



Dana G. Hoyt

Sam Houston State University

A Member of The Texas State University System

OFFICE OF THE PRESIDENT

November 20, 2014

Honorable Rick Perry, Governor
Honorable Susan Combs, State Comptroller
Ursula Parks, Director, Legislative Budget Board
John Keel, CPA, 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, 2014, 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 Aaron LeMay, Controller, at (936) 294-3899.

Sincerely,

A handwritten signature in cursive script that reads "Dana G. Hoyt".

Dana G. Hoyt
President

UNAUDITED

FINANCIAL REPORT

SAM HOUSTON STATE UNIVERSITY

For the Year Ended August 31, 2014

Huntsville, Texas

UNAUDITED

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Sam Houston State University

A Member of The Texas State University System

November 20, 2014

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

Dear Dr. Hoyt:

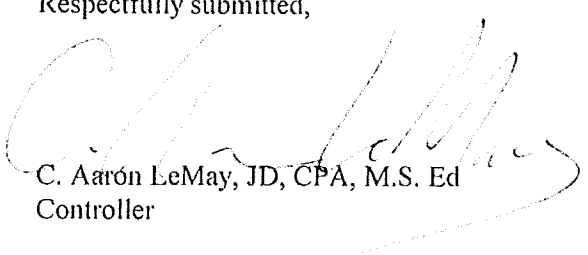
Submitted herein is the Annual Financial Report of Sam Houston State University for the fiscal year ended August 31, 2014.

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.

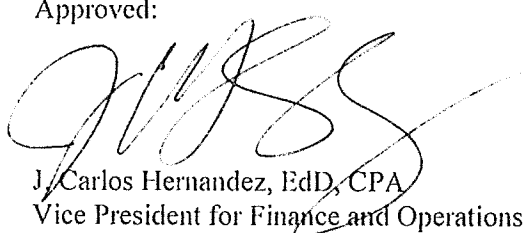
If you have any questions, please contact Aaron LeMay, Controller, at (936) 294-3899.

Respectfully submitted,

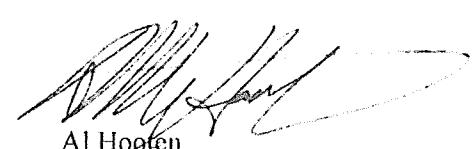


C. Aaron LeMay, JD, CPA, M.S. Ed
Controller

Approved:



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



Al Hoeten
Executive Vice President for Administration

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BOARD OF REGENTS
TEXAS STATE UNIVERSITY SYSTEM

August 31, 2014

OFFICERS

Donna N. Williams Chairman

MEMBERS

Terms Expire May 31, 2015
Anna Sandoval, Student Regent Alpine

Terms Expire February 1, 2015
Kevin J. Lilly Houston
Ron Mitchell, Vice Chair Horseshoe Bay
David Montagne Beaumont

Terms Expire February 1, 2017
Dr. Jaime R. Garza San Antonio
Rossanna Salazar Austin
Donna N. Williams Arlington

Terms Expire February 1, 2019
Charlie Amato San Antonio
Vernon Reaser III Bellaire
William F. Scott Nederland

Chancellor
Brian McCall, Ph.D.

ADMINISTRATIVE OFFICIALS
SAM HOUSTON STATE UNIVERSITY

PRESIDENT

Dana G. Hoyt, Ph.D.

FISCAL OFFICE

Al Hooten	Executive Vice President for Administration
J. Carlos Hernandez, EdD, CPA	Vice President for Finance and Operations
C. Aaron LeMay, JD, CPA, M.S. Ed	Controller

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Sam Houston State University
 Texas State University System
 Student Enrollment Data
 For the Year Ended August 31, 2014

TYPE OF STUDENT	NUMBER OF STUDENTS BY SEMESTER			
	FALL 2013	SPRING 2014	SUMMER TERM 2014	
			FIRST	SECOND
Texas Residents	14,304	13,072	2,608	3,885
Out of State (Classified as Residents)	104	98	20	20
Out of State	401	312	139	73
Foreign	364	361	174	47
Children of Disabled Firemen or Peace Officers	3	3	2	2
Children of Deceased Public Servants	3	3	1	2
Peace Officer	36	28	16	
Concurrent Enrollment				
Foster Children of the State	28	27	18	14
Good Neighbor	7	7	2	1
High School Honor Scholarships				
High Ranking Senior	17	19		
Hazelwood Act	240	251	131	96
Senior Citizens	3	3		
Commission for the Blind/Deaf	48	45	21	14
Fireman Exempt	4	4	6	
Thesis Only				
Nursing				
Faculty/Staff	147	102	56	24
Teaching Assistants	75	82	51	4
Competitive Scholarships	193	202	78	55
Military Personnel and Dependents	609	561	211	164
Louisiana Adjacent County				
Mexico Pilot				
National Student Exchange Program				
Reciprocal Exchange International	18	12		
New Mexico Adjacent County				
Texas Tomorrow Waiver	296	263	64	51
Adopted Students	45	41	13	10
Pase				
Distance Learning	2,283	2,207	2,868	
Family & Consumer Science Alliance Agreement				
Clinical Preceptor Exempt	2	1	1	1
Beaumont-Louisiana Non-resident				
Economic Development	1	1	1	
Multi Texas University				
TDCJ-54.218 Education Code				
Trio Grant Math 0301				
HB 1406 Non US Citizen				
Totals	<u>19,231</u>	<u>17,705</u>	<u>6,481</u>	<u>4,463</u>

Enrollment Data (Fall Semester)

Fiscal Year	STUDENTS	SEMESTER HOURS
2014	19,231	226,910
2013	18,538	220,607
2012	17,636	209,816
2011	17,291	207,288
2010	16,772	203,717

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SAM HOUSTON STATE UNIVERSITY

PROPRIETARY FUND STATEMENTS

**Texas State University System
Sam Houston State University
Statement of Net Position
August 31, 2014**

Total**ASSETS AND DEFERRED OUTFLOWS**

Current Assets:

Cash and Cash Equivalents (Note 3)

Cash on Hand	26,850.00
Cash in Bank	34,451,868.75
Cash in Transit/Reimburse from Treasury	2,024,018.18
Cash in State Treasury	6,456,733.83 (schedule 3)
Cash Equivalents	83,103,494.02

Securities Lending Collateral

Short Term Investments (Note 3)

Restricted:

Cash and Cash Equivalents (Note3)

Cash on Hand	
Cash in Bank	721,326.73
Cash in Transit/Reimburse from Treasury	
Cash in State Treasury	(schedule 3)
Cash Equivalents	9,574,478.49

Short Term Investments (Note 3)

Legislative Appropriations 10,506,992.38

Receivables:

Federal	2,280,886.37
Other Intergovernmental	15,174.18
Interest and Dividends	
Accounts	27,797,273.52
Gifts	15,024.02
Investment Trades	
Other	944,346.11

Interfund Receivable (Note 12)

