



ANNUAL FINANCIAL REPORT

for the fiscal year ended August 31, 2013

SAM HOUSTON STATE UNIVERSITY
Huntsville, Texas

*Sam Houston State University is a Member of
The Texas State University System*



Dana L. Gibson

Sam Houston State University

A Member of The Texas State University System
OFFICE OF THE PRESIDENT

November 16, 2013

Honorable Rick Perry, Governor
Honorable Susan Combs, State Comptroller
Ursula Parks, Director, Legislative Budget Board
John Keel, CPA, State Auditor

Lady and Gentlemen:

We are pleased to submit the Annual Financial Report of Sam Houston State University for the year ended August 31, 2013, 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,

Dana L. Gibson
President

**UNAUDITED
REVISED**

FINANCIAL REPORT

SAM HOUSTON STATE UNIVERSITY

For the Year Ended August 31, 2013

Huntsville, Texas

**UNAUDITED
REVISED**

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Sam Houston State University

A Member of The Texas State University System

November 16, 2013

Dr. Dana L. Gibson, President
Sam Houston State University
Huntsville, Texas 77341

Dear Dr. Gibson:

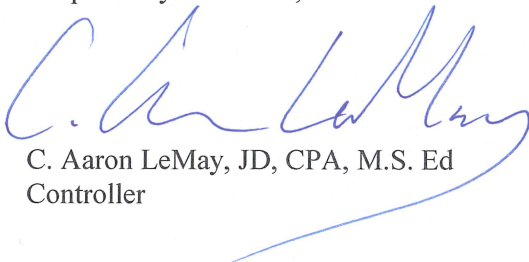
Submitted herein is the Annual Financial Report of Sam Houston State University for the fiscal year ended August 31, 2013.

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,

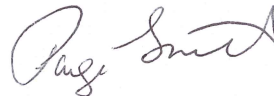


C. Aaron LeMay, JD, CPA, M.S. Ed
Controller

Approved:



Al Hooten
Vice President for Finance & Operations



Paige Smith, MBA, CPA, CIA
Associate Vice President for
Financial Services

REVISED- UNAUDITED
UNAUDITED
BOARD OF REGENTS
TEXAS STATE UNIVERSITY SYSTEM

August 31, 2013

OFFICERS

Donna N. Williams	Chairman
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MEMBERS

Terms Expire May 31, 2014 Matthew Russell, Student Regent	San Marcos
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Terms Expire February 1, 2015 Kevin J. Lilly Ron Mitchell, Vice Chair David Montagne	Houston Horseshoe Bay Beaumont
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Terms Expire February 1, 2017 Dr. Jaime R. Garza Rossanna Salazar Donna N. Williams	San Antonio Austin Arlington
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Terms Expire February 1, 2019 Charlie Amato Vernon Reaser III William F. Scott	San Antonio Bellaire Nederland
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Chancellor
Brian McCall, Ph.D.

ADMINISTRATIVE OFFICIALS
SAM HOUSTON STATE UNIVERSITY

PRESIDENT

Dana L. Gibson, Ph.D.

FISCAL OFFICE

Al Hooten	Vice President for Finance and Operations
Paige Smith, MBA, CIA, CPA	Associate Vice President for Financial Services
C. Aaron LeMay, JD, CPA, M.S. Ed	Controller

UNAUDITED - REVISED

Sam Houston State University

Student Enrollment Data
For the Year Ended August 31, 2013

TYPE OF STUDENT	NUMBER OF STUDENTS BY SEMESTER			
	FALL 2012	SPRING 2013	SUMMER TERM 2013	
			FIRST	SECOND
Texas Residents	14,326	13,044	2,868	3,594
Out of State (Classified as Residents)	62	67	11	9
Out of State	432	399	303	77
Foreign	282	293	125	59
Children of Disabled	3	3	2	2
Concurrent Enrollment				
Foster Children of the State	22	20	8	11
Good Neighbor	4	4	3	2
High School Honor Scholarships				
High Ranking Senior	17	18	0	0
Hazelwood Act	254	240	133	104
Senior Citizens	5	4	0	0
Commission for the Blind/Deaf	32	29	18	12
Fireman Exempt	16	26	17	12
Thesis Only				
Student Service Fees				
Nursing				
Faculty/Staff	113	135	88	37
Teaching Assistants	102	87	47	4
Competitive Scholarships	284	279	104	58
Military Personnel	23	26	13	12
Louisiana Adjacent County				
Mexico Pilot				
National Student Exchange Program				
New Mexico Adjacent County				
Texas Tomorrow Waiver	286	280	77	63
Adopted Students	32	30	9	8
Military Dependent	481	486	168	161
Pase				
TANF				
H.B. 877				
Distance Learning	1,760	1,896	2,499	
Family & Consumer Science Alliance Agreement	0	1	1	1
Clinical Preceptor Exempt	2	0	1	1
Beaumont-Louisiana Non-resident				
UACH				
Early HS Grad				
TAPS Tuition Voucher 54.2111				
TDCJ-54.218 Education Code				
Trio Grant Math 0301				
HB 1406 Non US Citizen				
Totals	<u>18,538</u>	<u>17,367</u>	<u>6,495</u>	<u>4,227</u>

Enrollment Data (Fall Semester)

Fiscal Year	STUDENTS	SEMESTER HOURS
2013	18,538	220,607

**UNAUDITED
REVISED**

SAM HOUSTON STATE UNIVERSITY

PROPRIETARY FUND STATEMENTS

**Texas State University System
Sam Houston State University
Statement of Net Assets
August 31, 2013**

Total**ASSETS AND DEFERRED OUTFLOWS**

Current Assets:

Cash and Cash Equivalents (Note 3)

Cash on Hand	26,850.00
--------------	-----------

Cash in Bank	38,422,272.10
--------------	---------------

Cash in Transit/Reimburse from Treasury	2,792,609.53
---	--------------

Cash in State Treasury	34,219,155.24 (schedule 3)
------------------------	----------------------------

Cash Equivalents	38,146,302.21
------------------	---------------

Securities Lending Collateral

Short Term Investments (Note 3)

Restricted:

Cash and Cash Equivalents (Note 3)

Cash on Hand	
--------------	--

Cash in Bank	2,254,188.01
--------------	--------------

Cash in Transit/Reimburse from Treasury	
---	--

Cash in State Treasury	(schedule 3)
------------------------	--------------

Cash Equivalents	11,109,975.25
------------------	---------------

Short Term Investments (Note 3)

Legislative Appropriations	12,111,098.59
----------------------------	---------------

Receivables:

Federal	5,069,860.61
---------	--------------

Other Intergovernmental	780.55
-------------------------	--------

Interest and Dividends	
------------------------	--

Accounts	27,507,880.01
----------	---------------

Gifts	
-------	--

Investment Trades	
-------------------	--

Other	15,078.76
-------	-----------

Interfund Receivable (Note 12)

