



ANNUAL FINANCIAL REPORT

for the fiscal year ended August 31, 2016

Sam Houston State University
Huntsville, Texas



Dana G. Hoyt

Sam Houston State University

MEMBER THE TEXAS STATE UNIVERSITY SYSTEM™

OFFICE OF THE PRESIDENT

November 18, 2016

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, 2016, 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, 2016

for

Sam Houston State University

Huntsville, TX

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Sam Houston State University

A Member of The Texas State University System

November 18, 2016

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, 2016.

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, 2016**

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

**SENIOR ADMINISTRATIVE OFFICIALS
TEXAS STATE UNIVERSITY SYSTEM**

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

Chancellor
Vice Chancellor for Finance

**ADMINISTRATIVE OFFICIALS
SAM HOUSTON STATE UNIVERSITY**

PRESIDENT

Dana G. Hoyt, Ph.D.

FISCAL OFFICE

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

Vice President for Finance and Operations
Interim Controller

Sam Houston State University
Texas State University System
Student Enrollment Data
For the Year Ended August 31, 2016

TYPE OF STUDENT	FALL 2015	SPRING 2016	SUMMER 2016
Texas Residents	14,197	12,950	2,714
Out of State (Classified as Residents)	46	38	12
Out of State	442	437	230
Foreign	338	343	156
Children of Disabled Firemen or Peace Officers	4	4	1
Children of Deceased Public Servants	4	3	2
Children of Professional Nurses	0	0	2
Peace Officer	35	31	20
Concurrent Enrollment			
Foster Children of the State	27	24	14
Good Neighbor	5	5	3
High School Honor Scholarships			
High Ranking Senior	20	20	0
Hazelwood Act	191	161	126
Senior Citizens	5	4	3
Commission for the Blind/Deaf	46	44	27
Fireman Exempt	14	14	9
Thesis Only			
Nursing			
Faculty/Staff	130	104	80
Teaching Assistants	85	98	37
Competitive Scholarships	388	354	190
Military Personnel and Dependents	734	683	343
Louisiana Adjacent County			
Mexico Pilot			
National Student Exchange Program			
Reciprocal Exchange International	13	8	0
New Mexico Adjacent County			
Texas Tomorrow Waiver	327	303	92
Adopted Students	65	55	26
Pase			
Distance Learning	2,844	2,855	4,010
Family & Consumer Science Alliance Agreement			
Clinical Preceptor Exempt	3	2	2
Beaumont-Louisiana Non-resident			
Economic Development			
Multi Texas University			
TDCJ-54.218 Education Code			
Trio Grant Math 0301			
HB 1406 Non US Citizen	94	93	36
Totals	<u>20,057</u>	<u>18,633</u>	<u>8,135</u>

Enrollment Data (Fall Semester)

Fiscal Year	STUDENTS	SEMESTER HOURS
2016	20,057	238,126
2015	19,612	230,610
2014	19,231	226,910
2013	18,538	220,607
2012	17,636	209,816

Sam Houston State University

Proprietary Fund Financial Statements

**Texas State University System
Sam Houston State University
Statement of Net Position
August 31, 2016**

	2016	2015
ASSETS		
Current Assets:		
Cash and Cash Equivalents (Note 3)		
Cash on Hand	\$ 27,350.00	\$ 27,050.00
Cash in Bank	54,613,361.85	30,826,492.21
Cash in Transit/Reimburse from Treasury	1,564,594.58	1,353,756.96
Cash in State Treasury (Schedule 3)	13,909,321.84	4,652,089.64
Cash Equivalents	23,214,077.72	63,957,613.03
Restricted:		
Cash and Cash Equivalents (Note 3)		
Cash in Bank	660,224.54	79,181,912.03
Cash Equivalents	31,169,642.63	5,789,273.76
Short Term Investments (Note 3)	28,860,104.44	-
Legislative Appropriations	8,631,495.10	11,414,645.15
Receivables:		
Federal	2,949,872.37	4,831,833.31
Accounts Receivable	35,369,566.84	30,748,493.87
Gifts, Pledges and Donations	-	17,830.42
Other	138,885.97	270,700.13
Due From Other Agencies (Note 12)	3,262,158.09	406,929.49
Merchandise Inventories	412,607.45	361,574.49
Prepaid Items	23,920.40	180,350.47
Loans and Contracts	4,824,942.31	3,657,522.74
Other Current Assets	13,041,011.74	15,853,967.74
Total Current Assets	\$222,673,137.87	\$253,532,035.44
Non-Current Assets:		
Restricted:		
Receivables	\$ -	\$ 2,150.16
Investments (Note 3)	94,604,694.51	124,884,229.96
Investments (Note 3)	28,571,450.63	-
Gifts, Pledges and Donations	1,539,988.26	1,550,637.66
Capital Assets: (Note 2)		
Non-Depreciable or Non-Amortizable		
Land and Land Improvements	29,651,084.04	29,243,141.18
Construction in Progress	90,113,771.37	32,657,268.52
Other Capital Assets	937,399.30	759,903.50
Depreciable or Non-Amortizable		
Buildings and Building Improvements	440,043,107.41	420,917,814.23
Less Accumulated Depreciation	(231,155,471.41)	(217,101,435.54)
Infrastructure	15,498,669.50	14,848,776.65
Less Accumulated Depreciation	(7,820,782.35)	(7,178,378.39)
Facilities and Other Improvements	35,215,257.53	24,717,681.09
Less Accumulated Depreciation	(12,092,293.78)	(10,873,195.19)
Furniture and Equipment	36,655,309.33	35,519,823.31
Less Accumulated Depreciation	(26,637,070.50)	(25,204,976.34)

