



Annual
FINANCIAL
REPORT

for the fiscal year ended August 31, 2009

SAM HOUSTON STATE UNIVERSITY
Huntsville, Texas

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



Sam Houston State University

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

James F. Gaertner

November 15, 2009

Honorable Rick Perry, Governor
Honorable Susan Combs, State Comptroller
John O'Brien, 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, 2009, 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 Paige Smith, Controller, at (936) 294-1091.

Sincerely,

James F. Gaertner
President

UNAUDITED

FINANCIAL REPORT

SAM HOUSTON STATE UNIVERSITY

For the Year Ended August 31, 2009

Huntsville, Texas

UNAUDITED

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Sam Houston State University

A Member of The Texas State University System

November 15, 2009

Dr. James F. Gaertner, President
Sam Houston State University
Huntsville, Texas 77341

Dear Dr. Gaertner:

Submitted herein is the Annual Financial Report of Sam Houston State University for the fiscal year ended August 31, 2009.

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 Paige Smith, Controller, at (936) 294-1091.

Respectfully submitted,

Paige Smith, MBA, CPA, CIA
Controller

Sarah L. Woods, CPA
Associate Controller

Lynette Campbell, MBA, CPA
Manager, Financial Accounting
and Reporting

Approved:

Dana L. Gibson, Ph.D., CPA
Vice President for Finance and Operations

UNAUDITED
BOARD OF REGENTS
TEXAS STATE UNIVERSITY SYSTEM

August 31, 2009

OFFICERS

Ron Blatchley Chairman

MEMBERS

Term Expires February 1, 2010
William Patterson, Student Regent San Marcos

Terms Expire February 1, 2011
Ron Blatchley Bryan/College Station
Greg Wilkinson Dallas
Donna N. Williams Arlington

Terms Expires February 1, 2013
Charlie Amato San Antonio
Trisha S. Pollard, Vice Chairman Bellaire
Michael Truncale Beaumont

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

Chancellor
Charles R. Matthews, Ph.D.

ADMINISTRATIVE OFFICIALS
SAM HOUSTON STATE UNIVERSITY

PRESIDENT

James F. Gaertner, Ph.D.

FISCAL OFFICE

Dana L. Gibson, Ph.D, CPA Vice President for Finance
and Operations
Paige Smith, MBA, CIA, CPA Controller

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Sam Houston State University

Student Enrollment Data
For the Year Ended August 31, 2009

TYPE OF STUDENT	NUMBER OF STUDENTS BY SEMESTER			
	FALL 2008	SPRING 2009	SUMMER TERM 2009	
			FIRST	SECOND
Texas Residents	12,003	10,364	3,245	2,275
Out of State (Classified as Residents)				
Out of State	273	249	112	68
Foreign	267	249	83	43
Children of Disabled	3	3	3	0
Concurrent Enrollment				
Foster Children of the State	8	9	4	2
Good Neighbor	3	3	0	1
High School Honor Scholarships	16	13	0	0
Hazelwood Act	103	104	55	46
Senior Citizens	8	7	1	4
Commission for the Blind/Deaf	31	24	12	7
Fireman Exempt				
Thesis Only				
Student Service Fees				
Nursing	2	2	1	1
Faculty/Staff	1,660	1,669	1,255	1,206
Teaching Assistants	121	129	20	19
Competitive Scholarships	181	178	73	33
Military Personnel	115	128	8	7
Louisiana Adjacent County	2	2	0	2
Mexico Pilot				
National Student Exchange Program	0	3	18	0
New Mexico Adjacent County	1	0	0	0
Texas Tomorrow Waiver	42	20	0	14
Adopted Students	13	9	3	3
Military Dependent	6	4	2	1
Pase				
TANF				
H.B. 877				
Distance Learning	1,792	2,062	1,106	1,032
Family & Consumer Science Alliance Agreement	13	17	9	3
Totals	<u>16,663</u>	<u>15,248</u>	<u>6,010</u>	<u>4,767</u>

Enrollment Data (Fall Semester)

Fiscal Year	STUDENTS	SEMESTER HOURS
2009	16,663	203,015

UNAUDITED

SAM HOUSTON STATE UNIVERSITY

PROPRIETARY FUND STATEMENTS

Sam Houston State University
Statement of Net Assets
August 31, 2009

UNAUDITED

	<u>Total</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$
Cash on Hand	25,875.00
Cash in Bank	(8,172,799.23)
Cash in Transit/Reimbursement from Treasury	9,772,638.80
Cash in State Treasury	18,703,312.14
Cash Equivalents	60,350,793.18
Securities Lending Collateral	
Short Term Investments	
Restricted:	
Cash and Cash Equivalents	
Cash on Hand	
Cash in Bank	15,189,857.20
Cash in Transit/Reimbursement from Treasury	
Cash in State Treasury	
Cash Equivalents	32,282,863.34
Short Term Investments	
Legislative Appropriations	4,868,237.38
Investments	
Receivables:	
Federal	5,633,199.16
Other Intergovernmental	
Interest and Dividends	
Accounts Receivable	15,716,207.21
Gifts	
Investment Trades	
Other	
Interfund Receivables	
Due From Other Agencies	139,468.54
Consumable Inventories	
Merchandise Inventories	379,978.69
Deferred Charges	
Loans and Contracts	2,962,248.20
Other Current Assets	<u>17,130,025.94</u>
Total Current Assets	\$ 174,981,905.55

Sam Houston State University
Statement of Net Assets
August 31, 2009

UNAUDITED

	<u>Total</u>
Non-current Assets:	
Restricted:	
Cash and Cash Equivalents	\$
Cash on Hand	
Cash in Bank	
Cash in Transit/Reimbursement from Treasury	
Cash in State Treasury	
Cash Equivalents	15,458,601.40
Short Term Investments	
Receivables	168,761.16
Investments	59,272,937.18
Loans and Contracts	
Other Assets	
Loans and Contracts	387,851.84
Investments	
Interfund Receivables	
Capital Assets:	
Non-Depreciable:	
Land and Land Improvements	13,784,856.97
Infrastructure	
Construction in Progress	53,220,577.71
Other Capital Assets	759,903.50
Depreciable:	
Buildings and Building Improvements	269,040,548.77
Less Accumulated Depreciation	(145,514,146.36)
Infrastructure	9,023,977.71
Less Accumulated Depreciation	(4,164,912.00)
Facilities and Other Improvements	18,404,367.24
Less Accumulated Depreciation	(5,438,273.16)
Furniture and Equipment	25,032,457.16
Less Accumulated Depreciation	(15,127,555.08)
Vehicles, Boats, and Aircraft	2,815,085.62
Less Accumulated Depreciation	(1,914,023.99)
Other Capital Assets	10,849,955.42
Less Accumulated Depreciation	(7,347,897.64)
Other Non-Current Assets	
Total Non-Current Assets	<u>\$ 298,713,073.45</u>
Total Assets	<u><u>\$ 473,694,979.00</u></u>