Due From Other Agencies (Note 12)	615,397.18
-----------------------------------	------------

Consumable Inventories

Merchandise Inventories	464,325.55
-------------------------	------------

Prepaid Items	884,364.66
---------------	------------

Loans and Contracts	4,335,763.23
---------------------	--------------

Other Current Assets	24,887,701.98
----------------------	---------------

Total Current Assets	202,863,603.46
----------------------	----------------

**Texas State University System
Sam Houston State University
Statement of Net Assets
August 31, 2013**

Total

Non-Current Assets and Deferred Outflows:

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

54,971.86

Investments (Note 3)

100,046,355.52

Loans and Contracts

Other Assets

Deferred Charges

Loans and Contracts

Investments (Note 3)

Interfund Receivables (Note 12)

Gifts

Capital Assets:

Non-Depreciable:

Land and Land Improvements

24,925,389.35

Infrastructure

Construction in Progress

8,531,123.25

Other Capital Assets

759,903.50

Depreciable:

Buildings and Building Improvements

405,017,093.58

Less Accumulated Depreciation

-187,714,677.91

Infrastructure

14,237,580.33

Less Accumulated Depreciation

-6,010,035.27

Facilities and Other Improvements

23,786,336.39

Less Accumulated Depreciation

-8,876,404.43

Furniture and Equipment

33,008,388.45

Less Accumulated Depreciation

-21,755,484.07

Vehicles, Boats, and Aircraft

3,869,668.27

Less Accumulated Depreciation

-2,661,078.08

Other Capital Assets

13,092,134.50

Less Accumulated Depreciation

-8,906,901.10

Amortizable Assets-Intangible

3,243,398.02

Less Accumulated Amortization

-1,445,180.97

Other Non-Current Assets

Total Non-Current Assets

393,202,581.19

Total Assets

596,066,184.65

DEFERRED OUTFLOWS

Derivative Hedging Instrument Assets

**Texas State University System
Sam Houston State University
Statement of Net Assets
August 31, 2013**

	Total
Deferred Outflow of Resources	
Total Deferred Outflows	0.00
Total Assets and Outflows	596,066,184.65

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:

Payables:

Accounts	11,403,875.18
Investment Trades	
Payroll	4,885,848.64
Other Intergovernmental	
Federal	
Interest	
Other	
Interfund Payable (Note 12)	
Due to Other Agencies (Note 12)	23,534.66
Unearned Revenues	97,702,866.93
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)	2,691,163.92
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	772,090.36
Other Current Liabilities	

Total Current Liabilities	117,479,379.69
----------------------------------	-----------------------

Non-Current Liabilities and Deferred Inflows:

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)	2,371,200.80
Capital Lease Obligations (Note 5, 8)	
Liabilities Payable from Restricted Assets	
Assets Held for Others	
Pollution Remediation Obligations	
Other Non-Current Liabilities	2,898,450.01

Total Non-Current Liabilities and Deferred Inflows	5,269,650.81
---	---------------------

Total Liabilities	122,749,030.50
--------------------------	-----------------------

**Texas State University System
Sam Houston State University
Statement of Net Assets
August 31, 2013**

Total**DEFERRED INFLOWS**

Derivative Instrument Liabilities
Deferred Inflow of Resources

Total Deferred Inflows

Total Liabilities and Inflows

	0.00
	122,749,030.50

NET POSITION

Invested in Capital Assets, Net of Related Debt

293,101,253.81

Restricted For

Education

Debt Retirement

Capital Projects

Employee Benefits

Funds Held As Permanent Investments:

Non-Expendable

Expendable

Other

Unrestricted

35,813,866.46

67,880,528.76

13,534,466.90

62,987,038.22

Total Net Position

473,317,154.15

REVISED - UNAUDITED

Texas State University System
Sam Houston State University
 Restated: Statement of Revenues, Expenses, and Changes in Net Assets
 For the Fiscal Year Ended August 31, 2013

	<u>Total</u>
OPERATING REVENUES	
Sales of Goods and Services	
Tuition and Fees - Pledged	157,489,308.27
Discounts and Allowances	-41,541,478.92
Discounts and Allowances	
Professional Fees	
Professional Fees - Pledged	
Discounts and Allowances	
Auxiliary Enterprises	37,647,752.30
Auxiliary Enterprises - Pledged	
Discounts and Allowances	
Other Sales of Goods and Services	5,517,296.41
Other Sales of Goods and Services - Pledged	
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	4,834,404.29
Federal Pass-Through Revenue	1,760,544.32
State Grant Revenue	389,444.75
State Grant Pass-Through Revenue	8,640,894.92
Other Grants and Contracts	2,017,750.70
Other Grants and Contracts - Pledged	
Other Operating Revenues	6,934,608.11
Other Operating Revenues - Pledged	
Total Operating Revenues	<u>183,690,525.15</u>
OPERATING EXPENSES	
Instruction	66,707,468.23
Research	4,468,460.95
Hospitals and Clinics	0.00
Public Service	11,155,753.11
Academic Support	43,853,531.29
Student Services	18,284,480.43
Institutional Support	18,936,872.71
Operation and Maintenance of Plant	16,856,216.08
Scholarship and Fellowships	23,265,552.86
Auxiliary Enterprise Expenditures	36,556,337.67
Depreciation and Amortization	20,416,269.10
Total Operating Expenses	<u>260,500,942.43</u>
Operating Income (Loss)	<u><u>-76,810,417.28</u></u>

Texas State University System
Sam Houston State University
 Restated: Statement of Revenues, Expenses, and Changes in Net Assets
 For the Fiscal Year Ended August 31, 2013

	Total
NONOPERATING REVENUES (EXPENSES):	
Legislative Revenue	39,766,337.00
Additional Appropriations	10,402,021.36
Federal Revenue	27,021,424.04
Federal Pass-Through Revenue	0.00
State Grant Pass-Through Revenue	
Gifts	3,350,082.17
Gifts - Pledged	
Land Income	
Interest and Investment Income (Expense)	9,154,322.32
Interest and Investment Income (Expense) - Pledged	
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	-524,761.17
Net Increase (Decrease) in Fair Value of Investments	-1,430,003.04
Net Increase (Decrease) in Fair Value of Investments - Pledged	
Settlement of Claims	-264,688.86
Other Nonoperating Revenues	70,037.64
Other Nonoperating Expenses	-51,207.14
Total Nonoperating Revenues (Expenses)	<u>87,493,564.32</u>
Income (Loss) before Other Revenues, Expenses, Gains/Losses and Transfers	10,683,147.04
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	6,821,149.87
Special Items	
Extraordinary Items	
Increase NA Interagency Transfer Capital Assets	
Decrease NA Interagency Transfer Capital Assets	-147,066.69
Transfer In	5,500,000.00
Transfer Out	-15,417,163.87
Legislative Transfer In	
Legislative Transfer Out	-2,665,405.22
Lapses	-183.78
Total Other Revenues, Expenses, Gains/Losses and Transfers	<u>5,984,440.31</u>
CHANGE IN NET ASSETS	<u>16,667,587.35</u>
Net Assets, September 1, 2012	466,808,348.94
Restatements	<u>-10,158,782.14</u>
Net Assets, September 1, 2012, as Restated	<u>456,649,566.80</u>
NET ASSETS, August 31, 2013	<u>473,317,154.15</u>