**Texas State University System
Sam Houston State University
Statement of Net Position
August 31, 2016**

	<u>2016</u>	<u>2015</u>
Vehicles, Boats, and Aircraft	4,738,997.20	4,613,002.87
Less Accumulated Depreciation	(3,561,312.80)	(3,273,853.98)
Other Capital Assets	14,137,161.74	14,111,630.20
Less Accumulated Depreciation	(9,951,225.83)	(9,766,723.39)
Amortizable Assets-Intangible	3,243,398.02	3,243,398.02
Less Accumulated Amortization	(3,075,501.60)	(2,577,156.47)
Total Non-Current Assets	<u>\$500,656,630.57</u>	<u>\$431,093,738.05</u>
Total Assets	<u>\$723,329,768.44</u>	<u>\$684,625,773.49</u>
 DEFERRED OUTFLOWS OF RESOURCES		
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>
 LIABILITIES		
Current Liabilities:		
Payables from:		
Accounts	\$ 13,452,052.14	\$ 3,756,912.85
Payroll	4,720,962.61	3,069,128.25
Due to Other Agencies (Note 12)	825,991.66	650,369.42
Unearned Revenues	106,274,465.76	101,348,659.46
Employees' Compensable Leave (Note 5)	3,400,679.33	4,028,591.25
Funds Held for Others	1,372,326.12	1,231,004.66
Total Current Liabilities	<u>\$130,046,477.62</u>	<u>\$114,084,665.89</u>
Non-Current Liabilities:		
Employees' Compensable Leave (Note 5)	\$ 2,865,776.22	\$ 2,528,032.46
Other Non-Current Liabilities	1,228,945.01	3,201,507.42
Total Non-Current Liabilities	<u>4,094,721.23</u>	<u>5,729,539.88</u>
Total Liabilities	<u>\$134,141,198.85</u>	<u>\$119,814,205.77</u>
 DEFERRED INFLOWS OF RESOURCES		
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>
 NET POSITION		
Invested in Capital Assets, Net of Related Debt Restricted For	\$375,940,497.17	\$304,656,720.27
Capital Projects	22,621,493.00	77,119,103.86
Funds Held As Permanent Investments:		
Non-Expendable	64,355,361.01	69,107,670.69
Expendable	36,563,782.68	26,034,245.92
Other	15,143,354.09	14,120,786.97
Unrestricted	74,564,081.64	73,773,040.01
Total Net Position	<u>\$589,188,569.59</u>	<u>\$564,811,567.72</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, 2016

	2016	2015
OPERATING REVENUES		
Sales of Goods and Services		
Tuition and Fees - Pledged	\$ 194,070,476.63	\$ 180,384,044.44
Discounts and Allowances	(56,701,764.89)	(50,203,887.28)
Auxiliary Enterprises - Pledged	41,925,450.59	39,190,251.29
Other Sales of Goods and Services - Pledged	4,766,291.66	3,626,995.11
Federal Revenue-Operating	4,679,347.58	4,514,647.17
Federal Pass-Through Revenue	868,945.92	856,148.68
State Grant Revenue	-	206,554.67
State Grant Pass-Through Revenue	12,979,314.16	11,900,909.79
Other Grants and Contracts -Non-pledged	2,342,653.76	1,311,938.19
Other Operating Revenues - Pledged	9,530,145.71	6,840,878.57
Total Operating Revenues	\$ 214,460,861.12	\$ 198,628,480.63
OPERATING EXPENSES		
Instruction	\$ 92,905,921.53	\$ 89,014,781.19
Research	4,371,873.42	4,063,159.42
Public Service	10,600,418.01	11,005,381.42
Academic Support	38,605,147.63	33,309,723.86
Student Services	24,049,428.18	23,411,838.63
Institutional Support	19,206,014.21	20,389,340.01
Operation and Maintenance of Plant	19,613,033.52	17,834,461.96
Scholarship and Fellowships	27,703,643.44	29,353,658.97
Auxiliary Enterprise Expenditures	42,274,140.28	40,831,292.26
Depreciation and Amortization	21,484,682.34	20,945,810.43
Total Operating Expenses	\$ 300,814,302.57	\$ 290,159,448.15
Operating Income (Loss)	\$ (86,353,441.45)	\$ (91,530,967.52)
NONOPERATING REVENUES (EXPENSES):		
Legislative Revenue	\$ 52,437,410.00	\$ 43,564,016.00
Additional Appropriations	15,669,378.19	12,461,032.19
Federal Revenue	30,485,009.61	30,834,569.45
Federal Pass-Through Revenue	17,949.70	22,782.45
Gifts - Pledged	8,220,396.66	5,624,330.74
Interest and Investment Income (Expense) -Non-Pledged	3,325,420.52	3,076,502.36
Interest and Investment Income (Expense) - Pledged	2,976,957.80	929,868.36
Gain (Loss) on Sale of Capital Assets	(384,289.59)	(248,642.14)
Net Increase (Decrease) in Fair Value of Investments- Non-pledged	225,687.29	(569,180.96)
Net Increase (Decrease) in Fair Value of Investments - Pledged	1,321,288.22	(4,195,594.46)
Settlement of Claims	692,863.40	(43,084.07)
Other Nonoperating Revenue (Expenses)-Pledged	(33,530.87)	110,144.32
Total Nonoperating Revenues (Expenses)	\$ 114,954,540.93	\$ 91,566,744.24
Income (Loss) before Other Revenues, Expenses, Gains/Losses and Transfers	\$ 28,601,099.48	\$ 35,776.72
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS		
Capital Appropriations (HEAF)	\$ 11,553,239.00	\$ 11,893,110.00
Contributions to Permanent and Term Endowments	5,109,834.82	5,475,307.16
Increase NA Interagency Transfer Capital Assets (Note 12)	7,637.00	-

**Texas State University System
Sam Houston State University
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended August 31, 2016**

	<u>2016</u>	<u>2015</u>
Transfer In (Note 12)	441,144.00	83,447,630.75
Transfer Out (Note 12)	(19,385,063.43)	(16,203,337.20)
Legislative Transfer In (Note 12)	580,852.00	-
Legislative Transfer Out (Note 12)	(2,529,619.16)	(2,522,713.13)
Lapses	(2,121.84)	(15,298.37)
Total Other Revenues, Expenses, Gains/Losses and Transfers	\$ (4,224,097.61)	\$ 82,074,699.21
Change in Net Position	<u>24,377,001.87</u>	<u>82,110,475.93</u>
Beginning Net Position	564,811,567.72	483,279,956.45
Restatements (Note 14)	-	(578,864.66)
Beginning Net Position, as restated	<u>564,811,567.72</u>	<u>482,701,091.79</u>
Ending Net Position	<u>\$ 589,188,569.59</u>	<u>\$ 564,811,567.72</u>

**Texas State University System
Sam Houston State University
Matrix of Operating Expenses Reported by Function
For the Fiscal Year Ended August 31, 2016**