	<u>Total</u>
LIABILITIES	
Current Liabilities:	
Payables:	
Accounts	\$ 5,667,206.77
Investment Trades	
Federal	
Other Intergovernmental	
Payroll	5,205,071.93
Other	
Interfund Payable	
Due to Other Agencies	37,919.51
Deferred Revenues	68,385,445.31
Notes and Loans Payable	
Revenue Bonds Payable	
General Obligation Bonds Payable	
Claims and Judgments	
Employees' Compensable Leave	2,242,869.34
Capital Lease Obligations	138,988.77
Liabilities Payable from Restricted Assets	
Obligations/Reverse Purchase Agreements	
Obligations Under Securities Lending	
Funds Held for Others	92,663.01
Other Current Liabilities	643,995.00
	<u>82,414,159.64</u>
Total Current Liabilities	\$ 82,414,159.64
Non-Current Liabilities:	
Interfund Payables	\$
Notes and Loans Payable	
Revenue Bonds Payable	
General Obligation Bonds Payable	
Claims and Judgments	
Employees' Compensable Leave	1,368,151.61
Capital Lease Obligations	204,448.13
Other Non-Current Liabilities	1,283,991.20
	<u>2,856,590.94</u>
Total Non-Current Liabilities	\$ 2,856,590.94
Total Liabilities	<u>\$ 85,270,750.58</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	\$ 223,081,484.97
Restricted For	
Education	
Debt Retirement	
Capital Projects	42,719,625.47

Sam Houston State University
Statement of Net Assets
August 31, 2009

UNAUDITED

	<u>Total</u>
Employee Benefit	
Funds Held As Permanent Investments:	
Non-Expendable	37,590,433.28
Expendable	
Other	14,753,892.10
Unrestricted	<u>70,278,792.60</u>
Total Net Assets	<u><u>\$ 388,424,228.42</u></u>

Sam Houston State University
Statement of Revenues, Expenses, and Changes in Net Assets
For the Fiscal Year Ended August 31, 2009

UNAUDITED

	<u>Total</u>
OPERATING REVENUES	
Sales of Goods and Services	\$
Tuition and Fees (PR-Chgs for Services)	95,401,958.55
Tuition and Fees - Pledged (PR-Chgs for Services)	
Discounts and Allowances	(17,253,877.69)
Hospitals (PR-Chgs for Services)	
Hospitals - Pledged (PR-Chgs for Services)	
Discounts and Allowances	
Professional Fees (PR-Chgs for Services)	
Professional Fees - Pledged (PR-Chgs for Services)	
Discounts and Allowances	
Auxiliary Enterprises (PR-Chgs for Services)	29,073,671.15
Auxiliary Enterprises - Pledged (PR-Chgs for Services)	
Discounts and Allowances	
Other Sales of Goods and Services	1,365,345.21
Other Sales of Goods and Services - Pledged	
Discounts and Allowances	
Premium Revenue (PR-Chgs for Services)	
Interest and Investment Income (PR-Chgs for Services)	
Interest and Investment Income (GR)	
Net Increase (Decrease) Fair Market Value (PR-OP Grants/Contributions)	
Net Increase (Decrease) Fair Market Value (GR)	
Federal Revenue-Operating (PR-OP Grants/Contributions)	9,234,631.42
Federal Pass-Through Revenue (PR-OP Grants/Contributions)	910,047.22
State Grant Revenue (PR-OP Grants/Contributions)	429,477.47
State Grant Pass-Through Revenue (PR-OP Grants/Contributions)	9,276,875.16
Other Grants and Contracts (PR-OP Grants/Contributions)	446,724.37
Land Income (PR-Chgs for Services)	
Contributions to Retirement Systems (PR-Chgs for Services)	
Other Operating Revenues (PR-Chgs for Services)	11,891,937.92
Other Operating Revenues (GR)	
Total Operating Revenues	<u>\$ 140,776,790.78</u>
OPERATING EXPENSES	
Instruction	\$ 55,917,195.57
Research	8,617,548.31
Hospitals and Clinics	
Public Service	15,076,702.06
Academic Support	26,651,580.07
Student Services	14,458,094.94
Institutional Support	16,182,760.27
Operation and Maintenance of Plant	15,245,880.01
Scholarship and Fellowships	13,227,269.93
Auxiliary Enterprise Expenditures	29,429,283.05
Depreciation and Amortization	11,550,381.70
Total Operating Expenses	<u>\$ 206,356,695.91</u>
Operating Income (Loss)	<u>\$ (65,579,905.13)</u>
NONOPERATING REVENUES (EXPENSES):	
Legislative Revenue (GR)	\$ 44,335,355.00
Additional Appropriations (GR)	12,263,114.64

Sam Houston State University
Statement of Revenues, Expenses, and Changes in Net Assets
For the Fiscal Year Ended August 31, 2009

UNAUDITED

	<u>Total</u>
Federal Revenue (PR-OP Grants/Contributions)	13,373,150.88
Gifts (PR-OP Grants/Contributions)	4,128,630.92
Investment Income (Expense) (PR-OP Grants/Contributions)	1,757,930.43
Investment Income (Expense) (GR)	
Loan Premium/Fees Securities Lending (PR-OP Grants/Contributions)	
Investing Activities Expenses	(89,932.74)
Interest Expenses and Fiscal Charges	
Borrower Rebates and Agent Fees	
Gain (Loss) on Sale of Capital Assets (GR)	
Net Increase (Decrease) in Fair Value of Investments (PR-OP Grants/Contributions)	(1,690,870.34)
Net Increase (Decrease) in Fair Value of Investments (GR)	
Settlement of Claims (PR-Chgs for Services)	(101,943.02)
Settlement of Claims (GR)	(158,078.30)
Other Nonoperating Revenues (Expenses) (PR-Chgs for Services)	2,487,012.35
Other Nonoperating Revenues (Expenses) (GR)	
Total Nonoperating Revenues (Expenses)	<u>\$ 76,304,369.82</u>
Income (Loss) before Other Revenues, Expenses, Gains/Losses and Transfers	<u>\$ 10,724,464.69</u>
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS	
Capital Contributions	
Capital Appropriations (HEAF)	\$ 10,184,001.00
Federal Grant - Capital Grant Contributions	
Contributions to Permanent and Term Endowments	
Special Items	
Extraordinary Items	
Increase NA Interagency Transfer Capital Assets	5,841.32
Decrease NA Interagency Transfer Capital Assets	
Transfer In	3,200,000.00
Transfer Out	(11,050,897.79)
Legislative Transfer In	
Legislative Transfer Out	(2,874,876.44)
Lapses	(6,253.58)
Total Other Revenues, Expenses, Gains/Losses and Transfers	<u>(542,185.49)</u>
CHANGE IN NET ASSETS	<u>\$ 10,182,279.20</u>
Net Assets, September 1 2008	\$ 378,241,949.22
Restatements	
Net Assets, September 1, 2008, as Restated	<u>\$ 378,241,949.22</u>
NET ASSETS, August 31, 2009	<u><u>\$ 388,424,228.42</u></u>

Sam Houston State University
Matrix of Operating Expenses Reported by Function
For the Fiscal Year Ended August 31, 2009