REVISED - UNAUDITED

Texas State University System
Sam Houston State University
Restated: Matrix of Operating Expenses Reported by Function
For the Fiscal Year Ended August 31, 2013

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	-	-	-	78,267.22	5,265.42	79,914.33	1,134.60	-	-	346,584.53	-	511,166.10
Salaries and Wages	51,307,952.38	2,211,743.35	-	5,665,819.17	23,440,943.61	9,883,616.61	9,578,088.00	6,721,771.63	687,715.05	9,812,693.11	-	119,310,342.91
Payroll Related Costs	11,175,821.03	422,444.40	-	1,302,507.36	5,287,410.87	2,508,484.43	5,377,052.44	2,107,429.18	14,832.36	2,556,832.92	-	30,752,814.99
Professional Fees and Services	639,520.43	103,282.10	-	172,788.15	607,989.29	226,748.52	530,198.88	552,045.89	-	675,562.10	-	3,508,135.36
Federal Grant Pass-Through Expense	-	28,931.20	-	2,300.65	-	-	-	-	-	-	-	31,231.85
State Grant Pass-Through Expense	-	-	-	-	-	-	-	-	-	-	-	-
Travel	877,036.97	202,560.11	-	171,163.56	1,404,744.07	458,883.44	269,841.89	11,981.80	-	1,599,901.87	-	4,996,113.71
Materials and Supplies	806,478.93	538,189.02	-	868,966.70	6,301,417.76	2,052,778.17	1,721,714.35	1,951,058.43	-	10,961,570.51	-	25,202,173.87
Communications and Utilities	65,552.29	25,417.88	-	224,821.00	2,758,101.51	682,507.35	93,889.32	2,846,256.52	-	2,059,575.24	-	8,756,121.11
Repairs and Maintenance	80,320.88	38,779.03	-	114,289.37	1,111,538.00	311,502.26	569,362.20	1,938,203.03	-	1,874,178.63	-	6,038,173.40
Rentals and Leases	55,845.87	27,108.23	-	297,959.44	522,828.24	219,613.37	127,344.36	62,231.41	-	576,842.89	-	1,889,773.81
Printing and Reproduction	29,611.19	28,460.41	-	87,180.76	284,895.53	221,525.43	189,082.92	1,785.54	-	306,917.98	-	1,149,459.76
Depreciation and Amortization*	-	-	-	-	-	-	-	-	-	-	20,416,269.10	20,416,269.10
Bad Debt Expense	(248.00)	-	-	(212.00)	(5,103.00)	(2,359.00)	(475,171.00)	-	(346,451.96)	(281,209.00)	-	(1,110,753.96)
Interest	5.68	0.72	-	22.37	6.66	-	(0.13)	-	-	-	-	35.30
Scholarships	44,414.00	95,087.80	-	2,000.00	-	13,875.00	-	-	22,909,457.41	3,675,034.23	-	26,739,868.44
Claims and Judgments	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating Expenses	1,625,156.58	746,456.70	-	2,167,879.36	2,133,493.33	1,627,390.52	954,334.88	663,452.65	-	2,391,852.66	-	12,310,016.68
Total Operating Expenses	66,707,468.23	4,468,460.95	-	11,155,753.11	43,853,531.29	18,284,480.43	18,936,872.71	16,856,216.08	23,265,552.86	36,556,337.67	20,416,269.10	260,500,942.43

REVISED - UNAUDITED

Texas State University System
Sam Houston State University
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2013

	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	
Proceeds from Tuition and Fees	123,423,640.01
Proceeds from Research Grants and Contracts	17,680,502.28
Proceeds from Gifts	
Proceeds from Loan Programs	
Proceeds from Auxiliaries	37,647,752.30
Proceeds from Other Revenues	9,969,234.22
Payments to Suppliers for Goods and Services	-74,538,788.58
Payments to Employees for Salaries	-119,310,342.91
Payments to Employees for Benefits	-30,809,942.05
Payments for Loans Provided	-2,792,063.22
Payments for Other Expenses	-13,991,704.97
Net Cash Provided by Operating Activities	<u>-52,721,712.92</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from Debt Issuance	
Proceeds from State Appropriations	49,644,577.88
Proceeds from Gifts	10,171,232.04
Proceeds from Endowments	
Proceeds of Transfers from Other Funds	
Proceeds from Grant Receipts	27,021,424.04
Proceeds from Advances from Other Funds	
Proceeds from Loan Programs	
Proceeds from Other Financing Activities	70,037.64
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	-3,230,652.48
Net Cash Provided by Noncapital Financing Activities	<u>83,676,619.12</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from the Sale of Capital Assets	
Proceeds from Debt Issuance	5,500,000.00
Proceeds from State Grants and Contracts	
Proceeds from Federal Grants and Contracts	
Proceeds from Gifts	
Proceeds from Other Financing Activities	
Proceeds from Capital Contributions	
Proceeds from Advances from Other Funds	
Payments for Additions to Capital Assets	-10,133,797.27
Payments of Principal on Debt	-8,054,825.06
Payments for Capital Lease	
Payments of Interest on Debt Issuance	-7,113,138.33
Payments for interfund receivables	
Payments of Other Costs of Debt Issuance	
Net Cash Provided by Capital and Related Financing Activities	<u>-19,801,760.66</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales of Investments	7,444,923.12
Proceeds from Interest Income	
Proceeds from Investment Income	1,988,410.77
Proceeds from Principal Payments on Loans	
Payments to Acquire Investments	-7,458,043.17

REVISED - UNAUDITED
Texas State University System
Sam Houston State University
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2013

	Total
Payments for Nonprogram loans provided	
Net Cash Provided by Investing Activities	<u>1,975,290.72</u>
Net Increase (Decrease) in Cash and Cash Equivalents	13,128,436.26
Cash and Cash Equivalents, September 1, 2012	124,537,657.59
Changes in Accounting Principle	
Changes in Reporting Entity	
Restatements to Beginning Cash and Cash Equivalents	<u>-10,694,741.51</u>
Cash and Cash Equivalents, September 1, 2012- Restated	<u>113,842,916.08</u>
Cash and Cash Equivalents, August 31, 2013	<u><u>126,971,352.34</u></u>