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	\$ 700.00	\$ -	\$ 44,691.29	\$ -	\$ 79,281.50	\$ 894.28	\$ -	\$ -	\$ 260,574.06	\$ -	\$ 386,141.13
Salaries and Wages	69,307,244.67	2,328,965.23	5,225,463.63	17,298,786.46	13,855,480.81	11,613,945.23	8,260,608.13	940,868.42	11,213,434.11	-	140,044,796.69
Payroll Related Costs	16,308,205.31	489,912.69	1,292,607.25	4,388,269.85	3,839,605.29	3,438,391.94	2,729,068.61	11,026.43	3,089,409.54	-	35,586,496.91
Professional Fees and Services	229,135.56	29,542.69	629,570.63	620,708.81	211,382.18	1,031,615.55	83,537.26	6,571.95	787,518.50	-	3,629,583.13
Federal Grant Pass-Through Expense	-	49,410.59	-	-	-	-	-	-	-	-	49,410.59
State Grant Pass-Through Expense	-	-	-	-	-	-	-	-	-	-	-
Travel	2,112,372.42	183,597.56	174,479.74	971,750.04	561,091.44	266,548.18	19,806.23	7,420.75	2,136,867.42	-	6,433,933.78
Materials and Supplies	2,289,649.46	612,060.13	941,344.40	10,130,714.92	2,268,500.78	1,205,679.13	2,518,953.57	19,113.91	12,445,617.56	-	32,431,633.86
Communications and Utilities	64,508.27	39,451.62	160,084.95	796,872.31	900,840.87	247,837.79	3,005,298.19	-	2,118,767.44	-	7,333,661.44
Repairs and Maintenance	198,700.16	17,912.11	74,830.65	1,097,585.36	127,520.52	35,790.19	1,190,063.28	-	1,046,434.43	-	3,788,836.70
Rentals and Leases	467,636.19	34,339.80	474,873.21	271,194.28	247,483.46	142,620.30	10,110.87	874.30	784,608.13	-	2,433,740.54
Printing and Reproduction	51,299.77	6,400.29	10,274.15	61,457.93	137,210.91	83,721.77	36.00	-	331,272.02	-	681,672.84
Depreciation and Amortization*	-	-	-	-	-	-	-	-	-	21,484,682.34	21,484,682.34
Bad Debt Expense	297,857.62	14,015.77	34,158.66	128,509.49	80,049.21	61,572.46	-	443,682.49	483,774.39	-	1,543,620.09
Interest	-	-	0.48	-	-	-	-	-	-	-	0.48
Scholarships	68,450.00	166,900.00	-	1,000.00	3,000.00	-	-	26,237,438.63	4,561,615.18	-	31,038,403.81
Claims and Judgments	-	-	-	-	-	-	-	-	-	-	-
Other Operating Expenses	1,510,162.10	399,364.94	1,538,038.97	2,838,298.18	1,737,981.21	1,077,397.39	1,795,551.38	36,646.57	3,014,247.50	-	13,947,688.24
Total Operating Expenses	\$ 92,905,921.53	\$ 4,371,873.42	\$ 10,600,418.01	\$ 38,605,147.63	\$ 24,049,428.18	\$ 19,206,014.21	\$ 19,613,033.52	\$ 27,703,643.44	\$ 42,274,140.28	\$ 21,484,682.34	\$ 300,814,302.57

Texas State University System
Sam Houston State University
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2016

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers		
Proceeds from Tuition and Fees	\$ 133,248,423.76	\$ 125,400,256.14
Proceeds from Research Grants and Contracts	23,067,050.77	12,966,669.18
Proceeds from Auxiliaries	41,925,450.59	39,190,251.29
Proceeds from Other Operating Revenues	14,296,437.37	10,467,873.68
Payments to Suppliers for Goods and Services	(88,600,090.23)	(84,887,374.27)
Payments to Employees for Salaries	(140,044,796.69)	(134,355,214.22)
Payments to Employees for Benefits	(35,876,665.07)	(32,222,198.43)
Payments for Loans Provided	(1,167,419.57)	(577,831.66)
Payments for Other Operating Expenses	(1,071,119.91)	(15,770,612.90)
Net Cash Provided by Operating Activities	\$ (54,222,728.98)	\$ (79,788,181.19)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from Debt Issuance		
Proceeds from State Appropriations	\$ 70,889,938.24	\$ 55,117,395.42
Proceeds from Gifts	8,220,396.66	4,073,693.08
Proceeds from Endowments	5,109,834.82	5,475,307.16
Proceeds from Grant Receipts	30,502,959.31	30,857,351.90
Proceeds from Other Noncapital Financing Activities	(33,530.87)	110,144.32
Payments for Other Noncapital Financing Uses	(508,403.12)	(3,578,509.17)
Net Cash Provided by Noncapital Financing Activities	\$ 114,181,195.04	\$ 92,055,382.71
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Debt Issuance	\$ -	\$ 83,447,630.75
Proceeds from Capital Contributions	11,553,239.00	11,893,110.00
Payments for Additions to Capital Assets	(93,145,111.83)	(29,153,757.05)
Payments of Principal on Debt	(10,178,069.07)	(8,457,006.63)
Payments of Interest on Debt Issuance	(9,515,472.84)	(6,744,438.10)
Net Cash Provided by Capital and Related Financing Activities	\$ (101,285,414.74)	\$ 50,985,538.97
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Investment Income	\$ 6,302,378.32	\$ 4,006,370.72
Payments to Acquire Investments	(25,605,044.11)	(16,962,779.40)
Net Cash Provided by Investing Activities	\$ (19,302,665.79)	\$ (12,956,408.68)
Net Increase (Decrease) in Cash and Cash Equivalents	(60,629,614.47)	50,296,331.81
Beginning Cash and Cash Equivalents	185,788,187.63	136,358,770.00
Restatements to Beginning Cash and Cash Equivalents	-	(866,914.18)
Beginning Cash and Cash Equivalents, as restated	\$ 185,788,187.63	\$ 135,491,855.82
Ending Cash and Cash Equivalents	\$ 125,158,573.16	\$ 185,788,187.63
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (86,353,441.45)	\$ (91,530,967.52)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Amortization and Depreciation	21,484,682.34	20,945,810.43
Bad Debt Expense	1,543,620.09	8,618.87
Operating Income (Loss) and Cash Flow Categories: Classification Differences		
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	(4,120,287.98)	(4,779,901.02)
(Increase) Decrease in Due from Other Funds	(2,855,228.60)	(30,437.36)
(Increase) Decrease in Inventories	(51,032.96)	100,596.29
(Increase) Decrease in Prepaid Expenses	156,430.07	(94,615.37)
(Increase) Decrease in Loans & Contracts	(1,167,419.57)	(577,831.66)

Texas State University System
Sam Houston State University
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2016

	<u>2016</u>	<u>2015</u>
(Increase) Decrease in Other Assets	2,812,956.00	8,021,831.30
Increase (Decrease) in Payables	11,346,973.65	(6,089,792.81)
Increase (Decrease) in Deposits	-	-
Increase (Decrease) in Due to Other Funds	175,622.24	73,624.11
Increase (Decrease) in Unearned Revenue	4,925,806.30	(5,855,572.60)
Increase (Decrease) in Compensated Absence Liability	(290,168.16)	837,271.56
Increase (Decrease) in Benefits Payable	-	-
Increase (Decrease) in Other Liabilities	(1,831,240.95)	(816,815.41)
Total Adjustments	<u>32,130,712.47</u>	<u>11,742,786.33</u>
Net Cash Provided by Operating Activities	<u>\$ (54,222,728.98)</u>	<u>\$ (79,788,181.19)</u>
 Non Cash Transactions		
Donation of Capital Assets	7,637.00	-
Net Change in Fair Value of Investments	1,546,975.51	(4,764,775.42)

SAM HOUSTON STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended August 31, 2016

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.