UNAUDITED

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	\$ 5,489.08	\$ -	\$ -	\$ 27,462.02	\$ 695.50	\$ 44,496.52	\$ (35,835.84)	\$ -	\$ 1,051.45	\$ 308,957.58	\$ -	\$ 352,316.31
Salaries and Wages	44,116,185.99	3,371,907.00		6,199,392.56	10,776,234.98	8,817,304.87	6,880,407.17	5,582,552.19	938,972.94	9,558,597.15		96,241,554.65
Payroll Related Costs	10,912,313.45	687,818.36		2,220,445.84	2,481,018.06	1,897,886.33	1,381,207.16	1,434,692.40	13,954.43	2,260,637.63		23,289,963.66
Professional Fees and Services	37,631.52	91,359.40		472,714.04	202,564.25	84,019.40	138,425.10	9,427.15	-	8,473.54		1,044,614.40
Federal Grant Pass-Through Expense		18,256.96		651,464.20								669,721.16
State Grant Pass-Through Expense												
Travel	70,433.36	235,748.98		258,659.69	1,264,975.85	309,031.98	232,420.42	5,344.28	28,006.31	1,151,659.85		3,556,280.72
Materials and Supplies	346,547.18	1,218,033.60		990,935.90	6,778,042.23	1,158,689.51	2,232,209.46	957,308.02	25,711.43	8,280,210.81		21,987,688.14
Communications and Utilities	16,570.97	79,181.22		236,879.31	1,109,804.62	352,557.74	81,720.96	3,386,310.89	570.00	2,698,204.06		7,961,789.77
Repairs and Maintenance	20,842.45	103,165.05		88,637.05	1,244,317.03	459,489.97	521,412.45	288,722.97	-	956,368.39		3,652,955.36
Rentals and Leases	7,089.38	60,734.33		841,388.75	291,656.17	58,245.96	155,051.46	5,483.00	7,431.28	525,099.93		1,952,180.26
Printing and Reproduction	428.55	4,121.62		6,100.27	87,682.59	95,998.54	173,556.82	-	-	62,860.81		430,749.20
Depreciation and Amortization*											11,550,381.70	11,550,381.70
Bad Debt Expense	73,899.58	-		-	-	4,082.36	49,413.83	-	-	51,666.64		179,062.41
Interest	0.37	8.24		11.27	36.93	5,543.12	-	0.41	-	-		5,600.34
Scholarships	95,615.00	313,233.71		285,208.00	168,491.00	113,534.50	19,937.14	-	12,183,512.76	885,727.18		14,065,259.29
Claims and Judgments												
Other Operating Expenses	214,148.69	2,433,979.84		2,797,403.16	2,246,060.86	1,057,214.34	4,352,834.14	3,606,048.70	28,059.33	2,680,819.48		19,416,568.54
Total Operating Expenses	\$ 55,917,195.57	\$ 8,617,548.31	\$ -	\$ 15,076,702.06	\$ 26,651,580.07	\$ 14,458,094.94	\$ 16,182,760.27	\$ 15,245,860.01	\$ 13,227,269.93	\$ 29,429,283.05	\$ 11,550,381.70	\$ 206,356,695.91

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

Sam Houston State University
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2009

UNAUDITED

	<u>Total</u>
Cash Flows from Operating Activities	
Receipts from Customers	\$
Proceeds from Tuition and Fees	80,989,755.24
Proceeds from Research Grants and Contracts	21,445,238.74
Proceeds from Gifts	-
Proceeds from Loan Programs	5,198,298.15
Proceeds from Auxiliaries	29,927,276.92
Proceeds from Other Revenues	12,370,192.79
Payments to Suppliers for Goods and Services	(77,644,662.92)
Payments to Employees for Salaries	(94,955,233.08)
Payments to Employees for Benefits	(23,289,963.66)
Payments for Loans Provided	(6,155,580.81)
Payments for Other Expenses	
Net Cash Provided by Operating Activities	<u>\$ (52,114,678.63)</u>
Cash Flows from Noncapital Financing Activities	
Proceeds from Debt Issuance	\$
Proceeds from State Appropriations	56,539,563.82
Proceeds from Gifts	4,234,034.13
Proceeds from Endowments	
Proceeds of Transfers from Other Funds	
Proceeds from Grant Receipts	13,373,150.88
Proceeds from Advances from Other Funds	
Proceeds from Loan Programs	
Proceeds from Other Financing Activities	
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	(4,223,416.28)
Net Cash Provided by Noncapital Financing Activities	<u>\$ 69,923,332.55</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from the Sale of Capital Assets	\$
Proceeds from Debt Issuance	3,200,000.00
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	(19,738,788.24)
Payments of Principal on Debt	(12,394,151.03)
Payments for Capital Lease	(41,919.76)
Payments of Interest on Debt Issuance	
Payments of Other Costs of Debt Issuance	
Net Cash Provided by Capital and Related Financing Activities	<u>\$ (28,974,859.03)</u>
Cash Flows from Investing Activities	
Proceeds from Sales of Investments	\$ 67,595.98
Proceeds from Interest Income	2,484,760.91
Proceeds from Investment Income	1,757,930.43
Proceeds from Principal Payments on Loans	
Payments to Acquire Investments	(200,101.85)

Sam Houston State University
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2009

UNAUDITED

	<u>Total</u>
Net Cash Provided by Investing Activities	\$ 4,110,185.47
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (7,056,019.64)
Cash and Cash Equivalents, September 1, 2008	150,667,161.47
Changes in Accounting Principal	
Changes in Reporting Entity	
Restatements to Beginning Cash and Cash Equivalents	
Cash and Cash Equivalents, September 1, 2008 - Restated	<u>\$ 150,667,161.47</u>
Cash and Cash Equivalents, August 31, 2009	<u>\$ 143,611,141.83</u>
 Reconciliation of Operating Income to	
Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ (65,579,905.13)
Adjustments to Reconcile Operating Income (Loss)	
to Net Cash Provided by Operating Activities:	
Amortization and Depreciation	11,550,381.70
Bad Debt Expense	179,062.41
Operating Income (Loss) and Cash Flow Categories:	
Classification Differences	
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	5,990,299.97
(Increase) Decrease in Due from Other Funds	
(Increase) Decrease in Inventories	(82,461.86)
(Increase) Decrease in Prepaid Expenses	(2,901,865.38)
(Increase) Decrease in Notes Receivable	(896,983.60)
(Increase) Decrease in Loans & Contracts	
(Increase) Decrease in Other Assets	
(Increase) Decrease in State Appropriations	
Increase (Decrease) in Payables	1,462,800.21
Increase (Decrease) in Deposits	29,099.68
Increase (Decrease) in Due to Other Funds	
Increase (Decrease) in Deferred Income	(2,303,088.21)
Increase (Decrease) in Compensated Absence Liability	437,981.58
Increase (Decrease) in Benefits Payable	
Increase (Decrease) in Other Liabilities	
Total Adjustments	<u>13,465,226.50</u>
Net Cash Provided by Operating Activities	<u>\$ (52,114,678.63)</u>
 Non Cash Transactions	
Donation of Capital Assets	\$
Net Change in Fair Value of Investments	(1,690,870.34)
Borrowing Under Capital Lease Purchase	343,436.90
Other	24,198.01

SAM HOUSTON STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended August 31, 2009

Note 1: Summary of Significant Accounting Policies

GENERAL INTRODUCTION

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.

Sam Houston State University includes within this report all components as determined by an analysis of their relationship to Sam Houston State University as listed below.

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 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.

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

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. Inventories for governmental fund types are the purchase method of accounting. The consumption method of accounting is used to account for inventories that appear in the proprietary fund types and the government-wide statements. The cost of these items is expended when the items are consumed.

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. These assets are capitalized at cost or, if any purchased, at appraised fair value as of the date of acquisition. 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 on the modified basis. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

All capital assets acquired by proprietary funds or trust funds are reported at cost or estimated historical cost, if actual historical cost is not available. Donated assets are reported at fair value on the acquisition dated. Depreciation is charged to operations over the estimated useful life of each 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 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.

Capital Lease Obligations

Capital Lease Obligations represent the liability for future lease payments under capital lease contracts contingent upon the appropriation of funding by the Legislature. Liabilities are reported separately as either current or noncurrent in the statement of net assets.

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 bond, 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.

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. At August 31, 2009, there were no outstanding interfund receivables or payables.