Due From Other Agencies (Note 12) 376,492.13

Consumable Inventories

Merchandise Inventories 462,170.78

Prepaid Items 85,735.10

Loans and Contracts 3,079,691.08

Other Current Assets 23,875,799.04

Total Current Assets

205,798,354.71

**Texas State University System
Sam Houston State University
Statement of Net Position
August 31, 2014**

Total

Non-Current Assets:		
Restricted:		
Cash and Cash Equivalents (Note 3)		
Cash on Hand		
Cash in Bank		
Cash in Transit/Reimburse from Treasury		
Cash in State Treasury		
Cash Equivalents		
Short Term Investments (Note3)		
Receivables	38,402.67	
Investments (Note 3)	112,659,916.34	
Loans and Contracts		
Other Assets		
Deferred Charges		
Loans and Contracts		
Investments (Note 3)		
Interfund Receivables (Note 12)		
Gifts, Pledges and Donations Receivables		
Capital Assets: (Note 2)		
Non-Depreciable:		
Land and Land Improvements	27,519,945.99	
Infrastructure		
Construction in Progress	15,493,986.33	
Other Capital Assets	759,903.50	
Depreciable:		
Buildings and Building Improvements	415,017,706.55	
Less Accumulated Depreciation	-202,300,938.93	
Infrastructure	14,848,776.65	
Less Accumulated Depreciation	-6,590,132.24	
Facilities and Other Improvements	23,937,088.39	
Less Accumulated Depreciation	-9,855,399.33	
Furniture and Equipment	34,357,961.67	
Less Accumulated Depreciation	-23,684,543.42	
Vehicles, Boats, and Aircraft	4,358,862.56	
Less Accumulated Depreciation	-2,949,826.31	
Other Capital Assets	13,648,410.32	
Less Accumulated Depreciation	-9,333,652.99	
Amortizable Assets-Intangible	3,243,398.02	
Less Accumulated Amortization	-2,022,773.11	
Other Non-Current Assets		
Total Non-Current Assets	409,147,092.66	
Total Assets	614,945,447.37	

DEFERRED OUTFLOWS

Derivative Hedging Instrument Assets

**Texas State University System
Sam Houston State University
Statement of Net Position
August 31, 2014**

	Total
Deferred Outflow of Resources	
Total Deferred Outflows	0.00
Total Assets and Outflows	614,945,447.37
 LIABILITIES AND DEFERRED INFLOWS	
Current Liabilities:	
Payables:	
Accounts	7,714,231.18
Investment Trades	
Payroll	5,201,602.73
Other Intergovernmental	
Federal	
Interest	
Other	
Interfund Payable (Note 12)	
Due to Other Agencies (Note 12)	576,745.31
Unearned Revenues	107,204,232.06
Notes and Loans Payable (Note 5)	
Revenue Bonds Payable, Net (Note 5, 6)	
General Obligation Bonds Payable, Net (Note 5, 6)	
Claims and Judgments (Note 5)	
Employees' Compensable Leave (Note 5)	3,436,140.19
Capital Lease Obligations (Note 5, 8)	
Contract Retainage Payable	
Liabilities Payable from Restricted Assets	
Obligations/Reverse Repurchase Agreements	
Obligations Under Securities Lending	
Funds Held for Others	904,383.73
Other Current Liabilities	
Total Current Liabilities	125,037,335.20
Non-Current Liabilities:	
Interfund Payables (Note 8)	
Notes and Loans Payable (Note 5)	
Revenue Bonds Payable, Net (Note 5, 6)	
General Obligation Bonds Payable, Net (Note 5, 6)	
Claims and Judgments (Note 5)	
Employees' Compensable Leave (Note 5)	2,283,211.96
Capital Lease Obligations (Note 5, 8)	
Liabilities Payable from Restricted Assets	
Assets Held for Others	
Pollution Remediation Obligations	
Other Non-Current Liabilities	4,344,943.76
Total Non-Current Liabilities	6,628,155.72
Total Liabilities	131,665,490.92

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**Texas State University System
Sam Houston State University
Statement of Net Position
August 31, 2014**

	Total
DEFERRED INFLOWS	
Derivative Instrument Liabilities	
Deferred Inflow of Resources	
Total Deferred Inflows	<u>0.00</u>
Total Liabilities and Inflows	<u>131,665,490.92</u>

**Texas State University System
Sam Houston State University
Statement of Net Position
August 31, 2014**

	Total
NET POSITION	
Invested in Capital Assets, Net of Related Debt	296,448,773.65
Restricted For	
Education	
Debt Retirement	
Capital Projects	4,529,289.64
Employee Benefits	
Funds Held As Permanent Investments:	
Non-Expendable	92,073,515.33
Expendable	
Other	13,058,056.42
Unrestricted	<u>77,170,321.41</u>
Total Net Position	483,279,956.45

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Texas State University System
Sam Houston State University
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended August 31, 2014

	Total
OPERATING REVENUES	
Sales of Goods and Services	
Tuition and Fees - Pledged	160,841,845.62
Discounts and Allowances	-40,123,459.08
Professional Fees	
Professional Fees - Pledged	
Discounts and Allowances	
Auxiliary Enterprises	
Auxiliary Enterprises - Pledged	37,091,946.10
Discounts and Allowances	
Other Sales of Goods and Services	
Other Sales of Goods and Services - Pledged	4,350,658.77
Discounts and Allowances	
Interest and Investment Income	
Interest and Investment Income Pledged	
Net Increase (Decrease) Fair Market Value	
Net Increase (Decrease) Fair Market Value - Pledged	
Federal Revenue-Operating	4,733,960.84
Federal Pass-Through Revenue	1,417,232.75
State Grant Revenue	454,859.97
State Grant Pass-Through Revenue	11,435,792.26
Other Grants and Contracts	267,178.82
Other Grants and Contracts - Pledged	
Other Operating Revenues	
Other Operating Revenues - Pledged	7,090,430.03
Total Operating Revenues	187,560,446.08
OPERATING EXPENSES	
Instruction	83,239,528.91
Research	3,919,627.91
Public Service	11,827,791.16
Academic Support	34,038,129.15
Student Services	21,085,642.86
Institutional Support	19,662,733.17
Operation and Maintenance of Plant	17,854,129.88
Scholarship and Fellowships	25,911,100.56
Auxiliary Enterprise Expenditures	38,154,645.77
Depreciation and Amortization	20,615,756.98
Total Operating Expenses	276,309,086.35
Operating Income (Loss)	-88,748,640.27
NONOPERATING REVENUES (EXPENSES):	
Legislative Revenue	43,504,925.00
Additional Appropriations	10,987,875.23
Federal Revenue	28,094,149.95
Federal Pass-Through Revenue	
State Grant Pass-Through Revenue	
Gifts	4,405,609.97
Gifts - Pledged	

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Texas State University System
Sam Houston State University
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended August 31, 2014

	Total
Land Income	
Interest and Investment Income (Expense)	2,384,730.76
Interest and Investment Income (Expense) - Pledged	799,066.85
Loan Premium/Fees Securities Lending	
Investing Activities Expenses	
Interest Expenses and Fiscal Charges	
Borrower Rebates and Agent Fees	
Gain (Loss) on Sale of Capital Assets	-361,326.80
Net Increase (Decrease) in Fair Value of Investments	9,367,968.55
Net Increase (Decrease) in Fair Value of Investments - Pledged	
Settlement of Claims	-251,317.41
Other Nonoperating Revenues	69,200.44
Other Nonoperating Expenses	-65,276.33
Total Nonoperating Revenues (Expenses)	98,935,606.21
Income (Loss) before Other Revenues, Expenses, Gains/Losses and Transfers	10,186,965.94
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS	
Capital Contributions	
Capital Appropriations (HEAF)	11,893,110.00
Federal Grant - Capital Grant Contributions	
Contributions to Permanent and Term Endowments	6,121,382.19
Special Items	
Extraordinary Items	
Increase NA Interagency Transfer Capital Assets	2,236,073.82
Decrease NA Interagency Transfer Capital Assets	-753,750.00
Transfer In	8,000,000.00
Transfer Out	-15,346,084.66
Legislative Transfer In	
Legislative Transfer Out	-2,672,584.00
Lapses	
Total Other Revenues, Expenses, Gains/Losses and Transfers	9,478,147.35
Change in Net Position	19,665,113.29
Net Position, September 1, 2013	473,317,154.15
Restatements	-9,702,310.99
Net Position, September 1, 2013, as Restated	463,614,843.16
NET POSITION, August 31, 2014	483,279,956.45