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.

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.

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 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.

Note 2: Capital Assets

A summary of changes in Capital Assets for the year ended August 31, 2016 is presented below:

	9/1/2015	Adjustments/ Restatements	Reclassifications			Additions	Deletions	8/31/2016
			Completed CIP	Inc-Int'agy Trans	Dec-Int'agy Trans			
Non-Depreciable Assets								
Land and Land Improvements	29,243,141.18	0.00	0.00	0.00	0.00	407,942.86	0.00	29,651,084.04
Construction in Progress	32,657,268.52	0.00	(31,438,787.14)	0.00	0.00	89,200,043.96	(304,753.97)	90,113,771.37
Other Assets	759,903.50	0.00	0.00	0.00	0.00	177,495.80	0.00	937,399.30
Total Non-Depreciated Assets	62,660,313.20	0.00	(31,438,787.14)	0.00	0.00	89,785,482.62	(304,753.97)	120,702,254.71
Depreciable Assets								
Buildings and Building Improvements	420,917,814.23	0.00	20,227,246.65	0.00	0.00	0.00	(1,101,953.47)	440,043,107.41
Infrastructure	14,848,776.65	0.00	649,892.85	0.00	0.00	0.00	0.00	15,498,669.50
Furniture and Equipment	35,519,823.31	0.00	64,071.20	7,637.00	(10,760.33)	2,796,545.21	(1,722,007.06)	36,655,309.33
Vehicles, Boats and Aircraft	4,613,002.87	0.00	0.00	0.00	0.00	211,481.13	(85,486.80)	4,738,997.20
Other Capital Assets	14,111,630.20	0.00	0.00	0.00	0.00	351,602.87	(326,071.33)	14,137,161.74
Facilities and Other Improvements	24,717,681.09	0.00	10,497,576.44	0.00	0.00	0.00	0.00	35,215,257.53
Total Depreciable Assets	514,728,728.35	0.00	31,438,787.14	7,637.00	(10,760.33)	3,359,629.21	(3,235,518.66)	546,288,502.71
Less Accumulated Depreciation for:								
Buildings and Building Improvements	(217,101,435.54)	0.00	0.00	0.00	0.00	(15,100,891.65)	1,046,855.78	(231,155,471.41)
Infrastructure	(7,178,378.39)	0.00	0.00	0.00	0.00	(642,403.96)	0.00	(7,820,782.35)
Furniture and Equipment	(25,204,976.34)	0.00	0.00	0.00	10,760.33	(3,140,423.62)	1,697,569.13	(26,637,070.50)
Vehicles, Boats and Aircraft	(3,273,853.98)	0.00	0.00	0.00	0.00	(372,945.62)	85,486.80	(3,561,312.80)
Other Capital Assets	(9,766,723.39)	0.00	0.00	0.00	0.00	(510,573.77)	326,071.33	(9,951,225.83)
Facilities and Other Improvements	(10,873,195.19)	0.00	0.00	0.00	0.00	(1,219,098.59)	0.00	(12,092,293.78)
Total Accumulated Depreciation	(273,398,562.83)	0.00	0.00	0.00	10,760.33	(20,986,337.21)	3,155,983.04	(291,218,156.67)
Depreciable Assets Net	241,330,165.52	0.00	31,438,787.14	7,637.00	0.00	(17,626,708.00)	(79,535.62)	255,070,346.04
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	(2,577,156.47)	0.00	0.00	0.00	0.00	(498,345.13)	0.00	(3,075,501.60)
Other Capital Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accumulated Amortization Total	(2,577,156.47)	0.00	0.00	0.00	0.00	(498,345.13)	0.00	(3,075,501.60)
Business Type Activities Capital Assets, Net	304,656,720.27	0.00	0.00	7,637.00	0.00	71,660,429.49	(384,289.59)	375,940,497.17

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, 2016, the carrying amount of deposits was \$55,273,586.39 as presented below.

Governmental and Business-Type Activities	
Cash	
Cash in Bank Carrying Value	\$ 55,273,586.39
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	\$ 55,273,586.39
Proprietary Funds Current Assets Cash in Bank	54,613,361.85
Proprietary Funds Current Assets Restricted Cash in Bank	660,224.54
Cash in Bank per AFR	\$ 55,273,586.39

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, 2016 the total bank balance was \$50,242,666.23.

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, 2016, 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, 2016.

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, 2016, investments, at fair market value, consisted of the following:

Governmental and Business-Type Activities Cash Equivalents	Fair Value
Other Commingled Funds (Texpool)	54,383,720.35
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	\$ 54,383,720.35

Governmental and Business-Type Activities Short-Term Investments	Fair Value
Fixed Income	28,032,068.06
Other Commingled Funds	828,036.38
SUBTOTAL SHORT-TERM INVESTMENTS	\$ 28,860,104.44

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	90,289,510.10
Fixed Income	30,254,170.65
Other Commingled Funds	2,632,464.39
SUBTOTAL LONG-TERM INVESTMENTS	\$ 123,176,145.14
TOTAL	\$ 206,419,969.93

Governmental and Business-Type Activities Investments - As Reported in the Financial Statements	Fair Value
Proprietary Funds Current Cash Equivalents	23,214,077.72
Proprietary Funds Current Restricted Cash Equivalents	31,169,642.63
Proprietary Funds Short Term Investments	28,860,104.44
Proprietary Funds Non-Current Investments	123,176,145.14
TOTAL	206,419,969.93

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, 2016, 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, 2016, 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, 2016, Sam Houston State University was subject to minimal credit risk.

Investment Type	AAAf	AAf	Unrated
Fixed Income	\$0.00	\$0.00	\$58,286,238.71

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, 2016, 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 2016.