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

Operating Income (Loss)	-76,810,417.28
Adjustments to Reconcile Operating Income (Loss)	
to Net Cash Provided by Operating Activities:	
Amortization and Depreciation	20,416,269.10
Bad Debt Expense	-1,110,753.96
Operating Income (Loss) and Cash Flow Categories:	
Classification Differences	
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	-2,482,670.30
(Increase) Decrease in Due from Other Funds	-251,586.63
(Increase) Decrease in Inventories	-121,819.36
(Increase) Decrease in Prepaid Expenses	-24,287.46
(Increase) Decrease in Notes Receivable	
(Increase) Decrease in Loans & Contracts	-2,792,063.22
(Increase) Decrease in Other Assets	30,396.64
(Increase) Decrease in State Appropriations	
Increase (Decrease) in Payables	3,557,544.43
Increase (Decrease) in Deposits	
Increase (Decrease) in Due to Other Funds	-18,297.09
Increase (Decrease) in Unearned Revenue	7,783,157.68
Increase (Decrease) in Compensated Absence Liability	-57,127.06
Increase (Decrease) in Benefits Payable	
Increase (Decrease) in Other Liabilities	-840,058.41
Total Adjustments	<u>24,088,704.36</u>
Net Cash Provided by Operating Activities	<u><u>-52,721,712.92</u></u>

Non Cash Transactions

Donation of Capital Assets	
Net Change in Fair Value of Investments	-1,430,003.04
Borrowing Under Capital Lease Purchase	
Other	-671,827.86

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SAM HOUSTON STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended August 31, 2013

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 ASSETS

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 Assets 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 assets.

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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 ASSETS

The difference between fund assets and liabilities is “Net Assets” 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 Assets

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

Unrestricted Net Assets

Unrestricted net assets consist of net assets which do not meet the definition of the two preceding categories. Unrestricted net assets often have 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, 2013 is presented below:

SAM HOUSTON STATE UNIVERSITY (753)								
CAPITAL ASSETS								
August 31, 2013								
Reclassifications								
	Balance 9/1/2012	Adjustments/ Restatements	Completed CIP	Inc-Int'agy Trans	Dec-Int'agy Trans	Additions	Deletions	Balance 8/31/2013
Non-Depreciable Assets								
Land and Land Improvements	17,942,926.25	0.00	3,472,706.46	0.00	0.00	3,509,756.64	0.00	24,925,389.35
Construction in Progress	6,583,840.59	0.00	(13,001,250.76)	0.00	0.00	14,967,058.42	(18,525.00)	8,531,123.25
Other Assets	759,903.50	0.00	0.00	0.00	0.00	0.00	0.00	759,903.50
Total Non-Depreciated Assets	25,286,670.34	0.00	(9,528,544.30)	0.00	0.00	18,476,815.06	(18,525.00)	34,216,416.10
Depreciable Assets								
Buildings and Building Improvements	403,650,647.01	0.00	5,817,596.13	0.00	0.00	127,185.53	(4,578,335.09)	405,017,093.58
Infrastructure	12,009,083.94	0.00	2,228,496.39	0.00	0.00	0.00	0.00	14,237,580.33
Furniture and Equipment	31,703,013.57	0.00	0.00	0.00	(147,066.69)	2,250,955.64	(798,514.07)	33,008,388.45
Vehicles, Boats and Aircraft	3,561,339.11	0.00	0.00	0.00	0.00	456,653.06	(148,323.90)	3,869,668.27
Other Capital Assets	12,530,508.71	0.00	0.00	0.00	0.00	600,830.98	(39,205.19)	13,092,134.50
Facilities and Other Improvements	22,303,278.61	0.00	1,482,451.78	0.00	0.00	606.00	0.00	23,786,336.39
Total Depreciable Assets	485,757,870.95	0.00	9,528,544.30	0.00	(147,066.69)	3,436,231.21	(5,564,378.25)	493,011,201.52
Less Accumulated Depreciation for:								
Buildings and Building Improvements	(177,593,211.84)	0.00	0.00	0.00	0.00	(14,422,142.93)	4,300,676.86	(187,714,677.91)
Infrastructure	(5,504,570.64)	0.00	0.00	0.00	0.00	(505,464.63)	0.00	(6,010,035.27)
Furniture and Equipment	(19,189,382.56)	0.00	0.00	0.00	0.00	(3,129,108.82)	563,007.31	(21,755,484.07)
Vehicles, Boats and Aircraft	(2,479,099.39)	0.00	0.00	0.00	0.00	(330,302.59)	148,323.90	(2,661,078.08)
Other Capital Assets	(8,475,836.38)	0.00	0.00	0.00	0.00	(470,269.91)	39,205.19	(8,906,901.10)
Facilities and Other Improvements	(7,889,273.51)	0.00	0.00	0.00	0.00	(994,119.74)	6,988.82	(8,876,404.43)
Total Accumulated Depreciation	(221,131,374.32)	0.00	0.00	0.00	0.00	(19,851,408.62)	5,058,202.08	(235,924,580.86)
Depreciable Assets Net	264,626,496.63	0.00	9,528,544.30	0.00	(147,066.69)	(16,415,177.41)	(506,176.17)	257,086,620.66
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	3,129,537.02	0.00	0.00	0.00	0.00	113,861.00	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	3,129,537.02	0.00	0.00	0.00	0.00	113,861.00	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	(873,331.67)	0.00	0.00	0.00	0.00	(571,849.30)	0.00	(1,445,180.97)
Other Capital Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accumulated Amortization Total	(873,331.67)	0.00	0.00	0.00	0.00	(571,849.30)	0.00	(1,445,180.97)
Business Type Activities Capital Assets, Net	292,169,372.32	0.00	0.00	0.00	(147,066.69)	1,603,649.35	(524,701.17)	293,101,253.81

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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, 2013, the carrying amount of deposits was \$40,358,394.11 as presented below.

Governmental and Business-Type Activities	
CASH IN BANK CARRYING VALUE	\$ 40,676,460.11
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	\$ 40,676,460.11
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	38,422,272.10
Proprietary Funds Current Assets Restricted Cash in Bank	2,254,188.01
Proprietary Funds Non-Current Restricted Cash in Bank	
Cash in Bank per AFR	\$ 40,676,460.11

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, 2013, the total bank balance was as follows.

Governmental and Business-Type Activities	\$29,831,335.05	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, 2013, 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, 2013.

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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, 2013, 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		52,754,312.76
International Obligations (Govt and Corp)		
International Equity		
Repurchase Agreement		
Repurchase Agreement (Texas Treasury Safekeeping Trust Co)		
Fixed Income Money Market and Bond Mutual Fund		45,543,177.41
Other Commingled Funds		1,748,865.35
SUBTOTAL LONG-TERM INVESTMENTS		100,046,355.52

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Other Commingled Funds (Texpool)		49,256,277.46
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		49,256,277.46
Total		\$149,302,632.98

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, 2013, 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, 2013, 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, 2013, 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	\$45,543,177.41

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, 2013, 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 2013.

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Note 4: Short-Term Debt

Not Applicable.