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Texas State University System
 Sam Houston State University
 Matrix of Operating Expenses Reported by Function
 For the Fiscal Year Ended August 31, 2014

Operating Expenses	Instruction	Research	Hospitals and Clinics	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	1,973.11	0.00	0.00	28,158.82	34,782.97	78,410.21	1,115.10	0.00	0.00	379,929.65	0.00	524,369.86
Salaries and Wages	60,793,469.55	1,951,829.99	0.00	5,970,191.17	16,995,593.78	11,471,559.64	11,108,078.16	7,290,760.54	641,675.87	9,974,523.46	0.00	126,197,682.26
Payroll Related Costs	14,005,607.87	407,913.90	0.00	1,428,275.09	3,780,008.52	3,080,307.73	3,437,176.82	2,364,591.84	2,728.34	2,658,884.23	0.00	31,165,494.34
Professional Fees and Services	376,436.09	51,311.32	0.00	479,503.32	440,586.09	294,432.08	704,633.12	550,263.88	0.00	602,518.22	0.00	3,499,684.12
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	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	0.00
Travel	2,014,158.94	261,139.33	0.00	189,287.04	750,438.63	438,244.99	217,997.52	22,348.18	0.00	1,651,166.79	0.00	5,544,781.42
Materials and Supplies	2,343,265.93	357,422.45	0.00	1,258,429.89	5,615,915.47	2,433,080.39	2,100,322.57	1,910,028.32	0.00	11,571,994.05	0.00	27,590,459.07
Communications and Utilities	116,391.35	18,016.21	0.00	223,678.67	3,642,034.01	626,866.99	51,627.84	3,579,999.50	0.00	2,289,095.38	0.00	10,547,509.95
Repairs and Maintenance	187,558.46	181,328.52	0.00	54,999.25	1,110,450.77	184,553.33	159,223.19	1,883,092.37	0.00	1,233,136.40	0.00	4,994,342.29
Rentals and Leases	204,499.28	22,756.92	0.00	254,578.70	229,471.59	257,239.30	297,188.72	8,596.87	0.00	574,143.51	0.00	1,848,474.89
Printing and Reproduction	27,116.83	511.30	0.00	15,331.58	57,537.70	167,683.16	113,786.58	1,773.50	0.00	288,803.33	0.00	672,543.98
Depreciation and Amortization*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20,615,756.98	20,615,756.98
Bad Debt Expense	336.85	0.00	0.00	275.14	6,594.30	3,346.93	-82,408.72	0.00	496,724.18	630,588.05	0.00	1,055,456.73
Interest	0.00	-0.02	0.00	6.67	0.00	2.69	0.82	1.47	0.00	0.00	0.00	11.63
Scholarships	48,400.00	179,029.00	0.00	0.00	0.00	0.00	0.00	0.00	24,724,529.79	3,917,916.51	0.00	28,869,875.30
Claims and Judgments	0.00	0.00	0.00	0.00	0.00	0.00	115,000.00	0.00	0.00	0.00	0.00	115,000.00
Other Operating Expenses	3,120,314.65	488,368.99	0.00	1,925,075.82	1,374,715.32	2,050,115.42	1,438,991.45	242,673.31	45,442.38	2,381,946.19	0.00	13,067,643.53
Total Operating Expenses	83,239,528.91	3,919,627.91	0.00	11,827,791.16	34,038,129.15	21,085,642.86	19,662,733.17	17,854,129.88	25,911,100.56	38,154,645.77	20,615,756.98	276,309,086.35

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

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Texas State University System
 Sam Houston State University
 Statement of Cash Flows
 For the Fiscal Year Ended August 31, 2014

	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	
Proceeds from Tuition and Fees	122,275,851.46
Proceeds from Research Grants and Contracts	28,602,505.47
Proceeds from Gifts	
Proceeds from Loan Programs	
Proceeds from Auxiliaries	37,091,946.10
Proceeds from Other Revenues	11,441,088.80
Payments to Suppliers for Goods and Services	-79,882,214.14
Payments to Employees for Salaries	-126,197,682.26
Payments to Employees for Benefits	-30,508,506.91
Payments for Loans Provided	1,256,072.15
Payments for Other Expenses	-17,374,897.42
Net Cash Provided by Operating Activities	<u>-53,295,836.75</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from Debt Issuance	
Proceeds from State Appropriations	56,096,906.44
Proceeds from Gifts	10,526,992.16
Proceeds from Endowments	
Proceeds of Transfers from Other Funds	
Proceeds from Grant Receipts	28,094,149.95
Proceeds from Advances from Other Funds	
Proceeds from Loan Programs	
Proceeds from Other Financing Activities	69,200.44
Proceeds from Contributed Capital	
Payments of Principal on Debt Issuance	
Payments of Interest	
Payments of Other Costs of Debt Issuance	
Payments for Transfers to Other Funds	
Payments for Grant Disbursements	
Payments for Advances to Other Funds	
Payments for Other Uses	-3,484,618.61
Net Cash Provided by Noncapital Financing Activities	<u>91,302,630.38</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from the Sale of Capital Assets	
Proceeds from Debt Issuance	8,000,000.00
Proceeds from State Grants and Contracts	
Proceeds from Federal Grants and Contracts	
Proceeds from Gifts	
Proceeds from Other Financing Activities	
Proceeds from Capital Contributions	11,893,110.00
Proceeds from Advances from Other Funds	
Payments for Additions to Capital Assets	-22,850,608.30
Payments of Principal on Debt	-7,945,323.05
Payments for Capital Lease	
Payments of Interest on Debt Issuance	-6,911,171.36
Payments for interfund receivables	
Payments of Other Costs of Debt Issuance	
Net Cash Provided by Capital and Related Financing Activities	<u>-17,813,992.71</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales of Investments	
Proceeds from Interest Income	
Proceeds from Investment Income	3,183,797.61
Proceeds from Principal Payments on Loans	

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Texas State University System
 Sam Houston State University
 Statement of Cash Flows
 For the Fiscal Year Ended August 31, 2014

	Total
Payments to Acquire Investments	
Payments for Nonprogram loans provided	
Net Cash Provided by Investing Activities	<u>3,183,797.61</u>
Net Increase (Decrease) in Cash and Cash Equivalents	23,376,598.53
Cash and Cash Equivalents, September 1, 2013	126,971,352.34
Changes in Accounting Principle	
Changes in Reporting Entity	
Restatements to Beginning Cash and Cash Equivalents	<u>-13,989,180.87</u>
Cash and Cash Equivalents, September 1, 2013- Restated	<u>112,982,171.47</u>
Cash and Cash Equivalents, August 31, 2014	<u><u>136,358,770.00</u></u>

