	\$	1,550.00	\$	0.00	\$	0.00	\$	1,550.00	\$	1,550.00
Environmental Protection Agency <u>Direct Programs:</u> Multi-Media Capacity Building Grants for States and Tribes	66.709						36,705.05					36,705.05	36,705.05		
Totals - Environmental Protection Agency				\$	0.00	\$	0.00	\$	0.00	\$	0.00	\$	36,705.05	\$	36,705.05
Executive Office of the President <u>Direct Programs:</u> High Intensity Drug Trafficking Areas Program	95.001						926,865.95					926,865.95	926,865.95		
Totals - Executive Office of the President				\$	0.00	\$	0.00	\$	0.00	\$	0.00	\$	926,865.95	\$	926,865.95
Institute of Museum and Library Services <u>Direct Programs:</u> Grants to States	45.310						43,744.36					43,744.36	43,744.36		
<u>Pass-Through From:</u> Grants to States	45.310											4,993.20	4,993.20		
<u>Pass-Through From:</u> Texas State Library and Archives Commission			306	\$	4,993.20										
Totals - Institute of Museum and Library Services				\$	4,993.20	\$	0.00	\$	43,744.36	\$	0.00	\$	48,737.56	\$	48,737.56
National Science Foundation Social, Behavioral, and Economic Sciences	47.075	Arizona State University/ 270520					36,304.92					36,304.92	36,304.92		
Totals - National Science Foundation				\$	0.00	\$	36,304.92	\$	0.00	\$	0.00	\$	36,304.92	\$	36,304.92
Small Business Administration <u>Pass-Through From:</u> Small Business Development Centers	59.037											133,376.60	133,376.60		
<u>Pass-Through From:</u> University of Houston			730		133,376.60										
Totals - Small Business Administration				\$	133,376.60	\$	0.00	\$	0.00	\$	0.00	\$	133,376.60	\$	133,376.60
U.S. Department of the Interior <u>Direct Programs:</u> Cooperative Research and Training Programs - Resources of the National Park System	15.945						3,345.54					3,345.54	3,345.54		
Totals - U.S. Department of the Interior				\$	0.00	\$	0.00	\$	3,345.54	\$	0.00	\$	3,345.54	\$	3,345.54
U.S. Department of Agriculture Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	10.326	Middle Tennessee State University/ 270580					34,479.49					34,479.49	34,479.49		
<u>Direct Programs:</u> Plant and Animal Disease, Pest Control, and Animal Care	10.025						132,213.97					132,213.97	132,213.97		
Capacity Building for Non-Land Grant Colleges of	10.326						200,351.48			90,000.00		110,351.48	200,351.48		
<u>Pass-Through From:</u> Plant and Animal Disease, Pest Control, and Animal Care	10.025											145.08	145.08		
<u>Pass-Through From:</u> Texas A&M Forest Service			576		145.08										
Totals - U.S. Department of Agriculture				\$	145.08	\$	34,479.49	\$	332,565.45	\$	90,000.00	\$	277,190.02	\$	367,190.02