During the fiscal year ended August 31, 2013, Sam Houston State had no short-term debt activity.

Note 5: Long Term Liabilities

CHANGES IN LONG-TERM LIABILITIES

During the year ended August 31, 2013, the following changes occurred in liabilities.

BUSINESS-TYPE ACTIVITIES	Balance 09/01/2012	Additions	Reductions	Balance 08/31/2013	Amounts Due Within One Year	Amounts Due Thereafter
Compensable Leave	\$5,119,491.78	\$426,629.61	\$483,756.67	\$5,062,364.72	\$2,691,163.92	\$2,371,200.80
Other Non-Current Liabilities	\$2,344,856.08	\$553,593.93		\$2,898,450.01		\$2,898,450.01
TOTAL BUSINESS-TYPE ACTIVITIES	\$7,464,347.86	\$980,223.54	\$483,756.67	\$7,960,814.73	\$2,691,163.92	\$5,269,650.81

NOTES AND LOANS PAYABLE

None.

CLAIMS & JUDGEMENTS

At August 31, 2013, 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, such liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the University.

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, 2013, the accrued liability totaled \$5,062,364.72.

The University made lump sum payments totaling \$483,756.67 for accrued vacation and/or compensatory time to employees who separated from state service during the fiscal year ending August 31, 2013.

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	2014	7,945,322.77	6,911,171.38	14,856,494.15
	2015	8,128,577.46	6,556,884.90	14,685,462.36
	2016	8,433,693.46	6,169,859.00	14,603,552.46
	2017-2021	46,288,589.07	24,335,178.40	70,623,767.47
	2022-2026	33,122,687.56	13,691,523.26	46,814,210.82
	2027-2031	16,450,000.00	6,982,656.34	23,432,656.34
	2032-2036	9,255,000.00	4,245,743.80	13,500,743.80
	2037-2041	10,170,000.00	1,840,312.50	12,010,312.50
	2042-2046	1,485,000.00	74,250.00	1,559,250.00
TOTALS		\$141,278,870.32	\$70,807,579.58	\$212,086,449.90

A portion of the debt represents Tuition Revenue Bonds historically funded by the Texas Legislature through General Revenue Appropriations. The institution was appropriated \$2,665,405.22 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 did not have any derivative activity for the fiscal year ended August 31, 2013.

Note 8: Leases

As of August 31, 2013, Sam Houston was not involved in any capital lease agreements. Sam Houston State has entered into various operating leases for buildings and equipment. Rental expenses for operating leases were \$422,794.36 for the fiscal year ended August 31, 2013.

Future minimum lease payments under operating leases having an initial term in excess of one year as of August 31, 2013 were as follows:

Fiscal Year Ended August 31, 2013		
	2014	363,422.99
	2015	192,874.10
	2016	109,687.62
	2017	35,888.29
	2018	1,020.00
Total future minimum lease payments		\$ 702,893.00

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 (when applicable):

- X Interfund Receivables or Interfund Payables - None
- X 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*
- X Due From Other Funds or Due To Other Funds - None
- X Transfers in or transfers out - None
- X Legislative Transfers In or Legislative Transfers Out - See below.

Sam Houston State University has not participated in any interfund borrowing during fiscal year 2013.

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, 2013, 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 300, D23 Fund 6170)	\$23,448.15		FEDERAL P-T
(Agency 320, D23 Fund 5026)	\$10,572.69		FEDERAL P-T
(Agency 555, D23 Fund 7999)	\$9,736.04		FEDERAL P-T
(Agency 556, D23 Fund 7999)	\$13,121.38		FEDERAL P-T
(Agency 601, D23 Fund 0006)	\$367,018.04		FEDERAL P-T
(Agency 711, D23 Fund 7999)	\$125,046.14		FEDERAL P-T
(Agency 721, D23 Fund 7999)	\$242.24		FEDERAL P-T
(Agency 730, D23 Fund 7999)	\$37,420.93		FEDERAL P-T
(Agency 756, D23 Fund 7999)	\$17,903.03		FEDERAL P-T
Appd Fund 9999, D23 Fund 7999			
State Pass Throughs			
(Agency 781, D23 Fund 0001)	\$6,871.81		STATE P-T
(Agency 720, D23 Fund 7999)		\$4,625.54	STATE P-T
(Agency 781, D23 Fund 0001)		\$15,881.68	STATE P-T
(Agency 802, D23 Fund 0642)		\$3,027.44	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 5015)	\$4,016.73		License Plate Scholarship Program
TOTAL DUE TO AND DUE FROM	\$615,397.18	\$23,534.66	

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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	\$5,500,000.00		Transfer from System for Bond Proceeds
Agency 758, D23 Fund 9999		\$12,502,558.17	Transfer to TSUS for Bond Payment
Agency 758, D23 Fund 9999		\$985,586.00	Transfer to TSUS for System Shared Expense
Agency 781, D23 Fund 5103		\$1,919,799.70	Transfer to THECB for Be on Time
Agency 781, D23 Fund 0001		\$9,220.00	Transfer to THECB for Doctoral Set Asides
Total Interfund Receivable/Payable	\$5,500,000.00	\$15,417,163.87	

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)		\$2,665,405.22
Total Legislative Transfers	\$0.00	\$2,665,405.22

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 is not subject to the Texas Sunset Act.

Note 14: Adjustments to Fund Balances/Net Assets

In the current year, SHSU identified prior fiscal year post-close accrual entries which were not reversed in the subsequent year. As such, SHSU reversed the post close entries resulting in a net increase of \$535,959.37 to beginning net assets. SHSU decreased fund balance by \$3,813,552.23 related to loans which were reserved in the prior ERP system to record loans on the operating ledger but in the new ERP system are recorded in the balance sheet. Finally, SHSU decreased fund balance \$6,881,189.28 related to duplicate cash balance brought into the new ERP system in a prior year related to student loans.

Net Asset Balance September 1, 2012	\$466,808,348.94
Restatement related to post close accruals	535,959.37
Restatement of funds reserved for loans	(10,694,741.51)
Net Asset Balance September 1, 2012 as Restated	\$456,649,566.80

Note 15: Contingencies and Commitments

At August 31, 2013, 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, such liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the University.

Note 16: Subsequent Events

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, 2013.

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, 2013.

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 2013 was \$267,023.15. The assessment for SHSU for FY 2014 is \$282,372.62.

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, 2013.

The Texas Motor Vehicle Safety Responsibility Act requires that every non-governmental vehicle operated on a state highway be insured for minimum limits of liability in the amount of \$20,000/\$40,000 bodily injury and \$15,000 property damage. All vehicles owned and/or leased by 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 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 fund designated for support to the university. In total, the Foundation Board reported payments of \$84,844.42 for university support.

Note 20: Stewardship, Compliance and Accountability

Sam Houston State 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 cannot spend amounts in excess of appropriations granted by the Texas Legislature and there are no deficits reported in net assets.