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

Operating Income (Loss)	-88,748,640.27
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Amortization and Depreciation	20,615,756.98
Bad Debt Expense	1,055,456.73
Operating Income (Loss) and Cash Flow Categories: Classification Differences	
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	1,557,464.92
(Increase) Decrease in Due from Other Funds	238,905.05
(Increase) Decrease in Inventories	2,154.77
(Increase) Decrease in Prepaid Expenses	798,629.56
(Increase) Decrease in Notes Receivable	0.00
(Increase) Decrease in Loans & Contracts	1,256,072.15
(Increase) Decrease in Other Assets	-1,727,975.36
(Increase) Decrease in State Appropriations	
Increase (Decrease) in Payables	-3,373,889.91
Increase (Decrease) in Deposits	0.00
Increase (Decrease) in Due to Other Funds	553,210.65
Increase (Decrease) in Unearned Revenue	9,501,365.13
Increase (Decrease) in Compensated Absence Liability	656,987.43
Increase (Decrease) in Benefits Payable	0.00
Increase (Decrease) in Other Liabilities	4,318,665.42
Total Adjustments	<u>35,452,803.52</u>
Net Cash Provided by Operating Activities	<u><u>-53,295,836.75</u></u>

Non Cash Transactions

Donation of Capital Assets	
Net Change in Fair Value of Investments	9,367,968.55
Borrowing Under Capital Lease Purchase	
Other	1,120,997.02

UNAUDITED

SAM HOUSTON STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended August 31, 2014

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; 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.

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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 accrual basis of accounting. Under the 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 the end of the fiscal year 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.

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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 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 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. 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.

LIABILITIES

Accounts Payable

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

Other 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.

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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.

Invested In Capital Assets, Net Of Related Debt

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

Restricted Net Position

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

Unrestricted Net Position

Unrestricted net position consists of net 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.

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INTERFUND TRANSACTIONS AND BALANCES

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 it is classified as “Current,” repayment for two (or more) years is 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.

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Note 2: Capital Assets

A summary of changes in Capital Assets for the year ended August 31, 2014 is presented below:

SAM HOUSTON STATE UNIVERSITY (753)								
CAPITAL ASSETS								
August 31, 2014								
Reclassifications								
	Balance	Adjustments/	Reclassifications		Additions	Deletions	Balance	
	9/1/2013	Restatements	Completed CIP	Inc-Int'agy Trans	Dec-Int'agy Trans		8/31/2014	
Non-Depreciable Assets								
Land and Land Improvements	24,925,389.35	0.00	379,027.64	2,060,120.00		155,409.00		27,519,945.99
Construction in Progress	8,531,123.25	(10,034.75)	(10,990,836.93)			18,078,215.20	(114,480.44)	15,493,986.33
Other Assets	759,903.50	0.00	0.00					759,903.50
Total Non-Depreciated Assets	34,216,416.10	(10,034.75)	(10,611,809.29)	2,060,120.00	0.00	18,233,624.20	(114,480.44)	43,773,835.82
Depreciable Assets								
Buildings and Building Improvements	405,017,093.58	0.00	10,000,612.97	0.00	0.00	0.00	0.00	415,017,706.55
Infrastructure	14,237,580.33		611,196.32	0.00	0.00	0.00	0.00	14,848,776.65
Furniture and Equipment	33,008,388.45	1,706.25	0.00	175,953.82	(753,750.00)	3,286,734.33	(1,361,071.18)	34,357,961.67
Vehicles, Boats and Aircraft	3,869,668.27		0.00	0.00	0.00	565,254.50	(76,060.21)	4,358,862.56
Other Capital Assets	13,092,134.50	0.00	0.00	0.00	0.00	614,243.27	(57,967.45)	13,648,410.32
Facilities and Other Improvements	23,786,336.39	0.00	0.00	0.00		150,752.00	0.00	23,937,088.39
Total Depreciable Assets	493,011,201.52	1,706.25	10,611,809.29	175,953.82	(753,750.00)	4,616,984.10	(1,495,098.84)	506,168,806.14
Less Accumulated Depreciation for:								
Buildings and Building Improvements	(187,714,677.91)	0.00	0.00	0.00	0.00	(14,586,261.02)	0.00	(202,300,938.93)
Infrastructure	(6,010,035.27)	0.00	0.00	0.00	0.00	(580,096.97)	0.00	(6,590,132.24)
Furniture and Equipment	(21,755,484.07)	0.00	0.00	0.00	0.00	(3,046,154.37)	1,117,095.02	(23,684,543.42)
Vehicles, Boats and Aircraft	(2,661,078.08)	0.00	0.00	0.00	0.00	(361,938.24)	73,190.01	(2,949,826.31)
Other Capital Assets	(8,906,901.10)	0.00	0.00	0.00	0.00	(484,719.34)	57,967.45	(9,333,652.99)
Facilities and Other Improvements	(8,876,404.43)	0.00	0.00	0.00	0.00	(978,994.90)	0.00	(9,855,399.33)
Total Accumulated Depreciation	(235,924,580.86)	0.00	0.00	0.00	0.00	(20,038,164.84)	1,248,252.48	(254,714,493.22)
Depreciable Assets Net	257,086,620.66	1,706.25	10,611,809.29	175,953.82	(753,750.00)	(15,421,180.74)	(246,846.36)	251,454,312.92
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	(1,445,180.97)	0.00	0.00	0.00	0.00	(577,592.14)	0.00	(2,022,773.11)
Other Capital Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accumulated Amortization Total	(1,445,180.97)	0.00	0.00	0.00	0.00	(577,592.14)	0.00	(2,022,773.11)
Business Type Activities Capital Assets, Net	293,101,253.81	(8,328.50)	0.00	2,236,073.82	(753,750.00)	2,234,851.32	(361,326.80)	296,448,773.65

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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, 2014, the carrying amount of deposits was \$35,173,195.48 as presented below.

Governmental and Business-Type Activities	
CASH IN BANK CARRYING VALUE	\$ 35,173,195.48
Less: Certificates of Deposit included in carrying value and reported as Cash Equivalent	
Less: Uninvested Securities Lending Cash Collateral included in carrying value and reported as Securities Lending Collateral	
Less: Securities Lending CD Collateral included in carrying value and reported as Securities Lending Collateral	
Cash In Bank per AFR	\$ 35,173,195.48
Governmental Funds Current Assets Cash in Bank	
Governmental Funds Current Assets Restricted Cash in Bank	
Governmental Funds Non-Current Assets Restricted Cash in Bank	
Proprietary Funds Current Assets Cash in Bank	34,451,868.75
Proprietary Funds Current Assets Restricted Cash in Bank	721,326.73
Proprietary Funds Non-Current Restricted Cash in Bank	
Cash in Bank per AFR	\$ 35,173,195.48

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, 2014, the total bank balance was as follows.

Governmental and Business-Type Activities	\$25,551,240.65	Fiduciary Funds		Discrete Component Units	
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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, 2014, 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, 2014.

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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, 2014, the carrying value and fair value of investments are as presented below.

Governmental and Business-Type Activities	Carrying Value	Fair Value
U.S. Government		
U.S. Treasury Securities		
U.S. Treasury Strips		
U.S. Treasury TIPS		
U.S. Government Agency Obligations (Ginnie Mae, Fannie Mae, Freddie Mac, Sallie Mae, etc)		
U.S. Government Agency Obligations (Texas Treasury Safekeeping Trust Co)		
Corporate Obligations		
Corporate Asset and Mortgage Backed Securities		
Equity		67,617,849.38
International Obligations (Govt and Corp)		
International Equity		
Repurchase Agreement		
Repurchase Agreement (Texas Treasury Safekeeping Trust Co)		
Fixed Income Money Market and Bond Mutual Fund		43,257,449.60
Other Commingled Funds		1,784,617.36
SUBTOTAL LONG-TERM INVESTMENTS		112,659,916.34

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Other Commingled Funds (Texpool)		92,677,972.51
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		92,677,972.51
Total		\$205,337,888.85

Proprietary Funds Current Cash Equivalents	83,103,494.02
Proprietary Funds Current Restricted Cash Equivalents	9,574,478.49
Proprietary Funds Non-Current Investments	112,659,916.34
Total , as above	

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, 2014, 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, 2014, 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, 2014, Sam Houston State University was subject to minimal credit risk.