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, 2009 is presented below:

	Balance 9/1/2008	Adjustments	Reclassifications			Additions	Deletions	Balance 8/31/2009
			Completed CIP	Inc-Int'gy Trans	Dec-Int'gy Trans			
Non-Depreciable Assets								
Land and Land Improvements	13,774,986.97	0.00	0.00	0.00	0.00	9,870.00	0.00	13,784,856.97
Construction in Progress	28,949,618.46	0.00	(1,349,173.91)	0.00	0.00	25,620,133.16	0.00	53,220,577.71
Other Assets	759,903.50	0.00	0.00	0.00	0.00	0.00	0.00	759,903.50
Total Non-Depreciable Assets	43,484,508.93	0.00	(1,349,173.91)	0.00	0.00	25,630,003.16	0.00	67,765,338.18
Depreciable Assets								
Buildings and Building Improvements	268,552,551.37	0.00	740,542.68	0.00	0.00	198,207.93	(450,753.21)	269,040,548.77
Infrastructure	9,023,977.71	0.00	0.00	0.00	0.00	0.00	0.00	9,023,977.71
Furniture and Equipment	22,076,612.92	0.00	141,741.23	89,425.00	0.00	3,502,934.08	(778,256.07)	25,032,457.16
Vehicles, Boats, and Aircraft	2,791,773.94	0.00	0.00	0.00	0.00	155,233.99	(131,922.31)	2,815,085.62
Other Capital Assets	10,320,493.59	0.00	0.00	0.00	0.00	573,548.01	(44,086.18)	10,849,955.42
Facilities and Other Improvements	17,937,477.24	0.00	466,890.00	0.00	0.00	0.00	0.00	18,404,367.24
Total Depreciable Assets	330,702,886.77	0.00	1,349,173.91	89,425.00	0.00	4,429,924.01	(1,405,017.77)	335,166,391.92
Less Accumulated Depreciation for:								
Buildings and Improvements	(138,282,909.54)	0.00		0.00	0.00	(7,659,452.36)	428,215.54	(145,514,146.36)
Infrastructure	(3,817,836.00)	0.00		0.00	0.00	(347,076.00)	0.00	(4,164,912.00)
Furniture and Equipment	(13,527,698.68)	0.00		(83,583.68)	0.00	(2,224,014.71)	707,741.99	(15,127,555.08)
Vehicles, Boats, and Aircraft	(1,791,324.11)	0.00		0.00	0.00	(254,622.19)	131,922.31	(1,914,023.99)
Other Capital Assets	(7,001,034.61)	0.00		0.00	0.00	(346,863.03)	0.00	(7,347,897.64)
Facilities and Other Improvements	(4,719,919.75)	0.00		0.00	0.00	(718,353.41)	0.00	(5,438,273.16)
Total Accumulated Depreciation	(169,140,722.69)	0.00		(83,583.68)	0.00	(11,550,381.70)	1,267,879.84	(179,506,808.23)
Depreciable Assets, Net	161,562,164.08	0.00	1,349,173.91	5,841.32	0.00	(7,120,457.69)	(137,137.93)	155,659,583.69
Business-Type Activities Capital Assets, Net	205,046,673.01	0.00	0.00	5,841.32	0.00	18,509,545.47	(137,137.93)	223,424,921.87

The balance on August 31, 2009 represents capital assets net of depreciation; however, on the annual financial statement this amount is shown net of depreciation and capital lease obligation.

Net Carrying Value of Plant, Aug 31, 2009	\$223,424,921.87
Less: Capital Lease Payable	<u>343,436.90</u>
Net Investment in Plant, Aug 31, 2009	<u>\$223,081,484.97</u>

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, 2009, the carrying amount of deposits was \$7,017,057.97 as presented below.

Governmental and Business-Type Activities	
CASH IN BANK - CARRYING VALUE	\$ 7,017,057.97
Less: Certificates of Deposit included in carrying value and reported as Cash Equivalent	0.00
Less: Uninvested Securities Lending Cash Collateral included in carrying value and reported as Securities Lending Collateral	0.00
Less: Securities Lending CD Collateral included in carrying value and reported as Securities Lending Collateral	0.00
Cash In Bank per AFR	\$ 7,017,057.97
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	(8,172,799.23)
Proprietary Funds Current Assets Restricted Cash in Bank	15,189,857.20
Proprietary Funds Non-Current Restricted Cash in Bank	0.00
Cash in Bank per AFR	\$ 7,017,057.97

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, 2009, the total bank balance was as follows.

Governmental and Business-Type Activities	\$20,020,952.94	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, 2009, Sam Houston State University was not subject to 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, 2009.

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, 2009, 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		
International Obligations (Govt and Corp)		
International Equity		
Repurchase Agreement		
Repurchase Agreement (Texas Treasury Safekeeping Trust Co)		
Fixed Income Money Market and Bond Mutual Fund		59,014,879.19
Other Commingled Funds		258,057.99
Other Commingled Funds (Texpool)		108,092,257.92
Commercial Paper		
Securities Lending Collateral Investment Pool		
Real Estate		
Misc (alternative investments, limited partnerships, guaranteed investment contract, political subdivision, bankers' acceptance, negotiable CD)		
Total		\$ 167,365,195.10

The Miscellaneous category consists of one investment type, defined portfolios, Nuveen Unit Trusts. These are non-rated investments in municipal bonds.

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, 2009, Sam Houston State University had no 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, 2009, 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, 2009, Sam Houston State University was not subject to credit risk.

Investment Type	AAAf	AAf	Unrated
Fixed Income Money Market and Bond Mutual Fund	\$0.00	\$0.00	\$59,014,879.19

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, 2009, 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 2009.

Note 4: Short-Term Debt

Not Applicable.
During the fiscal year ended August 31, 2009, 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, 2009, the following changes occurred in liabilities.

BUSINESS-TYPE ACTIVITIES	Balance 09/01/08	Additions	Reductions	Balance 08/31/09	Amounts Due Within One Year
Compensable Leave	\$3,173,039.37	\$437,981.58	\$0.00	\$3,611,020.95	\$2,242,869.34
Other Non-current Liabilities	\$1,241,085.14	\$42,906.06	\$0.00	\$1,283,991.20	\$0.00
Capital Lease	\$385,356.66	\$88,688.98	\$130,608.74	\$343,436.90	\$138,988.77
TOTAL BUSINESS-TYPE ACTIVITIES	\$4,799,481.17	\$ 569,576.62	\$ 130,608.74	\$5,238,449.05	\$2,381,858.11

NOTES AND LOANS PAYABLE

None.

CLAIMS & JUDGEMENTS

At August 31, 2009, 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, 2009, the accrued liability totaled \$3,611,020.95.

The University made lump sum payments totaling \$221,731.18 for accrued vacation and/or compensatory time to employees who separated from state service during fiscal year ending August 31, 2009.

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 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	2010	\$ 6,409,990.95	\$ 6,113,956.78	\$ 12,523,947.73
	2011	6,658,981.97	5,854,799.10	12,513,781.07
	2012	6,962,349.71	5,563,758.04	12,526,107.75
	2013-2017	37,624,388.86	22,636,611.44	60,261,000.30
	2018-2022	42,613,626.41	12,800,108.56	55,413,734.97
	2023-2027	21,924,999.98	4,201,762.45	26,126,762.43
	2028-2029	4,015,000.00	212,500.00	4,227,500.00
TOTALS		\$ 126,209,337.88	\$ 57,383,496.37	\$ 183,592,834.25

A portion of the debt represents Tuition Revenue Bonds historically funded by the Texas Legislature through General Revenue Appropriations. The institution was appropriated \$2,872,625 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: Capital Leases

The University has entered into long-term leases for financing the purchase of certain capital assets. Such leases are classified as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments at the inception of the lease. The following is a summary of original capitalized costs of all such property under lease as well as the accumulated depreciation as of August 31, 2009.