Note 21: N/A

Note 22: Donor-Restricted Endowments

Nonexpendable restricted net assets consist 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	\$5,529,648.09	Restricted for Nonexpendable
Term Endowments	\$615,806.22	Restricted for Nonexpendable
True Endowments	\$1,246,954.40	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 2013 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, 2013.

Note 24: Disaggregation of Receivable and Payable Balances

Sam Houston State University had the following aggregate receivable and payable balances as of August 31, 2013:

Current Receivables:

Federal Receivable

Instructional and Departmental	\$ 0.00
Research	918,777.46
Public Service	0.00
Financial Aid	4,151,083.15
Academic Support	0.00
Total Net Federal Receivable	<u>\$ 5,069,860.61</u>

As Reported on the Financial Statements

Current Federal Receivable	\$ 5,069,860.61
Non-Current Federal Receivable	0.00
Total Net Federal Receivable	<u>\$ 5,069,860.61</u>

Accounts Receivable

Allowance for Doubtful Accounts	\$ (5,100,828.12)
Returned Checks	494,386.06
Contracts and Grants	9,085,281.52
Auxiliaries	6,899,372.15
Tuition and Fees Receivable	14,785,022.40
Travel Advances	86,776.72
Other Receivables	1,257,869.28
Total Net Accounts Receivable	<u>\$ 27,507,880.01</u>

Accounts Receivable is reported net of Allowance for Doubtful Accounts. For FY 2013, Allowance for Doubtful Accounts (\$5,100,828.12) decreased from FY 2012 (\$6,063,795.81). This difference resulted from specifically identified balances to reserve of \$162,530.11, less bad debt of \$1,125,497.80.

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Noncurrent Receivables:

Pledge Receivables	\$ 54,971.86
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Current Payables:

Accounts Payable

Taxes Payable	9,734.67
Construction Retainage	281,984.41
Financial Aid and Contract Residual Checks	4,669,209.61
Other Payables	6,442,946.49
Total Accounts Payable	<u>\$ 11,403,875.18</u>

Noncurrent Payables:

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

Type	Amount
Student Deposit Payables	\$2,742,825.68
Other	155,624.33
Total	<u>\$2,898,450.01</u>

Note 25: Termination Benefits

Not Applicable.

During the fiscal year ended August 31, 2013, Sam Houston State did not provide termination benefits.

Note 26: Segment Information

Not applicable.

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

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From		Direct Program Amount	Total PT From and Direct Prog. Amount	Agy/ Univ. No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
				Agencies or Universities Amount	Non-State Entities Amount				Agencies or Universities Amount	Non-State Entities Amount		
U.S. Department of Agriculture												
Direct Programs:												
Plant and Animal Disease, Pest Control, and Animal Care	10.025					36,123.44	36,123.44				36,123.44	36,123.44
Secondary and Two-Year Postsecondary Agriculture	10.226					300.84	300.84				300.84	300.84
Education Challenge Grants												
Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	10.326					132,880.72	132,880.72		29,246.31		103,634.41	132,880.72
Pass-Through From:												
Cooperative Extension Service	10.500						17,000.73				17,000.73	17,000.73
Pass-Through From:												
Texas A&M AgriLife Extension Service												
555												
17,000.73												
Totals - U.S. Department of Agriculture												
\$ 17,000.73 \$ 0.00 \$ 169,305.00 \$ 186,305.73												
U.S. Department of the Interior												
Cooperative Endangered Species Conservation Fund												
Pass-Through From:												
Parks and Wildlife Department												
802												
15,238.72												
Totals - U.S. Department of the Interior												
\$ 15,238.72 \$ 0.00 \$ 0.00 \$ 15,238.72												
U.S. Department of Justice												
Direct Programs:												
Project Safe Neighborhoods	16.609					354,872.63	354,872.63		302,991.99		44,805.73	354,872.63
Pass-Through To:												
Attorney General												
302												
7,074.91												
Congressionally Recommended Awards												
16.753						70.72	70.72				70.72	70.72
Totals - U.S. Department of Justice												
\$ 0.00 \$ 0.00 \$ 354,943.35 \$ 354,943.35												
Small Business Administration												
Pass-Through From:												
Small Business Development Centers	59.037						137,673.14				137,673.14	137,673.14
Pass-Through From:												
University of Houston												
730												
137,673.14												
Totals - Small Business Administration												
\$ 137,673.14 \$ 0.00 \$ 0.00 \$ 137,673.14												
Environmental Protection Agency												
Direct Programs:												
Multi-Media Capacity Building Grants for States and Tribes	66.709					12,607.12	12,607.12				12,607.12	12,607.12
Totals - Environmental Protection Agency												
\$ 0.00 \$ 0.00 \$ 12,607.12 \$ 12,607.12												
U.S. Department of Education												
Improving Teacher Quality State Grants												
84.367	National Writing Project/ 06-TX16-SEED2012				18,623.17		18,623.17				18,623.17	18,623.17
National Writing Project	84.928	National Writing Project/ 06TX16			8,147.94		8,147.94				8,147.94	8,147.94
Pass-Through From:												
Career and Technical Education -- Basic Grants to States	84.048						18,071.54				18,071.54	18,071.54
Pass-Through From:												
Texas A&M AgriLife Research												
556												
18,071.54												
Improving Teacher Quality State Grants	84.367						31,032.72				31,032.72	31,032.72
Pass-Through From:												
Texas Higher Education Coordinating Board												
781												
31,032.72												
Investing in Innovation (i3) Fund	84.411						585,306.14				585,306.14	585,306.14
Pass-Through From:												
Texas A&M University												
711												
585,306.14												
Totals - U.S. Department of Education												
\$ 634,410.40 \$ 26,771.11 \$ 0.00 \$ 661,181.51												
U.S. Department of Health and Human Services												
Substance Abuse and Mental Health Services-Projects of Regional and National Significance												
93.243	Harris County/ Interlocal Contract				-12,929.68		-12,929.68				-12,929.68	-12,929.68
Totals - U.S. Department of Health and Human Services												
\$ 0.00 \$ (12,929.68) \$ 0.00 \$ (12,929.68)												
Corporation for National and Community Service												
Learn and Serve America_Higher Education	94.005	Duke University Press/ Contract 11-CNCS-1044			9,442.11		9,442.11				9,442.11	9,442.11
Totals - Corporation for National and Community Service												
\$ 0.00 \$ 9,442.11 \$ 0.00 \$ 9,442.11												