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Sam Houston 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	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From		Direct Program Amount	Total PT From and Direct Prog. Amount	Agy/ 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		
U.S. Department of Education												
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	National Writing Project/ 280630			18,736.88		18,736.88			18,736.88	18,736.88	
Pass-Through From:												
Charter Schools	84.282						376,128.60			376,128.60	376,128.60	
<i>Pass-Through From:</i>												
<i>Texas Education Agency</i>			701		376,128.60							
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367						84,528.33			84,528.33	84,528.33	
<i>Pass-Through From:</i>												
<i>Texas Higher Education Coordinating Board</i>			781		84,528.33							
Totals - U.S. Department of Education					\$ 460,656.93	\$ 18,736.88	\$ 0.00	\$ 479,393.81	\$ 0.00	\$ 0.00	\$ 479,393.81	\$ 479,393.81
U.S. Department of Health and Human Services												
Drug-Free Communities Support Program Grants	93.276	CASAColumbia/ 280600			29,382.15		29,382.15			29,382.15	29,382.15	
Totals - U.S. Department of Health and Human Services					\$ 0.00	\$ 29,382.15	\$ 0.00	\$ 29,382.15	\$ 0.00	\$ 0.00	\$ 29,382.15	\$ 29,382.15
U.S. Department of Homeland Security												
Centers for Homeland Security	97.061	University of Southern California/ 270530			1,967.14		1,967.14			1,967.14	1,967.14	
Totals-U.S. Department of Homeland Security					\$ 0.00	\$ 1,967.14	\$ 0.00	\$ 1,967.14	\$ 0.00	\$ 0.00	\$ 1,967.14	\$ 1,967.14
U.S. Department of Justice												
Direct Programs:												
OVW Research and Evaluation Program	16.026						57,101.21			57,101.21	57,101.21	
National Institute of Justice W.E.B. DuBois Fellowship Program	16.566						47,059.72			26,887.08	47,059.72	
Special Data Collections and Statistical Studies	16.734						16,583.25		20,172.64	16,583.25	16,583.25	
Pass-Through From:												
Edward Byrne Memorial Justice Assistance Grant Program	16.738						186,505.88			186,505.88	186,505.88	
<i>Pass-Through From:</i>												
<i>Governor - Fiscal</i>			300		186,505.88							
Totals - U.S. Department of Justice					\$ 186,505.88	\$ 0.00	\$ 120,744.18	\$ 307,250.06	\$ 0.00	\$ 20,172.64	\$ 287,077.42	\$ 307,250.06
U.S. Department of State												
AEECA/ESF PD Programs	19.900	Eurasia Foundation/ 280660			10,619.68		10,619.68			10,619.68	10,619.68	
Totals - U.S. Department of State					\$ 0.00	\$ 10,619.68	\$ 0.00	\$ 10,619.68	\$ 0.00	\$ 0.00	\$ 10,619.68	\$ 10,619.68
Research & Development Cluster												
National Science Foundation												
Direct Programs:												
Mathematical and Physical Sciences	47.049						41,620.84			41,620.84	41,620.84	
Geosciences	47.050						4,956.43			4,956.43	4,956.43	
Computer and Information Science and Engineering	47.070						39,656.16		8,389.65	31,266.51	39,656.16	
Biological Sciences	47.074						35,606.64			35,606.64	35,606.64	
Education and Human Resources	47.076						40,416.68			40,416.68	40,416.68	
Totals - National Science Foundation					\$ 0.00	\$ 0.00	\$ 162,256.75	\$ 162,256.75	\$ 8,389.65	\$ 153,867.10	\$ 162,256.75	
U.S. Department of the Interior												
Direct Programs:												
SECURE Water Act - Research Agreements	15.560						229,865.28			57,368.23	229,865.28	
<i>Pass-Through To:</i>												
<i>University of North Texas Health Science Center at Fort Worth</i>								763	172,497.05			
U.S. Geological Survey Research and Data Collection	15.808						6,113.91			6,113.91	6,113.91	
Pass-Through From:												
SECURE Water Act - Research Agreements	15.560						11,940.62			11,940.62	11,940.62	
<i>Pass-Through From:</i>												
<i>University of North Texas Health Science Center at Fort Worth</i>			763		11,940.62							
Cooperative Endangered Species Conservation Fund	15.615						33,565.11			33,565.11	33,565.11	
<i>Pass-Through From:</i>												
<i>Parks and Wildlife Department</i>			802		33,565.11							
Totals - U.S. Department of the Interior					\$ 45,505.73	\$ 0.00	\$ 235,979.19	\$ 281,484.92	\$ 172,497.05	\$ 0.00	\$ 108,987.87	\$ 281,484.92