Assets Under Capital Leases
Year Ending August 31, 2009

Units Class of Property	Primary Government			Business-Type Activities			Discretely Presented Component		
	Assets Under Capital Lease	Accumulated Depreciation	Total	Assets Under Capital Lease	Accumulated Depreciation	Total	Assets Under Capital Lease	Accumulated Depreciation	Total
Land									
Buildings									
Furniture & Equipment				657,939.68	175,669.03	482,270.65			
Vehicles, Boats, etc.									
Totals				657,939.68	175,669.03	482,270.65			

Future minimum lease payments under these capital leases, together with the present value of the net minimum lease payments at fiscal year-end, are as follows:

Future Capital Lease Payments
Year Ending August 31, 2009

Future Year	Primary Government			Business-Type Activities			Discretely Presented Component Units		
	Principal	Interest	Total Future Min. Lease Payments	Principal	Interest	Total Future Min. Lease Payments	Principal	Interest	Total Min. Lease Payments
2010				138,988.77	22,144.04	161,132.81			
2011				134,802.40	13,226.20	148,028.60			
2012				69,645.73	3,404.31	73,050.04			
Totals				343,436.90	38,774.55	382,211.45			

Note 8: Operating Leases

Future minimum lease rental payments under noncancellable operating leases having an initial term in excess of one year as of August 31, 2009 are:

<u>Fiscal Year</u>	<u>Minimum Future Lease Payments</u>
2010	25,652.88
2011	15,905.80
Total Minimum Future Lease Rental Payments	<u>\$ 41,558.68</u>

Note 9: Retirement 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):

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

Sam Houston State University has not participated in any interfund borrowing during fiscal year 2009.

The agency experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of interfund balances will occur within one year from the date of the financial statement.

Individual balances and activity at August 31, 2009, 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 (2)			
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)			
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 601, D23 Fund 0006)	\$119,379.30		FEDERAL P-T
(Agency 320, D23 Fund 7999)	\$6,039.55		FEDERAL P-T
(Agency 781, D23 Fund 0001)		\$37,919.51	FEDERAL P-T
Appd Fund 9999, D23 Fund 9999			
State Shared Cash Funds			
(Agency 601, D23 Fund 5015)	\$14,049.69		N/A
TOTAL DUE TO AND DUE FROM	\$139,468.54	\$37,919.51	

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	\$3,200,000.00		Transfer from System for Bond Proceeds
Agency 758, D23 Fund 9999		\$9,519,274.59	Transfer to TSUS for Bond Payment
Agency 758, D23 Fund 9999		\$505,186.00	Transfer to TSUS for System Shared Expense
Agency 781, D23 Fund 5103		\$1,018,469.20	Transfer to THECB for Be on Time
Agency 781, D23 Fund 5103		\$7,968.00	Transfer to THECB for Doctoral Set Asides
Total Interfund Receivable/Payable	\$3,200,000.00	\$11,050,897.79	

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)		\$2,874,876.44
Total Legislative Transfers	\$0.00	\$2,874,876.44

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

Not Applicable.
There were no restatements for the fiscal year ended August 31, 2009.

Note 15: Contingent Liabilities

At August 31, 2009, 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 fiscal year ended August 31, 2009.

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, 2009.

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 2009 was \$270,840.34. The assessment for SHSU for FY 2010 is \$294,555.00.

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, 2009.

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 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.

The Sam Houston Foundation is a separate nonprofit organization which was established for the purpose of cooperating with and working on behalf of the University. Neither the balance nor the transactions of this organization's fund are reflected in the financial statements during the year ended August 31, 2009.

Gifts were made to the University from the Sam Houston Foundation for fiscal year 2009 of \$17,500 to Restricted Funds and \$17,500 to Endowment Funds.

The SHSU Lettermen's Association was created in October 1974 for the stated purpose of providing a means for the former students of Sam Houston State University who won varsity letters in any of the sports recognized by the Conference to gather from time to time for certain fraternal beneficiary society purposes and to encourage support of the athletic staff and athletic programs of Sam Houston State University through the efforts of its members, including donations to Sam Houston State University for use by such educational institution.

The Lettermen's Association's funds are carried on the University's books, and comprise \$26,226.76 of Total Deposits Held in Custody for Others - Agency Funds, at August 31, 2009. Sam Houston State University has performed stewardship functions in support of this account, including the receipt of deposits and payment of expenditures. A gift was made to the University from the Lettermen's Associations for fiscal year 2009 of \$10,000 to Restricted Funds.

Note 20: Stewardship, Compliance and Accountability

Sam Houston State has no material violations of finance related and contract 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	\$1,488,363.46	Restricted for Nonexpendable
Term Endowments	0	Restricted for Nonexpendable
True Endowments	0	Restricted for Expendable

Note 23: Extraordinary and Special Items

Not Applicable.

Sam Houston State had no special or extraordinary items to report for the fiscal year ended August 31, 2009.

Note 24: Disaggregation of Receivable and Payable Balances

Sam Houston State University had the following aggregate receivable and payable balances as of August 31, 2009:

Current Receivables:

Federal Receivable

Instructional and Departmental	\$ 37,015.79
Research	4,540,924.04
Public Service	755,001.19
Scholarships and Fellowships	300,258.14
Academic Support	
Total Net Federal Receivable	<u>\$ 5,633,199.16</u>

As Reported on the Financial Statements

Current Federal Receivable	\$ 5,633,199.16
Non-Current Federal Receivable	<u>0.00</u>
Total Net Federal Receivable	<u>\$ 5,633,199.16</u>

Accounts Receivable

Installment Plans	\$11,552,367.55
University Hotel	58,726.53
Raven Nest Golf Course	16,997.04
Returned Checks	29,921.38
Travel Advances	42,884.14
Contracts and Grants	3,150,551.14
Other Receivables	<u>864,759.43</u>
Total Net Accounts Receivable	<u>\$15,716,207.21</u>

Accounts Receivable is reported net of Allowance for Doubtful Accounts. For FY 2009, Allowance for Doubtful Accounts (\$633,773.46) increased from FY 2008 Allowance for Doubtful Accounts (\$454,711.05). This difference resulted in Bad Debt Expense of \$179,062.41

Noncurrent Receivables:

Pledge Receivables	<u>\$ 168,761.16</u>
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Current Payables:

<u>Accounts Payable</u>	
Capital	\$ 3,214,644.99
Financial Aid Residual Checks	1,439,125.37
Other Payables	<u>1,013,436.41</u>
Total Accounts Payable	<u>\$ 5,667,206.77</u>

Noncurrent Payables:

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

<u>Type</u>	<u>Amount</u>
U.S. Government Grants Refundable (Perkins/NDSL)	\$ 616,162.37
Student Deposit Payables	<u>667,828.83</u>
Total	<u>\$1,283,991.20</u>

Note 25: Termination Benefits

Not Applicable.

During the fiscal year ended August 31, 2009, 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.