Note 4: Short-Term Debt

During the fiscal year ended August 31, 2016, 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, 2016, the following changes occurred in liabilities.

BUSINESS-TYPE ACTIVITIES	Balance 09/01/2015	Additions	Reductions	Balance 08/31/2016	Amounts Due Within One Year	Amounts Due Thereafter
Compensable Leave	\$6,556,623.71	\$159,851.82	\$450,019.98	\$6,266,455.55	\$3,400,679.33	\$2,865,776.22
Other Non-Current Liabilities	\$3,201,507.42		\$1,972,562.41	\$1,228,945.01		\$1,228,945.01
TOTAL BUSINESS-TYPE ACTIVITIES	\$9,758,131.13	\$159,851.82	\$2,422,582.39	\$7,495,400.56	\$3,400,679.33	\$4,094,721.23

Notes And Loans Payable

None.

Claims & Judgements

At August 31, 2016, 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, 2016, the accrued liability totaled \$6,266,455.55.

The University made lump sum payments totaling \$450,019.98 for accrued vacation and/or compensatory time to employees who separated from state service during the fiscal year ending August 31, 2016.

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	2017	10,587,908.10	9,129,757.46	19,717,665.56
	2018	10,996,740.58	8,623,541.98	19,620,282.56
	2019	10,993,421.18	8,096,896.88	19,090,318.06
	2020-2024	50,800,013.86	32,247,783.86	83,047,797.72
	2025-2029	37,705,000.00	21,307,526.00	59,012,526.00
	2030-2034	27,385,000.00	13,961,051.38	41,346,051.38
	2035-2039	23,680,000.00	8,075,320.38	31,755,320.38
	2040-2044	20,065,000.00	2,971,950.00	23,036,950.00
	2045	3,330,000.00	133,200.00	3,463,200.00
	Totals		\$195,543,083.72	\$104,547,027.94

A portion of the debt represents Tuition Revenue Bonds historically funded by the Texas Legislature through General Revenue Appropriations. The institution was appropriated \$2,531,741.00 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

Sam Houston State University did not have any derivative activity for the fiscal year ended August 31, 2016.

Note 8: Leases

As of August 31, 2016, 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 \$288,417.66 for the fiscal year ended August 31, 2016.

Future minimum lease payments under operating leases having an initial term in excess of one year as of August 31, 2016 were as follows:

Fiscal Year Ended August 31, 2016	
2017	148,116.58
2018	109,583.51
2019	70,877.08
2020	48,765.00
Total future minimum lease payments	\$ 377,342.17

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.

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 2016.

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, 2016, 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-

DUE FROM/TO OTHER STATE ENTITIES	Due From Other Agencies	Due to Other Agencies	Purpose
GENERAL (01)			
Federal Pass Throughs			
SPECIAL REVENUE (02)			
Appd Fund 9999, D23 Fund 0259			
(Agency 327, D23 Fund 0973)	\$2,900,316.02		ERS CREDIT
Appd Fund 9999, D23 Fund 7999			
Federal Pass Throughs			
(Agency 556, D23 Fund 7999)	\$1,497.06		FEDERAL P-T
(Agency 576, D23 Fund 7999)		\$145.08	FEDERAL P-T
(Agency 601, D23 Fund 0006)	\$181,160.36		FEDERAL P-T
(Agency 730, D23 Fund 7999)	\$67,518.31		FEDERAL P-T
(Agency 781, D23 Fund 0001)	\$36,370.69		FEDERAL P-T
(Agency 802, D23 Fund 0951)	\$16,834.20		FEDERAL P-T
State Pass Throughs			
(Agency 300, D23 Fund 0421)	\$3,329.06		STATE P-T
(Agency 720, D23 Fund 7999)		\$4,261.35	STATE P-T
(Agency 781, D23 Fund 0001)		\$821,585.23	STATE P-T
(Agency 781, D23 Fund 0824)	\$2,240.80		STATE P-T
(Agency 781, D23 Fund 0825)	\$48,582.77		STATE P-T
University Components			
(Agency 754, D23 Fund 7999)			
Appd Fund 9999, D23 Fund 0802			
State Shared Cash Funds			
(Agency 608, D23 Fund 0802)	\$4,308.82		Collegiate License Plates
TOTAL DUE TO AND DUE FROM	\$3,262,158.09	\$825,991.66	

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		\$17,165,257.43	Transfer to TSUS for Bond Payment
Agency 758, D23 Fund 9999		\$2,219,806.00	Transfer to TSUS for System Shared
Agency 902, D23 Fund 0210	\$441,144.00		Military Veterans Exemptions - Hazlewood
Total Interfund Receivable/Payable	\$441,144.00	\$19,385,063.43	

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)	\$580,852.00	
(Agency 758, D23 Fund 0001)		\$2,529,619.16
Total Legislative Transfers	\$580,852.00	\$2,529,619.16

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

There were no adjustments to Fund Balance/Net Assets for the fiscal year ended August 31, 2016.

Note 15: Contingencies and Commitments

At August 31, 2016, 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, 2016.

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, 2016.

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 2016 was \$323,202.26. The assessment for SHSU for FY 2017 is \$344,474.90.

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, 2016.

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, is self-insured 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 \$2,395,336.56 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	\$2,612,520.71	Restricted for Expendable
True Endowments	\$20,764,647.43	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 2016 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, 2016.

Note 24: Disaggregation of Receivable and Payable Balance

Sam Houston State University had the following aggregate receivable and payable balances as of August 31, 2016:

Current Receivables

Federal Receivables	
Instructional and Departmental	\$
Research	687,874.41
Public Service	
Financial Aid	2,261,997.96
Academic Support	
Total Net Federal Receivable	<u>\$ 2,949,872.37</u>
As Reported on the Financial Statements	
Current Federal Receivable	\$ 2,949,872.37
Non-Current Federal Receivable	
Total Net Federal Receivable	<u>\$ 2,949,872.37</u>
Accounts Receivable	
Allowance for Doubtful Accounts	\$ (7,046,024.11)
Returned Checks	403,174.21
Contracts and Grants	8,959,348.59
Auxiliaries	7,816,940.96
Tuition and Fees Receivable	24,664,410.43
Other Receivables	571,716.76
Total Net Accounts Receivable	<u>\$ 35,369,566.84</u>

Accounts Receivable is reported net of Allowance for Doubtful Accounts. For FY 2016, Allowance for Doubtful Accounts (\$7,046,024.11) increased from FY 2015 (\$6,143,219.00). This difference resulted from specifically identified uncollectible accounts of \$640,814.98, plus bad debt expense of \$1,543,620.09.