Investment Type	AAAf	AAf	Unrated
Fixed Income Money Market and Bond Mutual Fund	\$0.00	\$0.00	\$43,257,449.60

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, 2014, 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.

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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 2014.

Note 4: Short-Term Debt

Not Applicable.

During the fiscal year ended August 31, 2014, 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, 2014, the following changes occurred in liabilities.

BUSINESS-TYPE ACTIVITIES	Balance 09/01/2013	Additions	Reductions	Balance 08/31/2014	Amounts Due Within One Year	Amounts Due Thereafter
Compensable Leave	\$5,062,364.72	\$1,275,788.50	\$618,801.07	\$5,719,352.15	\$3,436,140.19	\$2,283,211.96
Other Non-Current Liabilities	\$2,898,450.01	\$1,446,493.75		\$4,344,943.76		\$4,344,943.76
TOTAL BUSINESS-TYPE ACTIVITIES	\$7,960,814.73	\$2,722,282.25	\$618,801.07	\$10,064,295.91	\$3,436,140.19	\$6,628,155.72

NOTES AND LOANS PAYABLE

None.

CLAIMS & JUDGEMENTS

At August 31, 2014, 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, 2014, the accrued liability totaled \$5,719,352.15.

The University made lump sum payments totaling \$618,801.07 for accrued vacation and/or compensatory time to employees who separated from state service during the fiscal year ending August 31, 2014.

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.

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

Description	Year	Principal	Interest	Total
All Series	2015	8,457,006.63	6,744,438.10	15,201,444.73
	2016-2020	46,605,074.51	28,105,343.22	74,710,417.73
	2021-2025	37,928,877.62	16,706,192.22	54,635,069.84
	2026-2030	22,595,000.00	8,747,768.84	31,342,768.84
	2031-2035	11,195,000.00	4,942,212.56	16,137,212.56
	2036-2040	10,700,000.00	2,364,656.26	13,064,656.26
	2041-2045	2,900,000.00	219,250.00	3,119,250.00
	TOTALS	\$140,380,958.76	\$67,829,861.20	\$208,210,819.96

A portion of the debt represents Tuition Revenue Bonds historically funded by the Texas Legislature through General Revenue Appropriations. The institution was appropriated \$2,672,584.00 during the current fiscal year for Tuition Revenue Bond debt service. The institution expects future legislative appropriations to meet debt service requirements for Tuition Revenue Bonds.

Note 7: Derivative Instruments

Not applicable.

Sam Houston State University did not have any derivative activity for the fiscal year ended August 31, 2014.

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Note 8: Leases

As of August 31, 2014, 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 \$358,986.76 for the fiscal year ended August 31, 2014.

Future minimum lease payments under operating leases having an initial term in excess of one year as of August 31, 2014 were as follows:

Fiscal Year Ended August 31, 2014	
2015	274,626.14
2016	187,733.91
2017	98,919.06
2018	53,485.99
2019	14,779.56
Total future minimum lease payments	\$ 629,544.66

Note 9: Pension Plans

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.

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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 (when applicable):

- Interfund Receivables or Interfund Payables - None
- 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 - None
- Transfers in or transfers out - None
- Legislative Transfers In or Legislative Transfers Out - See below.

Sam Houston State University has not participated in any interfund borrowing during fiscal year 2014.

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, 2014, 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-

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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)			
Appd Fund 9999, D23 Fund 7999			
Federal Pass Throughs			
(Agency 556, D23 Fund 7999)	\$10,330.94		FEDERAL P-T
(Agency 576, D23 Fund 7999)	\$22,063.68		FEDERAL P-T
(Agency 601, D23 Fund 0006)	\$284,249.88		FEDERAL P-T
(Agency 730, D23 Fund 7999)	\$36,083.81		FEDERAL P-T
(Agency 802, D23 Fund 0951)	\$11,340.70		FEDERAL P-T
Appd Fund 9999, D23 Fund 7999			
State Pass Throughs			
(Agency 720, D23 Fund 7999)		\$6,569.07	STATE P-T
(Agency 781, D23 Fund 0001)	\$9,635.35		STATE P-T
(Agency 781, D23 Fund 0001)		\$570,176.24	STATE P-T
(Agency 601, D23 Fund 0006)			STATE P-T
(Agency 730, D23 Fund 7999)			STATE P-T
(Agency 781, D23 Fund 0001)			STATE P-T
(Agency 802, D23 Fund 0951)			STATE P-T
(Agency 720, D23 Fund 7999)			STATE P-T
(Agency 781, D23 Fund 0001)			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)	\$2,787.77		License Plate Trust Fund
TOTAL DUE TO AND DUE FROM	\$376,492.13	\$576,745.31	

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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	\$8,000,000.00		Transfer from System for Bond Proceeds
Agency 758. D23 Fund 9999		\$12,183,910.41	Transfer to TSUS for Bond Payment
Agency 758. D23 Fund 9999		\$1,034,481.00	Transfer to TSUS for System Shared Expense
Agency 781. D23 Fund 5103		\$2,118,687.25	Transfer to THECB for Be on Time
Agency 781. D23 Fund 0001		\$9,006.00	Transfer to THECB for Doctoral Set Asides
Total Interfund Receivable/Payable	\$8,000,000.00	\$15,346,084.66	

Legislative transfers in and out were as follows:

	Legislative Transfers In	Legislative Transfers Out
GENERAL REVENUE (01)		
Appd Fund 0001, D23 Fund 0001		
(Agency 758. D23 Fund 0001)		\$2,672,584.00
Total Legislative Transfers	\$0.00	\$2,672,584.00

The Federal and State Grant Pass Through information is provided on Schedule 1A - *Schedule of Expenditures of Federal Awards*, and Schedule 1B - *Schedule of 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 2014, Sam Houston State University reconciled cash balances and operating ledger transactions with the balances and transactions reported in the Uniform Statewide Accounting System (USAS). This was a necessary step after an ERP conversion to ensure that the University accurately reported between the two systems. This resulted in a decrease to fund balance on university funds of \$8,777,992.52. Additional restatements include \$769,610.39 of un-booked net revenue, and \$8,328.50 related to depreciation expense of a disposed asset. As stated in fiscal year 2013, the University had prior fiscal year post-close accrual entries which were not properly accounted for during the conversion of the ERP system. This continued review resulted in a net decrease to fund balance of \$1,685,600.36.

Net Position Balance September 1, 2013	\$473,317,154.15
Restatement related to reconciliation to USAS	(\$8,777,992.52)
Restatement related to un-booked net revenue	769,610.39
Restatement related to post close accruals	(1,685,600.36)
Restatement related to capital	(8,328.50)
Net Position Balance September 1, 2013 as Restated	\$463,614,843.16

Note 15: Contingencies and Commitments

At August 31, 2014, 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, 2014.