SAM HOUSTON STATE UNIVERSITY
SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2009

Federal Grantor/ Pass-through Grantor/ Program Title	Pass-through From				
	CFDA Number	Identifying Number	Agy/ Univ No	Agencies or Universities Amount	Non-State Entities Amount
U.S. Department of Defense					
<u>Direct Programs:</u>					
Basic, Applied, and Advanced Research in Science and Engineering	12.630	S082			
Basic, Applied, and Advanced Research in Science and Engineering	12.630	S080			
<u>Pass-Through To:</u>					
<i>Lamar University</i>					
Totals - U.S. Department of Defense				\$ -	\$ -
U.S. Department of Justice					
U.S. Department of Justice	16.000	D800			17,041.72
		D077, D078, D787			563,170.73
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	D797			1,324.44
<u>Direct Programs:</u>					
U.S. Department of Justice	16.000	D823			
Community Prosecution and Project Safe Neighborhoods	16.609	Multiple			
Public Safety Partnership and Community Policing Grants	16.710	D746, D820			
Edward Byrne Memorial Competitive Grant Program	16.751	A16A			
<u>Pass-Through To:</u>					
<i>University of Texas at El Paso</i>					
Totals - U.S. Department of Justice				\$ -	\$ 581,536.89
National Endowment For The Humanities					
Promotion of the Humanities_Federal/State Partnership	45.129	B740			651.25
<u>Direct Programs:</u>					
Laura Bush 21st Century Librarian Program	45.313	T152			
Totals - National Endowment For The Humanities				\$ -	\$ 651.25
Small Business Administration					
<u>Pass-Through From:</u>					
Small Business Development Centers	59.037	A518, A519, B550			
<u>Pass-Through From:</u>					
<i>University of Houston</i>					
			730	106,787.04	
Totals - Small Business Administration				\$ 106,787.04	\$ -
U.S. Department of Energy					
Fossil Energy Research and Development	81.089	B010			
<u>Pass-Through From:</u>					
<i>Texas Engineering Experiment Station</i>					
			712	95,895.05	
Totals - U.S. Department of Energy				\$ 95,895.05	\$ -
U.S. Department of Education					
Career and Technical Education -- Basic Grants to States	84.048	T226			16,916.20
Fund for the Improvement of Education	84.215	A483			961.06
Tech-Prep Education	84.243	B730			31,757.65
<u>Direct Programs:</u>					
Bilingual Education_Professional Development	84.195	A033			
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325	A034, B330			

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Direct Program Amount	Total PT From and Direct Prog. Amount	Pass-through To			Expenditures Amount	Total PT To and Expenditures Amount
		Agy/ Univ No.	Agencies or Universities Amount	Non-State Entities Amount		
73,965.55	73,965.55			73,965.55		73,965.55
417,468.86	417,468.86					417,468.86
		734	417,468.86			
<u>\$ 491,434.41</u>	<u>\$ 491,434.41</u>		<u>\$ 417,468.86</u>	<u>\$ 73,965.55</u>	<u>\$ -</u>	<u>\$ 491,434.41</u>
	17,041.72			17,041.72		17,041.72
	563,170.73			563,170.73		563,170.73
	1,324.44			1,324.44		1,324.44
(23,133.64)	(23,133.64)			(23,133.64)		(23,133.64)
199,609.33	199,609.33			100,750.59	98,858.74	199,609.33
52,318.65	52,318.65				52,318.65	52,318.65
18,256.96	18,256.96					18,256.96
		724	18,256.96			
<u>\$ 247,051.30</u>	<u>\$ 828,588.19</u>		<u>\$ 18,256.96</u>	<u>\$ 100,750.59</u>	<u>\$ 709,580.64</u>	<u>\$ 828,588.19</u>
	651.25			651.25		651.25
175,357.43	175,357.43			175,357.43		175,357.43
<u>\$ 175,357.43</u>	<u>\$ 176,008.68</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,008.68</u>	<u>\$ 176,008.68</u>
	106,787.04			106,787.04		106,787.04
<u>\$ -</u>	<u>\$ 106,787.04</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,787.04</u>	<u>\$ 106,787.04</u>
	95,895.05			95,895.05		95,895.05
<u>\$ -</u>	<u>\$ 95,895.05</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,895.05</u>	<u>\$ 95,895.05</u>
	16,916.20			16,916.20		16,916.20
	961.06			961.06		961.06
	31,757.65			31,757.65		31,757.65
51,982.15	51,982.15			51,982.15		51,982.15
173,174.91	173,174.91			173,174.91		173,174.91

SAM HOUSTON STATE UNIVERSITY
SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2009

Federal Grantor/ Pass-through Grantor/ Program Title	Pass-through From				
	CFDA Number	Identifying Number	Agy/ Univ No	Agencies or Universities Amount	Non-State Entities Amount
<u>Pass-Through From:</u>					
Improving Teacher Quality State Grants	84.367	B290, B890			
<i>Pass-Through From:</i>					
<i>Texas Higher Education Coordinating Board</i>			781	102,551.31	
Totals - U.S. Department of Education				\$ 102,551.31	\$ 49,634.91
U.S. Department of Health and Human Services					
Drug Abuse and Addiction Research Programs	93.279	A229			(106.80)
<u>Pass-Through From:</u>					
Public Health Emergency Preparedness	93.069	DSHS			
<i>Pass-Through From:</i>					
<i>Department of State Health Services</i>			537	19,950.00	
Totals - U.S. Department of Health and Human Services				\$ 19,950.00	\$ (106.80)
Research & Development Cluster					
U.S. Department of Agriculture					
Grants for Agricultural Research_Competitive Research Grants	10.206	D350			4,642.65
Cooperative Extension Service	10.500	B290			17,100.84
<u>Direct Programs:</u>					
International Science and Education Grants	10.305	B370			
<u>Pass-Through From:</u>					
Grants for Agricultural Research, Special Research Grants	10.200	B410			
<i>Pass-Through From:</i>					
<i>Sul Ross State University</i>			756	62,770.40	
Totals - U.S. Department of Agriculture				\$ 62,770.40	\$ 21,743.49
U.S. Department of Defense					
Basic and Applied Scientific Research	12.300	B450			54,414.72
<u>Direct Programs:</u>					
U.S. Department of Defense	12.000	9405			
	12.000	S045			
	12.000	9402			
Basic and Applied Scientific Research	12.300	9371			
Basic, Applied, and Advanced Research in Science and Engineering	12.630	S081			
<i>Pass-Through To:</i>					
<i>Sul Ross State University</i>					
Totals - U.S. Department of Defense				\$ -	\$ 54,414.72
U.S. Department of the Interior					
National Cooperative Geologic Mapping Program	15.810	B580			28,539.80
Totals - U.S. Department of the Interior				\$ -	\$ 28,539.80
U.S. Department of Justice					
U.S. Department of Justice	16.000	B250			27,807.00
		B430			34,450.69
Services for Trafficking Victims	16.320	B170			21,855.03
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	B640			2,000.00
		B720			48,151.51
Community Prosecution and Project Safe Neighborhoods	16.609	B12C, B12D			5,770.41