Noncurrent Receivables

Gifts, Pledges and Donations	\$ 1,539,988.26
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Current Payables**Accounts Payable**

Taxes Payable	\$ 14,122.31
Construction Retainage	3,114,505.02
Construction Related Accounts Payable	5,783,199.51
Other Payables	4,540,225.30
Total Accounts Payable	<u>\$ 13,452,052.14</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	\$ 1,228,945.01
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Note 25: Termination Benefits

Not Applicable.

During the fiscal year ended August 31, 2016, 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.

Sam Houston State University
 Schedule 1A
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2016

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			
Environmental Protection Agency													
Direct Programs:													
Multi-Media Capacity Building Grants for States and Tribes	66.709					148,606.85	148,606.85				148,606.85	148,606.85	
Totals - Environmental Protection Agency				\$	0.00	\$	0.00	\$	0.00	\$	148,606.85	\$	148,606.85
Executive Office of the President													
Direct Programs:													
High Intensity Drug Trafficking Areas Program	95.001					966,904.61	966,904.61				966,904.61	966,904.61	
Totals - Executive Office of the President				\$	0.00	\$	0.00	\$	0.00	\$	966,904.61	\$	966,904.61
Institute of Museum and Library Services													
Pass-Through From:													
Grants to States	45.310						7,881.30				7,881.30	7,881.30	
<i>Pass-Through From:</i> <i>Texas State Library and Archives Commission</i>			306	\$	7,881.30								
Totals -Institute of Museum and Library Services				\$	7,881.30	\$	0.00	\$	0.00	\$	7,881.30	\$	7,881.30
National Aeronautics and Space Administration													
Direct Programs:													
Science	43.001					1,059.85	1,059.85				1,059.85	1,059.85	
Totals- National Aeronautics and Space Administration				\$	0.00	\$	0.00	\$	0.00	\$	1,059.85	\$	1,059.85
National Endowment For The Arts													
Direct Programs:													
Promotion of the Arts_Grants to Organizations and Individuals	45.024					-0.27	-0.27				-0.27	-0.27	
Totals - National Endowment For The Arts				\$	0.00	\$	0.00	\$	0.00	\$	(0.27)	\$	(0.27)
National Endowment For The Humanities													
Promotion of the Humanities_Federal/State Partnership	45.129	Humanities Texas/ 280580				800.00	800.00				800.00	800.00	
Totals - National Endowment For The Humanities				\$	0.00	\$	800.00	\$	0.00	\$	800.00	\$	800.00
National Science Foundation													
Social, Behavioral, and Economic Sciences	47.075	Arizona State University/ 270520				15,442.71	15,442.71				15,442.71	15,442.71	
Totals - National Science Foundation				\$	0.00	\$	15,442.71	\$	0.00	\$	15,442.71	\$	15,442.71
Small Business Administration													
Pass-Through From:													
Small Business Development Centers	59.037						149,480.59				149,480.59	149,480.59	
<i>Pass-Through From:</i> <i>University of Houston</i>			730		149,480.59								
Totals - Small Business Administration				\$	149,480.59	\$	0.00	\$	0.00	\$	149,480.59	\$	149,480.59
U.S. Department of Agriculture													
Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	10.326	Middle Tennessee State University/ 270580				28,064.61	28,064.61				28,064.61	28,064.61	
Direct Programs:													
Plant and Animal Disease, Pest Control, and Animal Care	10.025					126,009.49	148,339.31				148,339.31	148,339.31	
<i>Pass-Through From:</i> <i>Texas A&M Forest Service</i>			576		22,329.82								
Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	10.326					130,557.13	130,557.13				130,557.13	130,557.13	
Totals - U.S. Department of Agriculture				\$	22,329.82	\$	28,064.61	\$	256,566.62	\$	306,961.05	\$	306,961.05
U.S. Department of Education													
Improving Teacher Quality State Grants	84.367	National Writing Project/ 280630				1,263.12	1,263.12				1,263.12	1,263.12	
Pass-Through From:													
Improving Teacher Quality State Grants	84.367						88,870.69				88,870.69	88,870.69	
<i>Pass-Through From:</i> <i>Texas Higher Education Coordinating Board</i>			781		88,870.69								
Totals - U.S. Department of Education				\$	88,870.69	\$	1,263.12	\$	0.00	\$	90,133.81	\$	90,133.81

Sam Houston State University
 Schedule 1A
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2016