Note 17: Risk Management

Sam Houston State University is self-insured by the State of Texas 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, 2014.

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 risk management services and workers' compensation coverage for its employees in compliance with TEX.LABOR CODE Chapter 412 and Chapter 501. The assessment for SHSU for FY 2014 was \$253,557.33. The assessment for SHSU for FY 2015 is \$293,092.40.

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, 2014.

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 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 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 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, is self-insured up the aforementioned limits.

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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

Not Applicable.

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 \$149,804.47 for university support.

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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	\$10,944,094.86	Restricted for Nonexpendable
Term Endowments	\$951,397.52	Restricted for Nonexpendable
True Endowments	\$0.00	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 2014 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.

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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, 2014.

Note 24: Disaggregation of Receivable and Payable Balances

Sam Houston State University had the following aggregate receivable and payable balances as of August 31, 2014:

Current Receivables:

<u>Federal Receivable</u>		
Instructional and Departmental Research	\$	742,342.94
Public Service		
Financial Aid		1,538,543.43
Academic Support		
Total Net Federal Receivable	\$	<u>2,280,886.37</u>
<u>As Reported on the Financial Statements</u>		
Current Federal Receivable	\$	2,280,886.37
Non-Current Federal Receivable		
Total Net Federal Receivable	\$	<u>2,280,886.37</u>
<u>Accounts Receivable</u>		
Allowance for Doubtful Accounts	\$	(6,172,484.71)
Returned Checks		486,754.78
Contracts and Grants		6,669,299.87
Auxiliaries		6,984,452.18
Tuition and Fees Receivable		16,547,972.55
Travel Advances		67,399.01
Other Receivables		3,213,879.84
Total Net Accounts Receivable	\$	<u>27,797,273.52</u>

Accounts Receivable is reported net of Allowance for Doubtful Accounts. For FY 2014, Allowance for Doubtful Accounts (\$6,172,484.71) increased from FY 2013 (\$5,100,828.12). This difference resulted from specifically identified balances to reserve of \$16,199.86, plus bad debt of \$1,055,456.73.

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<u>Noncurrent Receivables:</u>	
Pledge Receivables	<u>\$ 38,402.67</u>

<u>Current Payables:</u>	
<u>Accounts Payable</u>	
Taxes Payable	8,571.84
Construction Retainage	346,628.00
Other Payables	<u>7,359,031.34</u>
Total Accounts Payable	<u>\$ 7,714,231.18</u>

Noncurrent Payables:

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

Type	Amount
Student Deposit Payables	\$3,018,247.88
Other	<u>1,326,695.88</u>
Total	<u>\$4,344,943.76</u>

Note 25: Termination Benefits

Not Applicable.
 During the fiscal year ended August 31, 2014, 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.

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Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agri/ Univ No	Pass-through From Agencies or Universities Amount	Non-State Entities Amount	Direct Program Amount	Total PT From and Direct Prog Amount	Agri/ Univ No	Pass-through To Agencies or Universities Amount	Non-State Entities Amount	Expenditures Amount	Total PT To and Expenditures Amount
U.S. Department of Agriculture												
Direct Programs:												
Plant and Animal Disease, Pest Control, and Animal Care	10.025		576	27,463.68		-729.30	26,734.38				26,734.38	26,734.38
Pass-Through From							0.00					0.00
Texas A&M Forest Service										40,269.44	195,078.45	235,347.89
Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	10.328											
Pass-Through From:												
Cooperative Extension Service	10.500		555	4,972.64			4,972.64				4,972.64	4,972.64
Pass-Through From												
Texas A&M AgriLife Extension Service												
Totals - U.S. Department of Agriculture				\$ 32,436.32	\$ 0.00	\$ 234,618.59	\$ 267,054.91		\$ 0.00	\$ 40,269.44	\$ 226,785.47	\$ 267,054.91
U.S. Department of the Interior												
Direct Programs:												
Cooperative Endangered Species Conservation Fund			802	11,340.70			11,340.70				11,340.70	11,340.70
Pass-Through From												
Part E - Developing, Testing and Demonstrating Promising New Programs	16.541	Baylor College of Medicine/ 101698995.00			9,870.53		9,870.53				9,870.53	9,870.53
Public Safety Partnership and Community Policing Grants	16.71	Michigan State University RC-027699SHSU			18,105.29		18,105.29				18,105.29	18,105.29
Totals - U.S. Department of the Interior				\$ 11,340.70	\$ 0.00	\$ 0.00	\$ 11,340.70		\$ 0.00	\$ 0.00	\$ 11,340.70	\$ 11,340.70
U.S. Department of Justice												
Direct Programs:												
Project Site Neighborhoods	16.609					12,472.21	12,472.21					12,472.21
Pass-Through From:												
Violence Against Women Formula Grants	16.588		300	30,721.76			30,721.76				30,721.76	30,721.76
Pass-Through From												
Governor - Fiscal												
Totals - U.S. Department of Justice				\$ 30,721.76	\$ 27,975.82	\$ 12,472.21	\$ 71,169.79		\$ 0.00	\$ 12,472.21	\$ 58,697.58	\$ 71,169.79
U.S. Department of Transportation												
Direct Programs:												
National Priority Safety Programs	20.616		601	641,457.67			641,457.67				641,457.67	641,457.67
Pass-Through From												
Texas Department of Transportation												
Totals - U.S. Department of Transportation				\$ 641,457.67	\$ 0.00	\$ 0.00	\$ 641,457.67		\$ 0.00	\$ 0.00	\$ 641,457.67	\$ 641,457.67
National Endowment For The Humanities												
Direct Programs:												
Promotion of the Arts, Grants to Organizations and Individuals	45.164	Gilder Lehrman Institute of American History 02-S130269			1,200.00		1,200.00				1,200.00	1,200.00
Pass-Through From												
Totals - National Endowment For The Humanities	45.024			\$ 0.00	\$ 1,200.00	\$ 7,461.90	\$ 7,461.90		\$ 0.00	\$ 0.00	\$ 8,661.90	\$ 8,661.90
Small Business Administration												
Pass-Through From:												
Small Business Development Centers	59.037		730	137,349.33			137,349.33				137,349.33	137,349.33
Pass-Through From												
University of Houston												
Totals - Small Business Administration				\$ 137,349.33	\$ 0.00	\$ 0.00	\$ 137,349.33		\$ 0.00	\$ 0.00	\$ 137,349.33	\$ 137,349.33
Environmental Protection Agency												
Direct Programs:												
Multi-Media Capacity Building Grants for States and Tribes	66.709					203,168.06	203,168.06				203,168.06	203,168.06
Pass-Through From												
Totals - Environmental Protection Agency				\$ 0.00	\$ 0.00	\$ 203,168.06	\$ 203,168.06		\$ 0.00	\$ 0.00	\$ 203,168.06	\$ 203,168.06
U.S. Department of Education												
Direct Programs:												
Improving Teacher Quality State Grants	84.367	National Writing Project/ 06-TX-16-SEED2012			972.26		972.26				972.26	972.26
Pass-Through From												
Totals - U.S. Department of Education	84.376			\$ 0.00	\$ 0.00	\$ -30,000.00	\$ -30,000.00		\$ 0.00	\$ 0.00	\$ -30,000.00	\$ -30,000.00
Pass-Through From:												
Career and Technical Education -- Basic Grants to States	84.048						13,200.65				13,200.65	13,200.65
Pass-Through From												
Texas A&M AgriLife Research												