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Direct Program Amount	Total PT From and Direct Prog. Amount	Pass-through To			Expenditures Amount	Total PT To and Expenditures Amount
		Agy/ Univ No.	Agencies or Universities Amount	Non-State Entities Amount		
	102,551.31				102,551.31	102,551.31
<u>\$ 225,157.06</u>	<u>\$ 377,343.28</u>				<u>\$ 377,343.28</u>	<u>\$ 377,343.28</u>
	(106.80)				(106.80)	(106.80)
	19,950.00				19,950.00	19,950.00
<u>\$ -</u>	<u>\$ 19,843.20</u>				<u>\$ 19,843.20</u>	<u>\$ 19,843.20</u>
	4,642.65				4,642.65	4,642.65
	17,100.84				17,100.84	17,100.84
61,157.60	61,157.60				61,157.60	61,157.60
	62,770.40				62,770.40	62,770.40
<u>\$ 61,157.60</u>	<u>\$ 145,671.49</u>				<u>\$ 145,671.49</u>	<u>\$ 145,671.49</u>
	54,414.72				54,414.72	54,414.72
343,193.91	343,193.91				343,193.91	343,193.91
432,137.07	432,137.07			432,137.07	432,137.07	432,137.07
48,026.91	48,026.91				48,026.91	48,026.91
(273.50)	(273.50)				(273.50)	(273.50)
226,960.15	226,960.15					226,960.15
		756	226,960.15			
<u>\$ 1,050,044.54</u>	<u>\$ 1,104,459.26</u>				<u>\$ 445,362.04</u>	<u>\$ 1,104,459.26</u>
	28,539.80				28,539.80	28,539.80
<u>\$ -</u>	<u>\$ 28,539.80</u>				<u>\$ 28,539.80</u>	<u>\$ 28,539.80</u>
	27,807.00				27,807.00	27,807.00
	34,450.69				34,450.69	34,450.69
	21,855.03				21,855.03	21,855.03
	2,000.00				2,000.00	2,000.00
	48,151.51				48,151.51	48,151.51
	5,770.41				5,770.41	5,770.41

SAM HOUSTON STATE UNIVERSITY
SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2009

Federal Grantor/ Pass-through Grantor/ Program Title	Pass-through From				
	CFDA Number	Identifying Number	Agy/ Univ No	Agencies or Universities Amount	Non-State Entities Amount
<u>Direct Programs:</u>					
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	B500, B510, B520, D771			
Edward Byrne Memorial Formula Grant Program	16.579	Multiple			
Community Prosecution and Project Safe Neighborhoods	16.609	Multiple			
Community Prosecution and Project Safe Neighborhoods	16.609	B141, S005			
<u>Pass-Through To:</u>					
<i>Attorney General</i>					
Edward Byrne Memorial Competitive Grant Program	16.751	B530, B53A			
Totals - U.S. Department of Justice				\$ -	\$ 140,034.64
National Science Foundation					
Mathematical and Physical Sciences	47.049	B040			(1,062.64)
		B230			120,584.96
		B440			2,500.00
		B670			26,148.97
Biological Sciences	47.074	B150			34,151.79
<u>Direct Programs:</u>					
Mathematical and Physical Sciences	47.049	A381, A382, A386			
Biological Sciences	47.074	A391, B880			
Education and Human Resources	47.076	A260, B540			
International Science and Engineering (OISE)	47.079	A380			
Totals - National Science Foundation				\$ -	\$ 182,323.08
U.S. Department of Energy					
Office of Science Financial Assistance Program	81.049	B350			61,470.98
Totals - U.S. Department of Energy				\$ -	\$ 61,470.98
U.S. Department of Education					
U.S. Department of Education	84.000	B420			155,337.85
Minority Science and Engineering Improvement	84.120	B220			34,804.75
Education Research, Development and Dissemination	84.305	A111			111,438.71
Totals - U.S. Department of Education				\$ -	\$ 301,581.31
U.S. Department of Health and Human Services					
Drug Abuse and Addiction Research Programs	93.279	B210			13,772.82
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	D512			72,555.20
<u>Direct Programs:</u>					
U.S. Department of Health and Human Services	93.000	B560			
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	A050, A051, A052			
Drug Abuse and Addiction Research Programs	93.279	D567			
Allergy, Immunology and Transplantation Research	93.855	A166			
Totals - U.S. Department of Health and Human Services				\$ -	\$ 86,328.02
U.S. Department of Homeland Security					
Centers for Homeland Security	97.061	B570			97,478.79
<u>Direct Programs:</u>					
Aviation Research Grants	97.069	B750			
Totals - U.S. Department of Homeland Security				\$ -	\$ 97,478.79

UNAUDITED

Direct Program Amount	Total PT From and Direct Prog. Amount	Pass-through To			Expenditures Amount	Total PT To and Expenditures Amount
		Agy/ Univ No.	Agencies or Universities Amount	Non-State Entities Amount		
162,050.29	162,050.29				162,050.29	162,050.29
1,884,842.35	1,884,842.35				1,884,842.35	1,884,842.35
638,767.67	638,767.67			638,767.67		638,767.67
7,035.19	7,035.19					7,035.19
		302	7,035.19			
182,208.30	182,208.30			4,732.17	177,476.13	182,208.30
<u>\$ 2,874,903.80</u>	<u>\$ 3,014,938.44</u>		<u>\$ 7,035.19</u>	<u>\$ 643,499.84</u>	<u>\$ 2,364,403.41</u>	<u>\$ 3,014,938.44</u>
	(1,062.64)				(1,062.64)	(1,062.64)
	120,584.96				120,584.96	120,584.96
	2,500.00				2,500.00	2,500.00
	26,148.97				26,148.97	26,148.97
	34,151.79				34,151.79	34,151.79
133,292.61	133,292.61				133,292.61	133,292.61
27,308.97	27,308.97				27,308.97	27,308.97
221,530.40	221,530.40				221,530.40	221,530.40
34,404.31	34,404.31				34,404.31	34,404.31
<u>\$ 416,536.29</u>	<u>\$ 598,859.37</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 598,859.37</u>	<u>\$ 598,859.37</u>
	61,470.98				61,470.98	61,470.98
<u>\$ -</u>	<u>\$ 61,470.98</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,470.98</u>	<u>\$ 61,470.98</u>
	155,337.85				155,337.85	155,337.85
	34,804.75				34,804.75	34,804.75
	111,438.71				111,438.71	111,438.71
<u>\$ -</u>	<u>\$ 301,581.31</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 301,581.31</u>	<u>\$ 301,581.31</u>
	13,772.82				13,772.82	13,772.82
	72,555.20				72,555.20	72,555.20
126,287.53	126,287.53				126,287.53	126,287.53
334,138.81	334,138.81			47,299.16	286,839.65	334,138.81
57,539.76	57,539.76				57,539.76	57,539.76
11,596.91	11,596.91				11,596.91	11,596.91
<u>\$ 529,563.01</u>	<u>\$ 615,891.03</u>		<u>\$ 47,299.16</u>	<u>\$ -</u>	<u>\$ 568,591.87</u>	<u>\$ 615,891.03</u>
	97,478.79				97,478.79	97,478.79
137,636.40	137,636.40				137,636.40	137,636.40
<u>\$ 137,636.40</u>	<u>\$ 235,115.19</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 235,115.19</u>	<u>\$ 235,115.19</u>

SAM HOUSTON STATE UNIVERSITY
SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2009

