



STEPHEN F. AUSTIN
STATE UNIVERSITY
NACOGDOCHES, TEXAS



ANNUAL FINANCIAL REPORT

For the year ended August 31, 2021

STEPHEN F. AUSTIN STATE UNIVERSITY

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STEPHEN F. AUSTIN STATE UNIVERSITY

Office of the Controller

P.O. Box 13035, SFA Station • Nacogdoches Texas 75962

Phone: (936) 468-2320 • Fax: (936) 468 2207

November 20, 2021

Honorable Greg Abbott, Governor
Honorable Glenn Hegar, Texas Comptroller of Public Accounts
Jerry McGinty, Director, Legislative Budget Board
Lisa Collier, CPA, State Auditor

Dear Ladies and Gentlemen:

We are pleased to submit the annual financial report of Stephen F. Austin State University for the year ended August 31, 2021, in compliance with Texas Government Code Annotated, Section 2101.011 and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

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

If you have any questions, please contact Ms. Dannette Sales at (936) 468-2354. Ms. Letitia Hamilton may be contacted at (936) 468-2250 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

Dr. Scott Gordon
President



STEPHEN F. AUSTIN STATE UNIVERSITY

Office of the Controller

P.O. Box 13035, SFA Station • Nacogdoches Texas 75962

Phone: (936) 468-2320 • Fax: (936) 468-2207

November 20, 2021

Dr. Scott Gordon
President
Stephen F. Austin State University
P. O. Box 6078, SFA Station
Nacogdoches, Texas 75962

Dear Dr. Gordon:

Submitted herein is the Annual Financial Report of Stephen F. Austin State University for the fiscal year ended August 31, 2021.

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 accompanying Annual 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 me.

Sincerely,

Dannette Sales, CPA
Controller

Approved:

Judi Kruwell, CPA
Interim Vice President for Finance and Administration



STEPHEN F. AUSTIN
STATE UNIVERSITY
NACOGDOCHES, TEXAS

Organizational Data August 31, 2021

Board of Regents

Officers

Karen Gantt, Chair
M. Thomas Mason, Vice Chair
Jennifer W. Winston, Secretary

Members

| Name | Town | Term Expires |
|--------------------------|----------------------|------------------|
| David R. Alders | Nacogdoches, Texas | January 31, 2025 |
| Robert Flores | Nacogdoches, Texas | January 31, 2027 |
| Karen G. Gantt | McKinney, Texas | January 31, 2023 |
| Brigettee C. Henderson | Lufkin, Texas | January 31, 2023 |
| M. Thomas Mason | Dallas, Texas | January 31, 2023 |
| Judy L. Olson | The Woodlands, Texas | January 31, 2025 |
| Laura Rectenwald | Longview, Texas | January 31, 2027 |
| Nancy C. Windham | Nacogdoches, Texas | Januray 31, 2027 |
| Jennifer W. Winston | Lufkin, Texas | January 31, 2025 |
| Spencer Coffey (student) | Nacogdoches, Texas | May 31, 2022 |

President

Dr. Scott Gordon, Ph.D.

Finance and Administration

Interim Vice President - Judith Kruwell, CPA
Controller - Dannette Sales, CPA

STEPHEN F. AUSTIN STATE UNIVERSITY

Management's Discussion and Analysis

For the Year Ended August 31, 2021

INTRODUCTION

Stephen F. Austin State University (the University) is a comprehensive regional public institution of higher education and an agency of the State of Texas (State). Founded in 1923, the University is named for the "Father of Texas," Stephen Fuller Austin. It is located in the city of Nacogdoches, a part of the East Texas forested region. The main campus has more than 400 acres, including part of the original homestead of Thomas J. Rusk, early Texas patriot and United States Senator. In fall 2020, the University enrolled 12,620 students in 34 academic units and 6 colleges. The University offers baccalaureate, masters, and doctoral degrees.

The University is accredited by the Southern Association of Colleges and Schools Commission on Colleges. Specific academic programs hold numerous other accreditations.

The University does not include any blended components in the Financial Statements.