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 Health and Human Services												
Drug Abuse and Addiction Research programs	93.279	CASAColumbia/ 280600			25,731.04		25,731.04				25,731.04	25,731.04
Totals - U.S. Department of Health and Human Services				\$ 0.00	\$ 25,731.04	\$ 0.00	\$ 25,731.04		\$ 0.00	\$ 0.00	\$ 25,731.04	\$ 25,731.04
U.S. Department of Homeland Security												
Centers for Homeland Security	97.061	University of Southern California/ 270530			15,957.73		15,957.73				15,957.73	15,957.73
Totals-U.S. Department of Homeland Security				\$ 0.00	\$ 15,957.73	\$ 0.00	\$ 15,957.73		\$ 0.00	\$ 0.00	\$ 15,957.73	\$ 15,957.73
U.S. Department of Justice												
Smart Prosecution Initiative	16.825	Harris County - Texas/ 270460			29,544.59		29,544.59				29,544.59	29,544.59
Totals - U.S. Department of Justice				\$ 0.00	\$ 29,544.59	\$ 0.00	\$ 29,544.59		\$ 0.00	\$ 0.00	\$ 29,544.59	\$ 29,544.59
U.S. Department of State												
AEECA/ESF PD Programs	19.900	Eurasia Foundation/ 280660			10,279.32		10,279.32				10,279.32	10,279.32
Totals - U.S. Department of State				\$ 0.00	\$ 10,279.32	\$ 0.00	\$ 10,279.32		\$ 0.00	\$ 0.00	\$ 10,279.32	\$ 10,279.32
Research & Development Cluster												
National Science Foundation												
Direct Programs:												
Mathematical and Physical Sciences	47.049					225,207.93	225,207.93				225,207.93	225,207.93
Geosciences	47.050					17,695.49	17,695.49				17,695.49	17,695.49
Computer and Information Science and Engineering	47.070					69,563.72	69,563.72				69,563.72	69,563.72
Biological Sciences	47.074					23,851.89	23,851.89	8,398.67		61,165.05	23,851.89	23,851.89
Education and Human Resources	47.076					132,386.93	132,386.93			132,386.93	132,386.93	132,386.93
Totals - National Science Foundation				\$ 0.00	\$ 0.00	\$ 468,705.96	\$ 468,705.96	\$ 8,398.67	\$ 460,307.29	\$ 460,307.29	\$ 468,705.96	\$ 468,705.96
U.S. Department of the Interior												
Direct Programs:												
U. S. Geological Survey_Research and Data Collection	15.808						6,975.31				6,975.31	6,975.31
Pass-Through From:												
Cooperative Endangered Species Conservation Fund	15.615						17,949.70				17,949.70	17,949.70
<i>Pass-Through From:</i>												
<i>Parks and Wildlife Department</i>												
			802		17,949.70							
Totals - U.S. Department of the Interior				\$ 0.00	\$ 0.00	\$ 6,975.31	\$ 24,925.01		\$ 0.00	\$ 0.00	\$ 24,925.01	\$ 24,925.01
U.S. Department of Agriculture												
Pass-Through From:												
Higher Education - Institution Challenge Grants Program	10.217						1,497.06				1,497.06	1,497.06
<i>Pass-Through From:</i>												
<i>Texas A&M AgriLife Research</i>												
			556		1,497.06							
Totals - U.S. Department of Agriculture				\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,497.06		\$ 0.00	\$ 0.00	\$ 1,497.06	\$ 1,497.06
U.S. Department of Defense												
Direct Programs:												
Military Medical Research and Development	12.420					193,595.10	193,595.10				193,595.10	193,595.10
Mathematical Sciences Grants Program	12.901					3,176.01	3,176.01				3,176.01	3,176.01
Totals - U.S. Department of Defense				\$ 0.00	\$ 0.00	\$ 196,771.11	\$ 196,771.11		\$ 0.00	\$ 0.00	\$ 196,771.11	\$ 196,771.11
U.S. Department of Education												
Pass-Through From:												
Career and Technical Education - Basic Grants to States	84.048						1,033.22				1,033.22	1,033.22
<i>Pass-Through From:</i>												
<i>Texas A&M AgriLife Research</i>												
			556		1,033.22							
Totals - U.S. Department of Education				\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,033.22		\$ 0.00	\$ 0.00	\$ 1,033.22	\$ 1,033.22

Sam Houston State University
 Schedule 1A
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2016

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 Energy												
Fossil Energy Research and Development	81.089	Houston Advanced Research Center/ 280430			4,825.66		4,825.66				4,825.66	4,825.66
Totals - U.S. Department of Energy					\$ 0.00	\$ 4,825.66	\$ 0.00	\$ 4,825.66	\$ 0.00	\$ 0.00	\$ 4,825.66	\$ 4,825.66
U.S. Department of Justice												
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	Arizona State University/ 270490 University of Colorado/ 270280			146,686.87		146,686.87		47,393.41		99,293.46	146,686.87
					1,238.13		1,238.13				1,238.13	1,238.13
Direct Programs:												
National Institute of Justice Research, Evaluation, and Development Project Grants Pass-Through To: Texas State University	16.560					584,168.96	584,168.96		32,748.36		502,010.01	584,168.96
								754	49,410.59			
Criminal Justice Research and Development_Graduate Research Fellowships	16.562					114,243.76	114,243.76				114,243.76	114,243.76
Totals - U.S. Department of Justice					\$ 0.00	\$ 147,925.00	\$ 698,412.72	\$ 846,337.72	\$ 49,410.59	\$ 80,141.77	\$ 716,785.36	\$ 846,337.72
Highway Safety Cluster												
U.S. Department of Transportation												
Pass-Through From:												
State and Community Highway Safety Pass-Through From: Texas Department of Transportation	20.600		601	46,384.05			46,384.05				46,384.05	46,384.05
National Priority Safety Programs Pass-Through From: Texas Department of Transportation	20.616		601	551,147.15			551,147.15				551,147.15	551,147.15
Totals - U.S. Department of Transportation				\$ 597,531.20	\$ 0.00	\$ 0.00	\$ 597,531.20		\$ 0.00	\$ 0.00	\$ 597,531.20	\$ 597,531.20
Student Financial Assistance Cluster												
U.S. Department of Education												
Direct Programs:												
Federal Supplemental Educational Opportunity Grants	84.007					483,072.00	483,072.00				483,072.00	483,072.00
Federal Work-Study Program	84.033					547,618.25	547,618.25				547,618.25	547,618.25
Federal Perkins Loan Program_Federal Capital Contributions	84.038					47,050.00	47,050.00				47,050.00	47,050.00
Federal Pell Grant Program	84.063					30,485,009.61	30,485,009.61				30,485,009.61	30,485,009.61
Federal Direct Student Loans	84.268					104,819,341.00	104,819,341.00				104,819,341.00	104,819,341.00
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379					142,544.00	142,544.00				142,544.00	142,544.00
Totals - U.S. Department of Education				\$ 0.00	\$ 0.00	\$ 136,524,634.86	\$ 136,524,634.86		\$ 0.00	\$ 0.00	\$ 136,524,634.86	\$ 136,524,634.86
TRIO Cluster												
U.S. Department of Education												
Direct Programs:												
TRIO_Student Support Services	84.042					228,109.36	228,109.36				228,109.36	228,109.36
TRIO_McNair Post-Baccalaureate Achievement	84.217					228,802.43	228,802.43				228,802.43	228,802.43
Totals - U.S. Department of Education				\$ 0.00	\$ 0.00	\$ 456,911.79	\$ 456,911.79		\$ 0.00	\$ 0.00	\$ 456,911.79	\$ 456,911.79
WIA Cluster												
U.S. Department of Labor												
Pass-Through From:												
WIA/WIOA Dislocated Worker Formula Grants Pass-Through From: Texas Workforce Commission	17.278		320	322.04			322.04				322.04	322.04
Totals - U.S. Department of Labor				\$ 322.04	\$ 0.00	\$ 0.00	\$ 322.04		\$ 0.00	\$ 0.00	\$ 322.04	\$ 322.04
Total Expenditures of Federal Awards				\$ 886,895.62	\$ 279,833.78	\$ 139,725,549.41	\$ 140,892,278.81		\$ 49,410.59	\$ 89,136.02	\$ 140,753,732.20	\$ 140,892,278.81

Note 1 - Non Monetary Assistance

Donation of Federal Surplus Property

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

SHSU does not show any Non-Monetary Assistance for FY16.