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		
Executive Office of the President													
<u>Direct Programs:</u> High Intensity Drug Trafficking Areas Program	95.001	Lone Star Legal Aid/ Subcontract S36000001				50,258.81	1,210,648.21	1,260,907.02				1,260,907.02	1,260,907.02
Totals-Executive Office of the President				\$	0.00	\$	50,258.81	\$	1,210,648.21	\$	1,260,907.02	\$	1,260,907.02
U.S. Department of Homeland Security													
Driver's License Security Grant Program	97.089	Systems Research and Applications Corporation/ S3600000171				651.23		651.23				651.23	651.23
Totals-U.S. Department of Homeland Security				\$	0.00	\$	651.23	\$	0.00	\$	651.23	\$	651.23
<u>Research & Development Cluster</u>													
U.S. Department of Agriculture													
<u>Direct Programs:</u> Federal-State Marketing Improvement Program	10.156						17,496.51	17,496.51				17,496.51	17,496.51
Totals - U.S. Department of Agriculture				\$	0.00	\$	0.00	\$	17,496.51	\$	17,496.51	\$	17,496.51
U.S. Department of Defense													
Research on Chemical and Biological Defense	12.360	Battelle/ PO296242				1,675.60		1,675.60				1,675.60	1,675.60
<u>Direct Programs:</u> Military Medical Research and Development	12.420						178,031.51	178,031.51				178,031.51	178,031.51
Basic, Applied, and Advanced Research in Science and Engineering	12.630						21,856.29	21,856.29					21,856.29
Pass-Through To: Lamar University									734	21,856.29			
Basic, Applied, and Advanced Research in Science and Engineering	12.630						2,300.65	2,300.65					2,300.65
Pass-Through To: Sul Ross State University									756	2,300.65			
Mathematical Sciences Grants Program	12.901						10,645.45	10,645.45				10,645.45	10,645.45
<u>Pass-Through From:</u> Basic, Applied, and Advanced Research in Science and Engineering	12.630							201,905.38				201,905.38	201,905.38
Pass-Through From: Sul Ross State University			756	201,905.38									
Totals - U.S. Department of Defense				\$	201,905.38	\$	1,675.60	\$	212,833.90	\$	416,414.88	\$	416,414.88
U.S. Department of the Interior													
<u>Direct Programs:</u> Fish and Wildlife Coordination Act	15.517						25,686.96	25,686.96				25,686.96	25,686.96
Totals - U.S. Department of the Interior				\$	0.00	\$	0.00	\$	25,686.96	\$	25,686.96	\$	25,686.96
U.S. Department of Justice													
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	Forensic Sciences Foundation/ Award LTR DATED 10-17-11				235.73		235.73				235.73	235.73
		Houston Police Dept/ FC7435072011-0667				96,960.33		96,960.33				96,960.33	96,960.33
Criminal Justice Research and Development_Graduate Research Fellowships	16.562	Forensic Sciences Foundation/ Award LTR DATED 10-14-12				4,387.50		4,387.50				4,387.50	4,387.50
<u>Direct Programs:</u> National Institute of Justice Research, Evaluation, and Development Project Grants	16.560						291,444.98	291,444.98			30,245.65	261,199.33	291,444.98
Totals - U.S. Department of Justice				\$	0.00	\$	101,583.56	\$	291,444.98	\$	393,028.54	\$	393,028.54
National Aeronautics and Space Administration													
Science	43.001						69,252.09	69,252.09				69,252.09	69,252.09
Totals- National Aeronautics and Space Administration				\$	0.00	\$	0.00	\$	69,252.09	\$	69,252.09	\$	69,252.09
National Endowment For The Humanities													
Promotion of the Humanities_Federal/State Partnership	45.129	Humanities Texas/ 2013-4468				1,000.00		1,000.00				1,000.00	1,000.00
		Humanities Texas/ Agrmt Dated 2-5-13				1,838.71		1,838.71				1,838.71	1,838.71
Totals - National Endowment For The Humanities				\$	0.00	\$	2,838.71	\$	0.00	\$	2,838.71	\$	2,838.71

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			
National Science Foundation													
Mathematical and Physical Sciences	47.049					136,914.54	136,914.54				136,914.54	136,914.54	
Biological Sciences	47.074					22,701.61	45,516.01				45,516.01	45,516.01	
Pass-Through From: University of Texas at Austin			721	22,814.40									
Social, Behavioral, and Economic Sciences	47.075					13,376.32	13,376.32				13,376.32	13,376.32	
Education and Human Resources	47.076	Florida Agriculture and Mechanical University/ MOU Dated 8-31-07			-342.92	207,818.95	207,476.03				207,476.03	207,476.03	
Totals - National Science Foundation				\$	22,814.40	\$	(342.92)	\$	380,811.42	\$	403,282.90	\$	403,282.90
U.S. Department of Energy													
U.S. Department of Energy	81.000	Houston Advanced Research Center/ Subcontract EFDTP-T07				1,125.81	1,125.81				1,125.81	1,125.81	
Renewable Energy Research and Development	81.087	Houston Community College/ HCC AGRMT Dated 1-24-13				1,438.02	1,438.02				1,438.02	1,438.02	
Fossil Energy Research and Development	81.089	Houston Advanced Research Center/ Subcontract 08122-35				35,459.19	35,459.19				35,459.19	35,459.19	
Totals - U.S. Department of Energy				\$	0.00	\$	38,023.02	\$	0.00	\$	38,023.02	\$	38,023.02
U.S. Department of Education													
Direct Programs:													
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325					20,668.91	20,668.91				20,668.91	20,668.91	
Totals - U.S. Department of Education				\$	0.00	\$	0.00	\$	20,668.91	\$	20,668.91	\$	20,668.91
U.S. Department of Health and Human Services													
Drug Abuse and Addiction Research Programs	93.279					317,940.34	317,940.34			163,395.87	154,544.47	317,940.34	
Totals - U.S. Department of Health and Human Services				\$	0.00	\$	0.00	\$	317,940.34	\$	317,940.34	\$	317,940.34
U.S. Department of Homeland Security													
Aviation Research Grants	97.069	Systems Research and Applications Corporation/ Subcontract S3600001				24.80	24.80				24.80	24.80	
Totals - U.S. Department of Homeland Security				\$	0.00	\$	24.80	\$	0.00	\$	24.80	\$	24.80
JAG Program Cluster													
U.S. Department of Justice													
Pass-Through From:													
Edward Byrne Memorial Justice Assistance Grant Program	16.738						46,387.52				46,387.52	46,387.52	
Pass-Through From: Governor - Fiscal			300	46,387.52									
Totals - U.S. Department of Justice				\$	46,387.52	\$	0.00	\$	0.00	\$	46,387.52	\$	46,387.52
Highway Safety Cluster													
U.S. Department of Transportation													
Pass-Through From:													
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601						638,769.91				638,769.91	638,769.91	
Pass-Through From: Texas Department of Transportation			601	638,769.91									
Totals - U.S. Department of Transportation				\$	638,769.91	\$	0.00	\$	0.00	\$	638,769.91	\$	638,769.91
Student Financial Assistance Cluster													
U.S. Department of Education													
Direct Programs:													
Federal Supplemental Educational Opportunity Grants	84.007					334,425.75	334,425.75				334,425.75	334,425.75	
Federal Work-Study Program	84.033					378,190.13	378,190.13				378,190.13	378,190.13	
Federal Perkins Loan Program_Federal Capital Contributions	84.038					36,234.00	36,234.00				36,234.00	36,234.00	
Federal Pell Grant Program	84.063					27,021,424.04	27,021,424.04				27,021,424.04	27,021,424.04	
Federal Direct Student Loans	84.268					97,783,891.00	97,783,891.00				97,783,891.00	97,783,891.00	
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379					364,485.00	364,485.00				364,485.00	364,485.00	
Totals - U.S. Department of Education				\$	0.00	\$	0.00	\$	125,918,649.92	\$	125,918,649.92	\$	125,918,649.92