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Sam Houston 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	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From		Direct Program Amount	Total PT From and Direct Prog. Amount	Agy/ 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		
U.S. Department of Agriculture												
Pass-Through From:												
Higher Education - Institution Challenge Grants Program	10.217						29,298.13				29,298.13	29,298.13
<i>Pass-Through From:</i>												
<i>Texas A&M AgriLife Research</i>			556	29,298.13								
Integrated Programs	10.303						6,034.92				6,034.92	6,034.92
<i>Pass-Through From:</i>												
<i>Texas A&M AgriLife Research</i>			556	6,034.92								
Totals - U.S. Department of Agriculture				\$ 35,333.05	\$ 0.00	\$ 0.00	\$ 35,333.05		\$ 0.00	\$ 0.00	\$ 35,333.05	\$ 35,333.05
U.S. Department of Justice												
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	Arizona State University/ 270490			215,679.18		215,679.18		143,515.86		72,163.32	215,679.18
		Arizona State University/ 270490			35,482.97		35,482.97				35,482.97	35,482.97
		Florida State University/ 270620			38,100.42		38,100.42				38,100.42	38,100.42
		McCrone Research Insitute, Inc./ 280730			15,250.47		15,250.47				15,250.47	15,250.47
		University of Colorado/ 270280			3,503.08		3,503.08				3,503.08	3,503.08
Smart Prosecution Initiative	16.825	Harris County - Texas/ 270460			20,559.41		20,559.41				20,559.41	20,559.41
Direct Programs:												
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560					150,793.66	150,793.66				150,793.66	150,793.66
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560					166,980.58	166,980.58		69,002.60		31,171.52	166,980.58
<i>Pass-Through To:</i>												
<i>Texas State University</i>								754	66,806.46			
Criminal Justice Research and Development Graduate Research Fellowships	16.562					174,556.12	174,556.12				174,556.12	174,556.12
Totals - U.S. Department of Justice				\$ 0.00	\$ 328,575.53	\$ 492,330.36	\$ 820,905.89		\$ 66,806.46	\$ 212,518.46	\$ 541,580.97	\$ 820,905.89
Highway Safety Cluster												
U.S. Department of Transportation												
Pass-Through From:												
State and Community Highway Safety	20.600						8,095.19				8,095.19	8,095.19
<i>Pass-Through From:</i>												
<i>Texas Department of Transportation</i>			601	8,095.19								
National Priority Safety Programs	20.616						565,884.20				565,884.20	565,884.20
<i>Pass-Through From:</i>												
<i>Texas Department of Transportation</i>			601	565,884.20								
Totals - U.S. Department of Transportation				\$ 573,979.39	\$ 0.00	\$ 0.00	\$ 573,979.39		\$ 0.00	\$ 0.00	\$ 573,979.39	\$ 573,979.39
Student Financial Assistance Cluster												
U.S. Department of Education												
Direct Programs:												
Federal Supplemental Educational Opportunity Grants	84.007					487,021.00	487,021.00				487,021.00	487,021.00
Federal Work-Study Program	84.033					547,914.17	547,914.17				547,914.17	547,914.17
Federal Perkins Loan Program Federal Capital Contributions	84.038					104,290.00	104,290.00				104,290.00	104,290.00
Federal Pell Grant Program	84.063					32,146,243.59	32,146,243.59				32,146,243.59	32,146,243.59
Federal Direct Student Loans	84.268					117,480,738.00	117,480,738.00				117,480,738.00	117,480,738.00
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379					156,002.00	156,002.00				156,002.00	156,002.00
Totals - U.S. Department of Education				\$ 0.00	\$ 0.00	\$ 150,922,208.76	\$ 150,922,208.76		\$ 0.00	\$ 0.00	\$ 150,922,208.76	\$ 150,922,208.76
TRIO Cluster												
U.S. Department of Education												
Direct Programs:												
TRIO Student Support Services	84.042					227,189.65	227,189.65				227,189.65	227,189.65
TRIO McNair Post-Baccalaureate Achievement	84.217					241,751.34	241,751.34				241,751.34	241,751.34
Totals - U.S. Department of Education				\$ 0.00	\$ 0.00	\$ 468,940.99	\$ 468,940.99		\$ 0.00	\$ 0.00	\$ 468,940.99	\$ 468,940.99
Total Expenditures of Federal Awards				\$ 1,440,495.86	\$ 461,615.79	\$ 153,745,686.58	\$ 155,647,798.23		\$ 239,303.51	\$ 331,080.75	\$ 155,077,413.97	\$ 155,647,798.23

Note 1 - Non Monetary Assistance

Donation of Federal Surplus Property

\$ -

Total Non-Monetary Assistance \$ -

SHSU does not show any Non-Monetary Assistance for FY17.