Note 2 - Reconciliation

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

		2014	2015	2016
Federal Revenue				
Proprietary Funds				
Operating	Exhibit IV/SRECNA	\$ 5,110,921.59	\$ 4,514,647.17	\$ 4,679,347.58
Non-Operating	Exhibit IV/SRECNA	\$ 29,186,957.95	\$ 30,834,569.45	\$ 30,485,009.61
Capital Contributions	Exhibit IV/SRECNA			
Total Federal Revenue		\$ 34,297,879.54	\$ 35,349,216.62	\$ 35,164,357.19
Federal Pass-Through Revenue				
Proprietary Funds				
Operating	Federal Pass-Through Revenue from Other State Agencies (SRECNA)	\$ 1,371,838.30	\$ 856,148.68	\$ 868,945.92
Non-Operating	Federal Pass-Through Revenue from Other State Agencies (SRECNA)	\$ 45,394.45	\$ 22,782.45	\$ 17,949.70
		\$ -	\$ -	\$ -
Total Federal Pass-Through Revenue		\$ 1,417,232.75	\$ 878,931.13	\$ 886,895.62
Total Federal & Federal Pass-Through Revenue		\$ 35,715,112.29	\$ 36,228,147.75	\$ 36,051,252.81
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	87,292.00	\$ 99,954.00
	Federal Direct Student Loans	84.268	95,013,412.00	\$ 96,305,259.00
				\$ 104,819,341.00
Total New Loans Processed		\$ 95,100,704.00	\$ 96,405,213.00	\$ 104,841,026.00
Total Reconciliation Items		\$ 95,100,704.00	\$ 96,405,213.00	\$ 104,841,026.00
Total Per Note 2		\$ 130,815,816.29	\$ 132,633,360.75	\$ 140,892,278.81
Total Pass Through & Expenditures per Federal Schedule		\$ 130,815,816.29	\$ 132,633,360.75	\$ 140,892,278.81
Difference		\$ -	\$ -	\$ -

Note 3a- Student Loans Processed and Administrative Costs Recovered

CFDA #	Beginning Balance of		*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 8/31/16, includes all FYs
	Outstanding Loan as of 8/31/15	New Loans Processed				
84.038 Federal Perkins Loan Program***	\$ 506,674.48	\$ 21,685.00	\$ 25,365.00	\$ 47,050.00	\$ 25,365.00	\$ 528,359.48
84.268 Federal Direct Loan Program	\$ -	\$ 104,819,341.00	\$ -	\$ 104,819,341.00	\$ 104,819,341.00	\$ -
Total	\$ 506,674.48	\$ 104,841,026.00	\$ 25,365.00	\$ 104,866,391.00	\$ 104,844,706.00	\$ 528,359.48

* 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.

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

CFDA #	Beginning Balance of		*CY Admin	Total Loans	Repayment/	**Outstanding
	Outstanding Loan as of 8/31/15	New Loans Processed	Cost Recovered, includes PYs only if applicable	Processed and Admin Cost Recovered (From Schedule)	Adjustment Activity (PY + CY)	Balance of Loans as of 8/31/16, includes all FYs
84.063 Federal Pell Program	\$ -	\$ 30,411,048.55	\$ 73,961.06	\$ 30,485,009.61	\$ 30,485,009.61	\$ -
Total	\$ -	\$ 30,411,048.55	\$ 73,961.06	\$ 30,485,009.61	\$ 30,485,009.61	\$ -

* 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, 2016

Pass Through From:

Agency Name

Governor - Fiscal		
Criminal Justice Planning Grants - GR-D Fund 0421	\$	179,203.40
Texas State Board of Public Accountancy		
Fifth Year Accounting Student Scholarship Program	\$	19,811.00
University of Texas System		
Joint Admission Medical Program (JAMP)	\$	32,273.65
Texas Higher Education Coordinating Board		
Minority Health Research And Education	\$	139,489.07
Nursing and Allied Health	\$	14,121.93
TEXAS Grant Program	\$	11,821,321.00
Professional Nursing Shortage Reduction Program	\$	404,089.87
College Work Study Program	\$	111,644.15
Top 10% Scholarships	\$	243,885.00
Outreach and Success	\$	13,368.46
CCA-DE MATH	\$	106.63
Total State Pass-Thru Grant Revenue	\$	12,979,314.16

Pass Through To:

None.

SAM HOUSTON STATE UNIVERSITY
SCHEDULE 2A
MISCELLANEOUS BOND INFORMATION
For the Year Ended August 31, 2016

Schedule Not Used

SAM HOUSTON STATE UNIVERSITY
SCHEDULE 2B
CHANGES IN BOND INDEBTEDNESS
For the Year Ended August 31, 2016

Schedule Not Used

SAM HOUSTON STATE UNIVERSITY
SCHEDULE 2C
DEBT SERVICE REQUIREMENTS
For the Year Ended August 31, 2016

Schedule Not Used

SAM HOUSTON STATE UNIVERSITY
SCHEDULE 2D
ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE
For the Year Ended August 31, 2016

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, 2016

Schedule Not Used

SAM HOUSTON STATE UNIVERSITY
SCHEDULE 2F
EARLY EXTINGUISHMENT AND REFUNDING
For the Year Ended August 31, 2016

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, 2016

Cash in State Treasury	Unrestricted	Restricted	Current Year Total
Local Revenue Fund 259	\$ 11,255,460.34		\$ 11,255,460.34
Law Enforcement Mgt. Institute Fund 581	\$ 2,231,572.51		\$ 2,231,572.51
CJ Correctional Management Institute Fund 5083	\$ 422,288.99		\$ 422,288.99
Total Cash in State Treasury (Stmt of Net Assets)	\$ 13,909,321.84	\$ -	\$ 13,909,321.84

SAM HOUSTON STATE UNIVERSITY
SCHEDULE 4
HIGHER EDUCATION ASSISTANCE FUND
For the Year Ended August 31, 2016

	<u>Totals</u>
	\$
Balance September 1, 2015	<u>3,842,690.59</u>
REVENUES	
Appropriations	<u>11,553,239.00</u>
Total Revenues	<u>11,553,239.00</u>
EXPENSES	
Capital Expenditures	9,143,183.59
Professional Fees and Services	82,619.25
Materials and Supplies	1,196,140.47
Repairs and Maintenance	33,022.50
Service	39,747.75
Interest	-
Real Property	484,765.52
Other Expenses	<u>1,083,905.49</u>
Total Expenses	<u>12,063,384.57</u>
	\$
BALANCE AT AUGUST 31, 2016	<u><u>3,332,545.02</u></u>