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Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Pass-through From		Direct Program Amount	Total PT From and Direct Prog. Amount	Pass-through To		Expenditures Amount	Total PT From and Expenditures Amount
			Agy/ Unit No	Agencies or Universities Amount			Non-State Entities Amount	Agy/ Unit No.		
Investing in Innovation (i3) Fund Pass-Through From Texas A&M University	84.411		470,636.50		972.26	470,636.50	0.00	0.00	470,636.50	470,636.50
Totals - U.S. Department of Education			470,636.50		(30,000.00)	454,809.41	0.00	0.00	454,809.41	454,809.41
U.S. Department of Health and Human Services Direct Programs: Child Health and Human Development Extramural Research Regional and National Significance	93.865			12,151.79		12,151.79			12,151.79	12,151.79
Totals - U.S. Department of Health and Human Services			0.00	12,151.79		12,151.79	0.00	0.00	12,151.79	12,151.79
Corporation for National and Community Service Learn and Serve America_Higher Education	94.005	Duke University Press/ Contract 11-CANCS.1044	1,260.00			1,260.00			1,260.00	1,260.00
Totals - Corporation for National and Community Service			1,260.00		0.00	1,260.00	0.00	0.00	1,260.00	1,260.00
Executive Office of the President Direct Programs High Intensity Drug Trafficking Areas Program	95.001	Lone Star Legal Aid/ 7465-1	43,063.08	1,249,334.59		1,292,417.67			1,292,417.67	1,292,417.67
Totals-Executive Office of the President			43,063.08	1,249,334.59		1,292,417.67	0.00	0.00	1,292,417.67	1,292,417.67
U.S. Department of Homeland Security Aviation Research Grants	97.069	Systems Research and Applications Corporation/ Subcontract S38600001	-496.75			-496.75			-496.75	-496.75
Driver's License Security Grant Program	97.089	Systems Research and Applications Corporation/ S860000171	3,579.59			3,579.59			3,579.59	3,579.59
Totals-U.S. Department of Homeland Security			3,082.84	0.00		3,082.84	0.00	0.00	3,082.84	3,082.84
Research & Development Cluster										
U.S. Department of Agriculture Direct Programs: Federal-State Marketing Improvement Program	10.156		4,669.70			4,669.70			4,669.70	4,669.70
Totals - U.S. Department of Agriculture			4,669.70			4,669.70	0.00	0.00	4,669.70	4,669.70
U.S. Department of Defense Direct Programs: Military Medical Research and Development	12.420		199,862.17			199,862.17			199,862.17	199,862.17
Mathematical Sciences Grants Program	12.901		30,227.36			30,227.36			30,227.36	30,227.36
Pass-Through From: Basic, Applied, and Advanced Research in Science and Engineering Sur Ross State University	12.630		2,253.59			2,253.59			2,253.59	2,253.59
Totals - U.S. Department of Defense			2,253.59	230,089.53		232,343.12	0.00	0.00	232,343.12	232,343.12
U.S. Department of the Interior Direct Programs: Fish and Wildlife Coordination Act	15.517			42,312.98		42,312.98			42,312.98	42,312.98
Totals - U.S. Department of the Interior			0.00	42,312.98		42,312.98	0.00	0.00	42,312.98	42,312.98
U.S. Department of Justice Criminal Justice Research and Development_Graduate Research Fellowships	16.562	Forensic Sciences Foundation/ Award LTR DATED 10-14-12	1,000.00			1,000.00			1,000.00	1,000.00
Direct Programs: National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	Houston Police Department/ FC7435072014-0897	114,097.56	402,428.01		516,525.57			516,525.57	516,525.57
Totals - U.S. Department of Justice			115,097.56	402,428.01		517,525.57	0.00	0.00	517,525.57	517,525.57

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Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Pass-through From		Direct Program Amount	Total PT From and Direct Prog. Amount	Agt/ 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		
National Aeronautics and Space Administrator											
Science	43 001	Smithsonian Astrophysical Observatory/ G03-14032A	4,104.37		74,990.46	79,094.83		0.00	0.00	79,094.83	79,094.83
Totals - National Aeronautics and Space Administration			\$ 0.00	\$ 4,104.37	\$ 74,990.46	\$ 79,094.83		\$ 0.00	\$ 0.00	\$ 79,094.83	\$ 79,094.83
National Science Foundation											
Engineering Grants	47 041				17,939.68	17,939.68				17,939.68	17,939.68
Mathematical and Physical Sciences	47 049				340,710.50	340,710.50				340,710.50	340,710.50
Geosciences	47 050				37,661.12	37,661.12				37,661.12	37,661.12
Computer and Information Science and Engineering	47 070				49,882.07	49,882.07				49,882.07	49,882.07
Biological Sciences	47 074				59,848.25	59,848.25		15,728.26		65,622.23	65,622.23
Pass-Through From University of Texas at Austin			5,773.98				721				
Education and Human Resources	47 076				151,885.62	151,885.62				151,885.62	151,885.62
Totals - National Science Foundation			\$ 5,773.98	\$ 0.00	\$ 657,927.24	\$ 663,701.22		\$ 0.00	\$ 15,728.26	\$ 647,972.96	\$ 663,701.22
U.S. Department of Energy											
Renewable Energy Research and Development	81 087	Houston Community College/ RCC AGRM Dated 1-24-13				4,749.98				4,749.98	4,749.98
Fossil Energy Research and Development	81 089	Houston Advanced Research Center/ Subcontract 08722-35				46,071.45				46,071.45	46,071.45
Totals - U.S. Department of Energy			\$ 0.00	\$ 50,821.43	\$ 0.00	\$ 50,821.43		\$ 0.00	\$ 0.00	\$ 50,821.43	\$ 50,821.43
U.S. Department of Health and Human Services											
Direct Programs:											
Drug Abuse and Addiction Research Programs	93 279				51,546.66	51,546.66				51,546.66	51,546.66
Totals - U.S. Department of Health and Human Services			\$ 0.00	\$ 0.00	\$ 51,546.66	\$ 51,546.66		\$ 0.00	\$ 25,782.76	\$ 25,763.90	\$ 51,546.66
Highway Safety Cluster											
U.S. Department of Transportation											
Pass-Through From:											
Alcohol Impaired Driving Countermeasures Incentive Grants I	20 601					67,962.25	601			67,962.25	67,962.25
Pass-Through From Texas Department of Transportation											
Totals - U.S. Department of Transportation			\$ 67,962.25	\$ 0.00	\$ 0.00	\$ 67,962.25		\$ 0.00	\$ 0.00	\$ 67,962.25	\$ 67,962.25
Statewide Data Systems Cluster											
U.S. Department of Education											
Pass-Through From:											
Statewide Data Systems	84 372					4,100.00	781			4,100.00	4,100.00
Pass-Through From Texas Higher Education Coordinating Board											
Totals - U.S. Department of Education			\$ 4,100.00	\$ 0.00	\$ 0.00	\$ 4,100.00		\$ 0.00	\$ 0.00	\$ 4,100.00	\$ 4,100.00
Student Financial Assistance Cluster											
U.S. Department of Education											
Direct Programs:											
Federal Supplemental Educational Opportunity Grants	84 007				306,441.25	306,441.25				306,441.25	306,441.25
Federal Work-Study Program	84 033				379,900.89	379,900.89				379,900.89	379,900.89
Federal Perkins Loan Program, Federal Capital Contributions	84 038				75,292.00	75,292.00				75,292.00	75,292.00
Federal Pell Grant Program	84 063				28,094,149.95	28,094,149.95				28,094,149.95	28,094,149.95
Federal Direct Student Loans	84 266				94,175,046.00	94,175,046.00				94,175,046.00	94,175,046.00
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84 379				232,612.00	232,612.00				232,612.00	232,612.00
Totals - U.S. Department of Education			\$ 0.00	\$ 0.00	\$ 123,263,442.09	\$ 123,263,442.09		\$ 0.00	\$ 0.00	\$ 123,263,442.09	\$ 123,263,442.09
TRIO Cluster											
U.S. Department of Education											
Direct Programs:											
TRIO Student Support Services	84 042				214,014.61	214,014.61				214,014.61	214,014.61
TRIO McNair Post-Baccalaureate Achievement	84 217				200,223.01	200,223.01				200,223.01	200,223.01
Totals - U.S. Department of Education			\$ 0.00	\$ 0.00	\$ 414,237.62	\$ 414,237.62		\$ 0.00	\$ 0.00	\$ 414,237.62	\$ 414,237.62
Total Expenditures of Federal Awards			\$ 1,417,232.75	\$ 247,597.35	\$ 126,830,851.43	\$ 128,495,681.54		\$ 0.00	\$ 94,252.67	\$ 128,401,428.87	\$ 128,495,681.54