OVERVIEW OF THE FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS

The objective of Management's Discussion and Analysis is to help readers of the University's Financial Statements better understand the financial position and operating activities for the fiscal year ended August 31, 2021, with selected comparative information for the year ended August 31, 2020. This discussion should be read in conjunction with the Transmittal Letter, Financial Statements, and Notes to the Financial Statements. Management has prepared the Financial Statements and Notes to the Financial Statements along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with the University administration.

Three primary statements are presented: Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows. The Financial Statements are prepared in accordance with requirements established by the Texas Comptroller of Public Accounts.

FINANCIAL HIGHLIGHTS

- Enrollment for the fall 2020 semester was 12,620. This figure represents a decrease of 2.7 percent from the enrollment of 12,969 recorded in fall 2019. Retention rates and persistence to graduation are two metrics by which the Texas Legislature evaluates State universities. The University reported an undergraduate retention rate of 76.9 percent for the fall 2020.
- The University's financial position at August 31, 2021 reflected total assets and deferred outflows of \$668 million and total liabilities and deferred inflows of \$590 million. Overall, the net position of the University increased \$17.6 million. Although with the implementation of Governmental Accounting Standards Board Statement Nos. 68 and 75, the Teachers Retirement System (TRS) recorded a non-cash expenditure in pension cost of \$3.5 million and the Employees Retirement System (ERS) recorded a non-cash expenditure of \$19.9 million related to the Other Post-Employment Benefits (OPEB) to the University's pension expense.
- In 2018, the University began a five-year capital fundraising campaign to coincide with the University's 100-year anniversary in 2023. As of the end of the 2021 fiscal year, 79.6 percent has been pledged.
- In the spring of 2019, the University began construction of a basketball training facility and renovations to the fine arts buildings funded by a \$110 million bond issue sold at a premium that resulted in net bond proceeds of \$115.5 million. As a result of decreased occupancy of the residence halls due to a global pandemic, the construction of the residence hall and dining facility has been suspended and alternative projects are currently being considered. The bond issue also provided for the construction of a one-stop shop and welcome center, however, the Board of Regents decided to use existing infrastructure for that endeavor.

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Management's Discussion and Analysis
UNAUDITED
For the Year Ended August 31, 2021

- The University and students benefitted from CARES funding in FY2021. Students were awarded \$22.4 million and the University received \$28.1 million from the Higher Education Emergency Relief Fund (HEERF) aid to cover COVID-19 related expenditures, student refunds, and lost revenue resulting from the pandemic.

CONDENSED FINANCIAL INFORMATION AND FINANCIAL HIGHLIGHTS

Statement of Net Position

The Statement of Net Position provides a snapshot view of assets available for use in the University's continuing operations and enables readers to determine the amounts owed to others. Over time, increases or decreases in net position are indicators of the improvement or decline of the financial health of the University. The Statement of Net Position presents the assets, liabilities, deferred outflows and inflows of resources, and net position of the University at a specific point in time, in this case August 31, 2021. Net position represents the residual interest in the University's assets and deferred outflows of resources after deducting liabilities and deferred inflows of resources.

"Net Position" displays three major categories: Invested in Capital Assets, Net of Related Debt; Restricted Net Position; and Unrestricted Net Position. The Invested in Capital Assets, Net of Related Debt category identifies the equity in property, plant, and equipment owned by the University. Restricted Net Position is either expendable or non-expendable. Restricted Net Position-Expendable may be expended only for the purposes designated by the external donor or provider of the assets. Restricted Net Position-Non-expendable is comprised entirely of funds held as permanent endowments. Unrestricted Net Position is available for any lawful purpose of the University. Although Unrestricted Net Position assets are not subject to externally imposed stipulations, these assets may have other commitments for various future uses in support of the University's mission. These include commitments for encumbrances outstanding at year-end. Also recognized in Unrestricted Net Position are unspent Higher Education Funds (HEF) and other appropriations, which have restrictions imposed by the State. Assets and liabilities are generally measured using current values, except capital assets, which are stated at historical cost less an allowance for depreciation.