Note 2 - Reconciliation

**Per Combined Governmental Operating Statement
Statement of Activities and Proprietary Statement of Changes in
Revenues, Expenses and Net Assets**

		2015	2016	2017
Federal Revenue				
Proprietary Funds				
Operating	Exhibit IV/SRECNA	\$ 4,514,647.17	\$ 4,679,347.58	\$ 4,540,255.78
Non-Operating	Exhibit IV/SRECNA	\$ 30,834,569.45	\$ 30,485,009.61	\$ 32,146,243.59
Capital Contributions	Exhibit IV/SRECNA			
Total Federal Revenue		\$ 35,349,216.62	\$ 35,164,357.19	\$ 36,686,499.37
Federal Pass-Through Revenue				
Proprietary Funds				
Operating	Federal Pass-Through Revenue from Other State Agencies (SRECNA)	\$ 856,148.68	\$ 868,945.92	\$ 1,440,495.86
Non-Operating	Federal Pass-Through Revenue from Other State Agencies (SRECNA)	\$ 22,782.45	\$ 17,949.70	\$ -
		\$ -	\$ -	\$ -
Total Federal Pass-Through Revenue		\$ 878,931.13	\$ 886,895.62	\$ 1,440,495.86
Total Federal & Federal Pass-Through Revenue		\$ 36,228,147.75	\$ 36,051,252.81	\$ 38,126,995.23
Reconciling Items:				
Non-monetary Items				
	Donation of Federal Surplus Personal Property	\$ -	\$ -	\$ -
Total Non-monetary Items		\$ -	\$ -	\$ -
New Loans Processed:				
	Federal Family Education Loans	84.032	\$ -	\$ -
	Federal Perkins Loan Program	84.038	\$ 99,954.00	\$ 21,685.00
	Federal Direct Student Loans	84.268	\$ 96,305,259.00	\$ 104,819,341.00
			\$ 117,480,738.00	
Total New Loans Processed		\$ 96,405,213.00	\$ 104,841,026.00	\$ 117,520,803.00
Total Reconciliation Items		\$ 96,405,213.00	\$ 104,841,026.00	\$ 117,520,803.00
Total Per Note 2		\$ 132,633,360.75	\$ 140,892,278.81	\$ 155,647,798.23
Total Pass Through & Expenditures per Federal Schedule		\$ 132,633,360.75	\$ 140,892,278.81	\$ 155,647,798.23
Difference		\$ -	\$ -	\$ -

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Note 3a- Student Loans Processed and Administrative Costs Recovered

CFDA #	Beginning Balance of Outstanding Loan as of 8/31/16	New Loans Processed	*CY Admin Cost Recovered, includes PYs only if applicable	Total Loans Processed and Admin Cost Recovered (From Schedule)	Repayment/ Adjustment Activity (PY + CY)	**Outstanding Balance of Loans as of 8/31/17, includes all FYs
84.038 Federal Perkins Loan Program***	\$ 528,359.48	\$ 40,065.00	\$ 64,225.00	\$ 104,290.00	\$ 148,558.22	\$ 484,091.26
84.268 Federal Direct Loan Program	\$ -	\$ 117,480,738.00	\$ -	\$ 117,480,738.00	\$ 117,480,738.00	\$ -
Total	\$ 528,359.48	\$ 117,520,803.00	\$ 64,225.00	\$ 117,585,028.00	\$ 117,629,296.22	\$ 484,091.26

* Admin Cost Recovered includes administration cost and any interest subsidy related to student loans processed.

** Confirm on Servicer Report

*** Campus Partners is used as part of processing loans under the Perkins Program.

UNAUDITED

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

CFDA #	Beginning Balance of Outstanding Loan as of 8/31/16	New Loans Processed	*CY Admin Cost Recovered, includes PYs only if applicable	Total Loans Processed and Admin Cost Recovered (From Schedule)	Repayment/ Adjustment Activity (PY + CY)	**Outstanding Balance of Loans as of 8/31/17, includes all FYs
84.007 SEOG	\$ -	\$ 482,708.00	\$ 4,313.00	\$ 487,021.00	\$ 487,021.00	\$ -
84.063 Federal Pell Program	\$ -	\$ 32,107,868.59	\$ 38,375.00	\$ 32,146,243.59	\$ 32,146,243.59	\$ -
Total	\$ -	\$ 32,590,576.59	\$ 42,688.00	\$ 32,633,264.59	\$ 32,633,264.59	\$ -

* Admin Cost Recovered includes administration cost and any interest subsidy related to student loans processed.