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Note 1 - Non Monetary Assistance

Donation of Federal Surplus Property

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

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Note 2 - Reconciliation

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

Federal Revenue

Proprietary Funds

Operating	Exhibit IV/SRECNA	\$ 4,733,960.84
Non-Operating	Exhibit IV/SRECNA	\$ 28,094,149.95
Capital Contributions	Exhibit IV/SRECNA	

Total Federal Revenue	<u>\$ 32,828,110.79</u>
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Federal Pass-Through Revenue

Proprietary Funds

Operating	Federal Pass-Through Revenue from Other State Agencies (SRECNA)	\$ 1,417,232.75
Non-Operating	Federal Pass-Through Revenue from Other State Agencies (SRECNA)	\$ -

Total Federal Pass-Through Revenue	<u>\$ 1,417,232.75</u>
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Total Federal & Federal Pass-Through Revenue	<u>\$ 34,245,343.54</u>
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Reconciling Items:

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

Total Non-monetary Items	<u>\$ -</u>
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New Loans Processed:

Federal Family Education Loans	84.032	\$ -
Federal Perkins Loan Program	84.038	75,292.00
Federal Direct Student Loans	84.268	94,175,046.00

Total New Loans Processed	<u>\$ 94,250,338.00</u>
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Total Reconciliation Items	<u>\$ 94,250,338.00</u>
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Total Per Note 2	<u>\$ 128,495,681.54</u>
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Total Pass Through & Expenditures per Federal Schedule	<u>\$ 128,495,681.54</u>
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Note 3 - Student Loans Processed and Administrative Costs Recovered

Federal Grantor/ CFDA number/Program Name	New Loans Processed	Admin. Costs Recovered	Total Loans Processed & Admin. Costs Recovered	Ending Balances of Previous Years' Loans
U.S. Department of Education				
84.032 Federal Family Education Loans	\$ -	\$ -	\$ -	\$ -
84.038 Federal Perkins Loan Program**	\$ 75,292.00	\$ -	\$ 75,292.00	\$ 202,113.78
84.268 Federal Direct Loan Program	94,175,046.00	-	94,175,046.00	-
Total Department of Education	\$ 94,250,338.00	\$ -	\$ 94,250,338.00	\$ 202,113.78

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

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Sam Houston State University
Schedule 1B
State Pass-Through Grants from Other State Agencies
For the Year Ended August 31, 2014

Pass Through From:

<u>Agency Name</u>		
Texas State Board of Public Accountancy		
Fifth Year Accounting Student Scholarship Program	\$	18,029.00
University of Texas - System		
Joint Admission Medical Program (JAMP)	\$	9,504.43
Texas Higher Education Coordinating Board		
Nursing and Allied Health	\$	368.67
Texas Grant Program	\$	9,601,667.00
Professional Nursing Shortage Reduction Program	\$	83,602.39
College Work Study Program	\$	114,124.26
Top 10% Scholarships	\$	451,000.00
Outreach and Success	\$	59,481.22
CCA-DE MATH	\$	15,502.11
Hazelwood Exemption	\$	1,073,534.00
Parks and Wildlife Department		
Long term monitoring in two restored cienegas at Balmorhea State Park; Conservation of Comanche Springs pupfish and Pecos Gambusia	\$	8,979.18
Total State Pass-Thru Grant Revenue	\$	<u>11,435,792.26</u>

Pass Through To:

None.

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SAM HOUSTON STATE UNIVERSITY
SCHEDULE 2A
MISCELLANEOUS BOND INFORMATION
For the Year Ended August 31, 2014

Schedule Not Used

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SAM HOUSTON STATE UNIVERSITY
SCHEDULE 2B
CHANGES IN BOND INDEBTEDNESS
For the Year Ended August 31, 2014

Schedule Not Used

UNAUDITED

SAM HOUSTON STATE UNIVERSITY
SCHEDULE 2C
DEBT SERVICE REQUIREMENTS
For the Year Ended August 31, 2014

Schedule Not Used

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SAM HOUSTON STATE UNIVERSITY
SCHEDULE 2D
ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE
For the Year Ended August 31, 2014

Business Type Activities
General Obligation Bonds

Schedule Not Used

Business Type Activities
Revenue Bonds

Schedule Not Used

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SAM HOUSTON STATE UNIVERSITY
SCHEDULE 2E
DEFEASED BONDS OUTSTANDING
For the Year Ended August 31, 2014

Schedule Not Used

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SAM HOUSTON STATE UNIVERSITY
SCHEDULE 2F
EARLY EXTINGUISHMENT AND REFUNDING
For the Year Ended August 31, 2014

Business Type Activities
General Obligation Bonds

Schedule Not Used

Business Type Activities
Revenue Bonds

Schedule Not Used

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SAM HOUSTON STATE UNIVERSITY
SCHEDULE 3
RECONCILIATION OF CASH IN STATE TREASURY
August 31, 2014

<u>Cash in State Treasury</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Current Year Total</u>
	\$	\$	\$
Local Revenue Fund 259	3,881,704.19		3,881,704.19
Law Enforcement Mgt. Institute Fund 581	2,360,773.03		2,360,773.03
CJ Correctional Management Institute Fund 5083	214,256.61		214,256.61
	\$	\$	\$
Total Cash in State Treasury (Stmt of Net Position)	<u>6,456,733.83</u>	<u>0.00</u>	<u>6,456,733.83</u>

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**SAM HOUSTON STATE UNIVERSITY
SCHEDULE 4
HIGHER EDUCATION ASSISTANCE FUND
For the Year Ended August 31, 2014**

	<u>Totals</u>
	\$
Balance September 1, 2013	<u>7,568,563.34</u>
REVENUES	
Appropriations	<u>11,893,110.00</u>
Total Revenues	<u>11,893,110.00</u>
EXPENSES	
Capital Expenditures	6,946,792.81
Professional Fees and Services	40,240.73
Materials and Supplies	4,105,498.56
Repairs and Maintenance	195,712.01
Service	-
Interest	2.69
Real Property	771,548.95
Other Expenses	<u>733,254.52</u>
Total Expenses	<u>12,793,050.27</u>
	\$
BALANCE AT AUGUST 31, 2014	<u><u>6,668,623.07</u></u>