A summarized comparison of the University's Statement of Net Position at August 31, 2021 and 2020 follows:

Statement of Net Position

| | August 31, 2021 | August 31, 2020 |
|---------------------------------------|----------------------------|----------------------------|
| Assets | | |
| Current Assets | \$ 224,674,951.43 | \$ 216,101,641.53 |
| Noncurrent Assets | | |
| Other Noncurrent Assets | 121,691,817.23 | 116,991,026.20 |
| Capital Assets, Net of Depreciation | 223,697,209.76 | 214,104,974.90 |
| Total Assets | 570,063,978.42 | 547,197,642.63 |
| Deferred Outflows of Resources | 98,671,719.00 | 123,585,061.00 |
| Liabilities | | |
| Current Liabilities | 122,848,921.51 | 124,586,748.13 |
| Noncurrent Liabilities | 411,403,433.99 | 426,782,984.26 |
| Total Liabilities | 534,252,355.50 | 551,369,732.39 |
| Deferred Inflows of Resources | 55,831,468.00 | 58,405,904.00 |

Stephen F. Austin State University-755
Management's Discussion and Analysis
UNAUDITED
For the Year Ended August 31, 2021

| | August 31, 2021 | August 31, 2020 |
|--|----------------------------|----------------------------|
| Net Position | | |
| Invested in Capital Assets, Net of Related Debt | \$ 81,340,280.21 | \$ 71,755,447.36 |
| Restricted Net Position | | |
| Capital Projects | 0.00 | 4,304,325.12 |
| Expendable | 31,478,693.17 | 27,251,459.27 |
| Non-expendable | 6,107,043.66 | 6,083,565.66 |
| Unrestricted Net Position | <u>(40,274,143.12)</u> | <u>(48,384,730.17)</u> |
| | <u>\$ 78,651,873.92</u> | <u>\$ 61,007,067.24</u> |

Statement of Revenues, Expenses, and Changes in Net Position

The change in total net position was calculated from the activity shown on the Statement of Revenues, Expenses, and Changes in Net Position. This statement presents operating revenues and expenses; non-operating revenues and expenses; and other revenues, expenses, gains (losses), and transfers.

Operating revenues are receipts for providing goods and services to the various constituencies of the University. Operating expenses include salaries, wages, and goods and services needed to carry out the mission of the University. Non-operating revenues and expenses include non-exchange transactions for which no goods or services were provided. This category includes State appropriations, Pell grants, gifts, investment income, and interest payments on long-term debt.

A summarized comparison of the University's Statement of Revenues, Expenses, and Changes in Net Position for the years ended August 31, 2021 and 2020 follows:

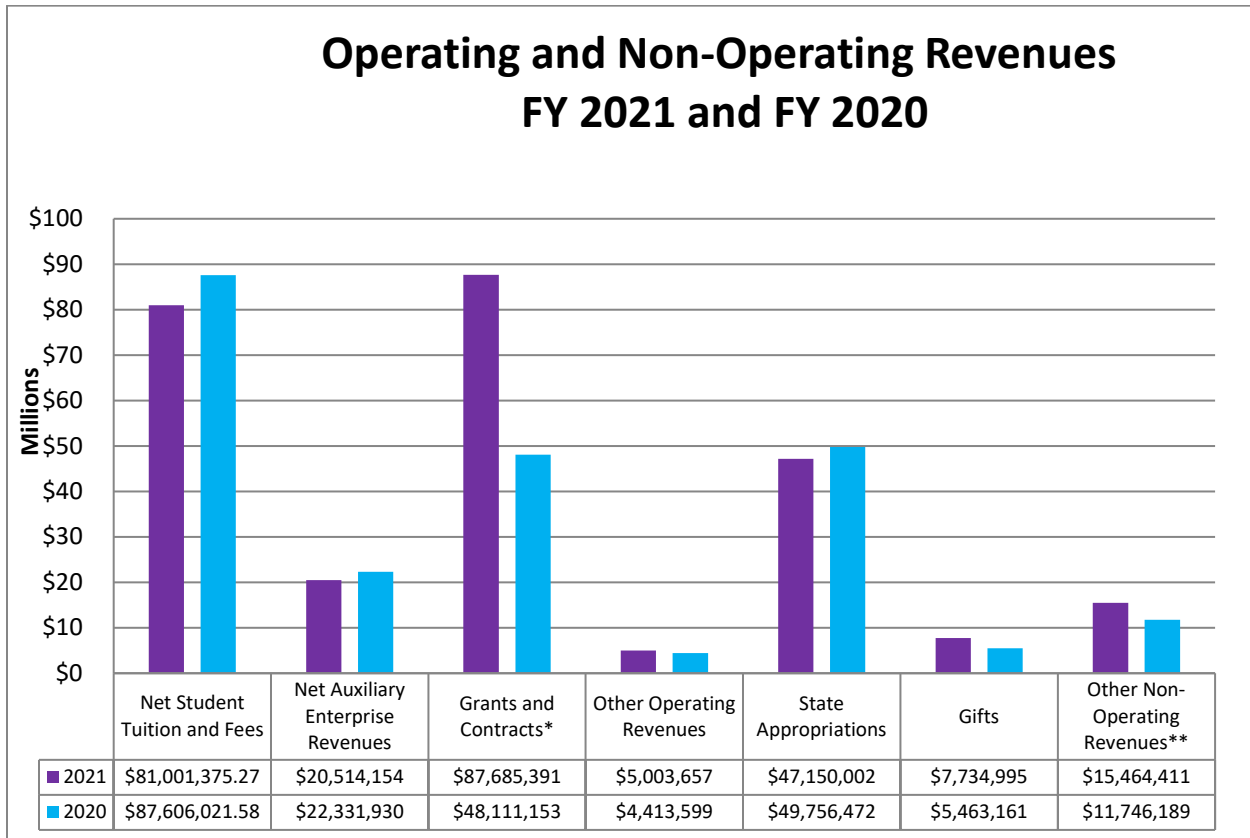
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Management's Discussion and Analysis
UNAUDITED
For the Year Ended August 31, 2021

Statement of Revenues, Expenses, and Changes in Net Position

| | <u>2021</u> | <u>2020</u> |
|---|-------------------------|-------------------------|
| Operating Revenues: | | |
| Net Student Tuition and Fees | \$ 81,001,375.27 | \$ 87,606,021.58 |
| Net Auxiliary Enterprise Revenues | 20,514,154.12 | 22,331,930.29 |
| Grants and Contracts | 17,393,019.07 | 16,575,339.23 |
| Other Operating Revenues | 5,003,657.22 | 4,413,599.25 |
| Total Operating Revenues | <u>123,912,205.68</u> | <u>130,926,890.36</u> |
| Total Operating Expenses | <u>255,853,495.43</u> | <u>250,769,673.08</u> |
| Operating Income (Loss) | <u>(131,941,289.75)</u> | <u>(119,842,782.73)</u> |
| Legislative Revenue (State) | 36,406,556.72 | 39,106,062.00 |
| Additional Appropriations | 10,743,445.23 | 10,650,410.46 |
| Federal Revenues - Non-Operating | 70,292,372.06 | 31,535,813.43 |
| Gifts | 7,734,994.56 | 5,463,160.68 |
| Net Investment Income (Loss) | 4,685,714.28 | 5,794,476.11 |
| Net Increase (Decrease) in Fair Value of Investments | 9,833,946.93 | 5,460,823.17 |
| Interest Expenses and Fiscal Charges | (7,243,290.68) | (7,664,054.70) |
| Net Other Non-Operating Revenues (Expenses) | 944,749.58 | 490,890.20 |
| Total Non-Operating Revenues (Expenses) | <u>133,398,488.68</u> | <u>90,837,581.35</u> |
| Income (Loss) Before Other Revenues, Expenses, Gains or Losses | 1,457,198.93 | (29,005,201.38) |
| Other Revenues, Expenses, Gains (Losses) and Transfers | <u>16,154,684.53</u> | <u>10,899,635.07</u> |
| Change in Net Position | <u>17,611,883.46</u> | <u>(18,105,566.31)</u> |
| Net Position, Beginning of Year | 61,007,067.24 | 79,284,267.70 |
| Restatements | 32,923.22 | (171,634.15) |
| Restated Net Position, Beginning of Year | <u>61,039,990.46</u> | <u>79,112,633.55</u> |
| Net Position, End of Year | <u>\$ 78,651,873.92</u> | <u>\$ 61,007,067.24</u> |

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Management's Discussion and Analysis
UNAUDITED
For the Year Ended August 31, 2021

The following graph exhibits operating and non-operating revenues by major source:



* Grants and Contracts includes both Operating and Non-Operating Grants and Contracts.