** Confirm on Servicer Report

Sam Houston State University
Schedule 1B
State Pass-Through Grants from Other State Agencies
For the Year Ended August 31, 2017

Pass Through From:

Agency Name

Texas State Board of Public Accountancy		
Fifth Year Accounting Student Scholarship Program	\$	12,007.00
University of Texas System		
Joint Admission Medical Program (JAMP)	\$	12,540.68
Texas Higher Education Coordinating Board		
Minority Health Research And Education	\$	196,447.85
Nursing and Allied Health	\$	11,951.00
TEXAS Grant Program	\$	12,517,638.00
Professional Nursing Shortage Reduction Program	\$	606,689.14
College Work Study Program	\$	122,822.00
Top 10% Scholarships	\$	76,000.00
Developmental Education Program	\$	40,156.69
Autism - BCBA Training	\$	12,209.44
Educational Aide Program	\$	30,576.00
Total State Pass-Thru Grant Revenue	\$	13,639,037.80

Pass Through To:

None.

SAM HOUSTON STATE UNIVERSITY
SCHEDULE 2A
MISCELLANEOUS BOND INFORMATION
For the Year Ended August 31, 2017

Schedule Not Used

**SAM HOUSTON STATE UNIVERSITY
SCHEDULE 2B
CHANGES IN BOND INDEBTEDNESS
For the Year Ended August 31, 2017**

Schedule Not Used

SAM HOUSTON STATE UNIVERSITY
SCHEDULE 2C
DEBT SERVICE REQUIREMENTS
For the Year Ended August 31, 2017

Schedule Not Used

SAM HOUSTON STATE UNIVERSITY
SCHEDULE 2D
ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE
For the Year Ended August 31, 2017

Business Type Activities
General Obligation Bonds

Schedule Not Used

Business Type Activities
Revenue Bonds

Schedule Not Used

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

Schedule Not Used

**SAM HOUSTON STATE UNIVERSITY
SCHEDULE 2F
EARLY EXTINGUISHMENT AND REFUNDING
For the Year Ended August 31, 2017**

**Business Type Activities
General Obligation Bonds**

Schedule Not Used

**Business Type Activities
Revenue Bonds**

Schedule Not Used

SAM HOUSTON STATE UNIVERSITY
SCHEDULE 3
RECONCILIATION OF CASH IN STATE TREASURY
August 31, 2017

<u>Cash in State Treasury</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Current Year Total</u>
Local Revenue Fund 259	\$ 12,301,250.11		\$ 12,301,250.11
Law Enforcement Mgt. Institute Fund 581	\$ 1,805,318.10		\$ 1,805,318.10
CJ Correctional Management Institute Fund 5083	\$ 510,851.24		\$ 510,851.24
Total Cash in State Treasury (Stmt of Net Assets)	<u>\$ 14,617,419.45</u>	<u>\$ -</u>	<u>\$ 14,617,419.45</u>

SAM HOUSTON STATE UNIVERSITY
SCHEDULE 4
HIGHER EDUCATION ASSISTANCE FUND
For the Year Ended August 31, 2017

UNAUDITED

	<u>Totals</u>
	\$
Balance September 1, 2016	<u>4,984,531.89</u>
REVENUES	
Appropriations	<u>17,329,858.00</u>
Total Revenues	<u>17,329,858.00</u>
EXPENSES	
Capital Expenditures	6,391,082.86
Professional Fees and Services	48,911.51
Materials and Supplies	2,379,838.32
Repairs and Maintenance	46,051.40
Service	212,586.78
Interest	19.92
Real Property	524,233.87
Other Expenses	<u>715,774.62</u>
Total Expenses	<u>10,318,499.28</u>
	\$
BALANCE AT AUGUST 31, 2017	<u><u>11,995,890.61</u></u>