Federal Grantor/ Pass-through Grantor/ Program Title	Pass-through From				Non-State Entities Amount
	CFDA Number	Identifying Number	Agy/ Univ No	Agencies or Universities Amount	
Highway Safety Cluster					
U.S. Department of Transportation					
<u>Pass-Through From:</u>					
State and Community Highway Safety	20.600	D761			
<i>Pass-Through From:</i>					
<i>Texas Department of Transportation</i>			601	124,614.50	
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	B490, D757, D759			
<i>Pass-Through From:</i>					
<i>Texas Department of Transportation</i>			601	306,092.69	
Totals - U.S. Department of Transportation				\$ 430,707.19	\$ -
Public Assistance Cluster					
U.S. Department of Homeland Security					
<u>Pass-Through From:</u>					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA			
<i>Pass-Through From:</i>					
<i>Texas Department of Public Safety</i>			405	73,282.69	
Totals - U.S. Department of Homeland Security				\$ 73,282.69	\$ -
Student Financial Assistance Cluster					
U.S. Department of Education					
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379	B700			14,863.69
<u>Direct Programs:</u>					
Federal Supplemental Educational Opportunity Grants	84.007	4008, 4009			
Federal Family Education Loans	84.032				
Federal Work-Study Program	84.033	4408, 4409, 4419			
Federal Perkins Loan Program_Federal Capital Contributions	84.038				
Federal Pell Grant Program	84.063	4208, 4209, 4307, 4308, 4309			
National Science and Mathematics Access to Retain Talent (SMART) Grants	84.376	4508, 4509			
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379	4609			
Totals - U.S. Department of Education				\$ -	\$ 14,863.69
TRIO Cluster					
U.S. Department of Education					
<u>Direct Programs:</u>					
TRIO_McNair Post-Baccalaureate Achievement	84.217	A035, A039, A038			
Totals - U.S. Department of Education				\$ -	\$ -
WIA Cluster					
U.S. Department of Labor					
<u>Pass-Through From:</u>					
WIA Dislocated Workers	17.260	B760			
<i>Pass-Through From:</i>					
<i>Texas Workforce Commission</i>			320	18,103.54	
Totals - U.S. Department of Labor				\$ 18,103.54	\$ -
Total Expenditures of Federal Awards				\$ 910,047.22	\$ 1,620,494.77

UNAUDITED

Direct Program Amount	Total PT From and Direct Prog. Amount	Pass-through To			Expenditures Amount	Total PT To and Expenditures Amount
		Agy/ Univ No.	Agencies or Universities Amount	Non-State Entities Amount		
	124,614.50				124,614.50	124,614.50
	306,092.69				306,092.69	306,092.69
<u>\$ -</u>	<u>\$ 430,707.19</u>				<u>\$ 430,707.19</u>	<u>\$ 430,707.19</u>
	73,282.69				73,282.69	73,282.69
<u>\$ -</u>	<u>\$ 73,282.69</u>				<u>\$ 73,282.69</u>	<u>\$ 73,282.69</u>
	14,863.69				14,863.69	14,863.69
432,052.85	432,052.85				432,052.85	432,052.85
61,165,558.00	61,165,558.00				61,165,558.00	61,165,558.00
396,721.00	396,721.00				396,721.00	396,721.00
87,770.00	87,770.00				87,770.00	87,770.00
13,373,150.88	13,373,150.88				13,373,150.88	13,373,150.88
123,000.25	123,000.25				123,000.25	123,000.25
10,500.00	10,500.00				10,500.00	10,500.00
<u>\$ 75,588,752.98</u>	<u>\$ 75,603,616.67</u>				<u>\$ 75,603,616.67</u>	<u>\$ 75,603,616.67</u>
443,020.71	443,020.71				443,020.71	443,020.71
<u>\$ 443,020.71</u>	<u>\$ 443,020.71</u>				<u>\$ 443,020.71</u>	<u>\$ 443,020.71</u>
	18,103.54				18,103.54	18,103.54
<u>\$ -</u>	<u>\$ 18,103.54</u>				<u>\$ 18,103.54</u>	<u>\$ 18,103.54</u>
<u>\$ 82,240,615.53</u>	<u>\$ 84,771,157.52</u>				<u>\$ 82,803,784.15</u>	<u>\$ 84,771,157.52</u>

Note 1 - Non Monetary Assistance

None \$ -

Note 2 - Reconciliation

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

Governmental Funds - Federal Revenue - (SRECNA)	\$ 22,607,782.30
Federal Pass-Through Revenue from Other State Agencies (SRECNA)	910,047.22
Subtotal	<u>\$ 23,517,829.52</u>
Reconciling Items:	
Non-monetary Items	
Donation of Federal Surplus Personal Property	\$ -
New Loans Processed:	
Federal Family Education Loan Program	61,165,558.00
Federal Perkins Loan Program	87,770.00
Total Pass Through and Expenditures per Federal Schedule	<u>\$ 84,771,157.52</u>

Note 3 - Student Loans Processed and Administrative Costs Recovered

Federal Grantor/ CFDA number/Program Name	New Loans Processed	Admin. Costs Recovered	Total Loans Processed & Admin. Costs Recovered	Ending Balances of Previous Years' Loans
U.S. Department of Education				
84.032 Federal Family Education Loan Program	\$ 61,165,558.00	\$ -	\$ 61,165,558.00	\$ -
84.038 Federal Perkins Loan Program	87,770.00	-	87,770.00	
Total Department of Education	<u>\$ 61,253,328.00</u>	<u>\$ -</u>	<u>\$ 61,253,328.00</u>	<u>\$ -</u>

Sam Houston State University
Schedule 1B - Schedule of State Grant Pass Throughs From/To State Agencies
For the Fiscal Year Ended August 31, 2009

UNAUDITED

Pass Through From:

Agency Name

Texas State University - San Marcos

EPIC MEL \$ 47,526.84

LEP Math Initiative \$ 41,573.52

Texas Higher Education Coordinating Board

Higher Education Performance Incentive \$ 3,399,533.00

Texas Grant Program \$ 5,695,779.00

5th Year Accounting Scholarship \$ 15,000.00

Texas College Work Study Program \$ 84,330.00

CRU - Professional Services Grants \$ (6,867.20)

Total State Pass-Thru Grant Revenue \$ 9,276,875.16

Pass Through To:

None

SAM HOUSTON STATE UNIVERSITY
SCHEDULE 2A
MISCELLANEOUS BOND INFORMATION
For the Year Ended August 31, 2009

UNAUDITED

Schedule Not Used

SAM HOUSTON STATE UNIVERSITY
SCHEDULE 2B
CHANGES IN BOND INDEBTEDNESS
For the Year Ended August 31, 2009

UNAUDITED

Schedule Not Used

SAM HOUSTON STATE UNIVERSITY
SCHEDULE 2C
DEBT SERVICE REQUIREMENTS
For the Year Ended August 31, 2009

UNAUDITED

Schedule Not Used

SAM HOUSTON STATE UNIVERSITY
SCHEDULE 2D
ANALYSIS OF FUNDS AVAILABLE FOR DEBT SERVICE
For the Year Ended August 31, 2009

UNAUDITED

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, 2009

UNAUDITED

Schedule Not Used

SAM HOUSTON STATE UNIVERSITY
SCHEDULE 2F
EARLY EXTINGUISHMENT AND REFUNDING
For the Year Ended August 31, 2009

UNAUDITED

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, 2009

UNAUDITED

Cash in State Treasury	Unrestricted	Restricted	Current Year Total
	\$	\$	\$
Local Revenue Fund 0259	16,510,979.56		
Bill Blackwood Law Enforcement Management Institute Fund 0581	311,232.83		
Correctional Management Institute and Criminal Justice Center Fund 5083	1,881,099.75		
Total Cash in State Treasury (stmt of Net Assets)	\$ 18,703,312.14	\$ -	\$ -

**SAM HOUSTON STATE UNIVERSITY
SCHEDULE 4
HIGHER EDUCATION ASSISTANCE FUND
For the Year Ended August 31, 2009**

UNAUDITED

	<u>Totals</u>
	\$
Balance September 1, 2008	<u>16,307,373.75</u>
REVENUES	
Appropriations	<u>10,184,001.00</u>
Total Revenues	<u>10,184,001.00</u>
EXPENSES	
Professional Fees and Services	134,083.63
Materials and Supplies	3,410,019.92
Repairs and Maintenance	688,222.84
Service	34.11
Interest	34.52
Real Property	198,854.58
Other Expenses	<u>2,941,576.69</u>
Total Expenses	<u>7,372,826.29</u>
	\$
BALANCE AT AUGUST 31, 2009	<u><u>19,118,548.46</u></u>