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			
TANF Cluster													
U.S. Department of Health and Human Services													
Pass-Through From:													
Temporary Assistance for Needy Families	93.558						46,344.12				46,344.12	46,344.12	
Pass-Through From:													
Texas Workforce Commission			320	46,344.12									
Totals - U.S. Department of Health and Human Services				\$	46,344.12	\$	0.00	\$	0.00	\$	46,344.12	\$	46,344.12
TRIO Cluster													
U.S. Department of Education													
Direct Programs:													
TRIO_Student Support Services	84.042					230,779.13	230,779.13				230,779.13	230,779.13	
TRIO_McNair Post-Baccalaureate Achievement	84.217					224,889.14	224,889.14				224,889.14	224,889.14	
Totals - U.S. Department of Education				\$	0.00	\$	0.00	\$	455,668.27	\$	455,668.27	\$	455,668.27
Total Expenditures of Federal Awards				\$	1,760,544.32	\$	217,996.35	\$	129,457,956.98	\$	131,436,497.65	\$	131,436,497.65

Note 1 - Non Monetary Assistance

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Donation of Federal Surplus Property

	\$	-
Total Non-Monetary Assistance	\$	-

Note 2 - Reconciliation

REVISED - UNAUDITED

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	\$	4,834,404.29
Non-Operating	Exhibit IV/SRECNA	\$	27,021,424.04
Capital Contributions	Exhibit IV/SRECNA		

Total Federal Revenue		\$	31,855,828.33
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Federal Pass-Through Revenue

Proprietary Funds

Operating	Federal Pass-Through Revenue from Other State Agencies (SRECNA)	\$	1,760,544.32
Non-Operating	Federal Pass-Through Revenue from Other State Agencies (SRECNA)	\$	-

Total Federal Pass-Through Revenue		\$	1,760,544.32
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Total Federal & Federal Pass-Through Revenue		\$	33,616,372.65
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Reconciling Items:

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

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

Federal Family Education Loans	84.032	\$	-
Federal Perkins Loan Program	84.038		36,234.00
Federal Direct Student Loans	84.268		97,783,891.00

Total New Loans Processed		\$	97,820,125.00
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Total Reconciliation Items		\$	97,820,125.00
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Total Per Note 2		\$	131,436,497.65
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Total Pass Through & Expenditures per Federal Schedule		\$	131,436,497.65
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Note 3 - Student Loans Processed and Administrative Costs Recovered

REVISED - UNAUDITED

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**	\$ 36,234.00	\$ -	\$ 36,234.00	\$ 202,113.78
84.268 Federal Direct Loan Program	97,783,891.00	-	97,783,891.00	-
Total Department of Education	\$ 97,820,125.00	\$ -	\$ 97,820,125.00	\$ 202,113.78

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

Sam Houston State University

UNAUDITED- REVISED

Schedule 1B

State Pass-Through Grants from Other State Agencies

For the Year Ended August 31, 2013

Pass Through From:

Agency Name

Texas State Board of Public Accountancy		
Fifth Year Accounting Student Scholarship Program	\$	15,000.00
University of Texas - System		
Joint Admission Medical Program (JAMP)	\$	8,733.53
Texas Higher Education Coordinating Board		
Texas Grant Program	\$	7,680,000.00
College Work Study Program	\$	82,743.74
Top 10% Scholarships	\$	744,000.00
Outreach and Success	\$	39,296.81
Developmental Education Program	\$	35,897.68
CCA-DE MATH	\$	20,391.26
Parks and Wildlife Department		
Long term monitoring in two restored cienegas at Balmorhea State Park; Conservation of Comanche Springs pupfish and Pecos Gambusia	\$	14,831.90
Total State Pass-Thru Grant Revenue	\$	8,640,894.92

Pass Through To:

None.

SAM HOUSTON STATE UNIVERSITY
SCHEDULE 2A
MISCELLANEOUS BOND INFORMATION
For the Year Ended August 31, 2013

UNAUDITED - REVISED

Schedule Not Used

SAM HOUSTON STATE UNIVERSITY
SCHEDULE 2B
CHANGES IN BOND INDEBTEDNESS
For the Year Ended August 31, 2013

UNAUDITED - REVISED

Schedule Not Used

SAM HOUSTON STATE UNIVERSITY
SCHEDULE 2C
DEBT SERVICE REQUIREMENTS
For the Year Ended August 31, 2013

UNAUDITED - REVISED

Schedule Not Used

SAM HOUSTON STATE UNIVERSITY

UNAUDITED - REVISED

SCHEDULE 2D

ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE

For the Year Ended August 31, 2013

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, 2013

UNAUDITED - REVISED

Schedule Not Used

SAM HOUSTON STATE UNIVERSITY
SCHEDULE 2F
EARLY EXTINGUISHMENT AND REFUNDING
For the Year Ended August 31, 2013

UNAUDITED - REVISED

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, 2013

UNAUDITED - REVISED

<u>Cash in State Treasury</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Current Year Total</u>
	\$	\$	\$
Local Revenue Fund 259	31,437,977.87		31,437,977.87
Law Enforcement Mgt. Institute Fund 581	2,250,844.14		2,250,844.14
CJ Correctional Management Institue Fund 5083	530,333.23		530,333.23
	\$	\$	\$
Total Cash in State Treasury (Stmt of Net Assets)	34,219,155.24	0.00	34,219,155.24

SAM HOUSTON STATE UNIVERSITY
SCHEDULE 4
HIGHER EDUCATION ASSISTANCE FUND
For the Year Ended August 31, 2013

UNAUDITED - REVISED

	<u>Totals</u>
	\$
Balance September 1, 2012	<u>7,299,805.86</u>
REVENUES	
Appropriations	<u>11,893,110.00</u>
Total Revenues	<u>11,893,110.00</u>
EXPENSES	
Capital Expenditures	6,259,939.98
Professional Fees and Services	7,566.64
Materials and Supplies	3,897,918.63
Repairs and Maintenance	231,575.59
Service	6,236.90
Interest	20.60
Real Property	913,280.33
Other Expenses	<u>307,813.85</u>
Total Expenses	<u>11,624,352.52</u>
	\$
BALANCE AT AUGUST 31, 2013	<u><u>7,568,563.34</u></u>