**Other Non-Operating Revenues includes Net Investment Income, Net Increase (Decrease) in Fair Value of Investments, and Net Other Non-Operating Revenues.

Some of the fiscal year 2021 highlights presented in the Statement of Revenues, Expenses, and Changes in Net Position are as follows:

- The federal government passed a number of economic relief funding measures and specifically three bills to institutions of higher education. The relief provided the University more than \$60 million, half of which went to provide financial assistance to the students. This caused a drop in net student tuition and fees and a significant increase in non-operating federal revenue.
- The University suspended the requirement to remain in university housing until a student meets the 60-hour requirement. This caused occupancy rates to drop significantly to around sixty percent.
- The decrease in state appropriations was attributed to the governor issuing a directive to colleges and universities to lapse five percent back to the state over the biennium. As a result, the University lapsed \$1.6 million back to the State in fiscal year 2020 and 2021.
- Suspending the 60-hour rule for undergraduate students to live off-campus, caused a severe drop in auxiliary services revenue. For this reason, most of the institutional aid was used to off-set the loss in revenue.

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Management's Discussion and Analysis
UNAUDITED
For the Year Ended August 31, 2021

Discounts and allowances reported as offsets for both tuition and fees and auxiliary enterprise revenues include exemptions, tuition discounts, and the allowance for doubtful accounts, which is a calculated estimate of the uncollectible student receivables. The chart below reflects these amounts and the related variances from fiscal year 2021.

| Gross Student Revenues, Exemptions, Discounts and Allowances | | | |
|---|------------------|------------------|-------------------|
| | 2021 | 2020 | Net Change |
| Tuition and Fees - Pledged | \$124,442,914.99 | \$124,442,982.56 | \$ (67.57) |
| Tuition and Fees - Non-Pledged | 4,331,692.36 | 4,382,523.90 | (50,831.54) |
| Exemptions | (16,240,363.52) | (13,119,747.17) | (3,120,616.35) |
| Tuition Discounts | (31,059,972.75) | (28,336,313.52) | (2,723,659.23) |
| Allowances for Doubtful Accounts | (472,895.81) | 236,575.81 | (709,471.62) |
| Net Student Tuition and Fees | \$ 81,001,375.27 | \$ 87,606,021.58 | (\$6,604,646.31) |
| Auxiliary Enterprises - Pledged | \$29,480,475.10 | \$ 31,399,353.16 | \$(1,918,878.06) |
| Auxiliary Enterprises - Non-Pledged | 2,122,908.61 | 1,827,388.78 | 295,519.83 |
| Discounts | (10,732,932.93) | (11,074,108.31) | 341,175.38 |
| Allowances for Doubtful Accounts | (356,296.66) | 179,296.66 | (535,593.32) |
| Net Auxiliary Enterprise Revenues | \$ 20,514,154.12 | \$ 22,331,930.29 | \$(1,817,776.17) |

While state and federal loans to students decreased for the third year in a row, reported net scholarships increased by approximately \$13.4 million. The largest contributor to the decrease in state and federal student loans was the federal direct loan program. The gross amount of scholarships actually awarded to students from grants and outside organizations decreased significantly by approximately \$6.8 million. Pell grants remained at the same funding level at approximately \$20.9 million; however, the infusion of \$20.4 million from the federal government to distribute to students hit hardest by the pandemic had the largest impact. This indicates that students received a greater amount of funding from sources that will not increase their student debt. A portion of scholarships has been reclassified as either tuition discounts or auxiliary discounts using the National Association of College and University Business Officers (NACUBO) discount formula.

The discount calculation involves various types of aid to the student as shown below:

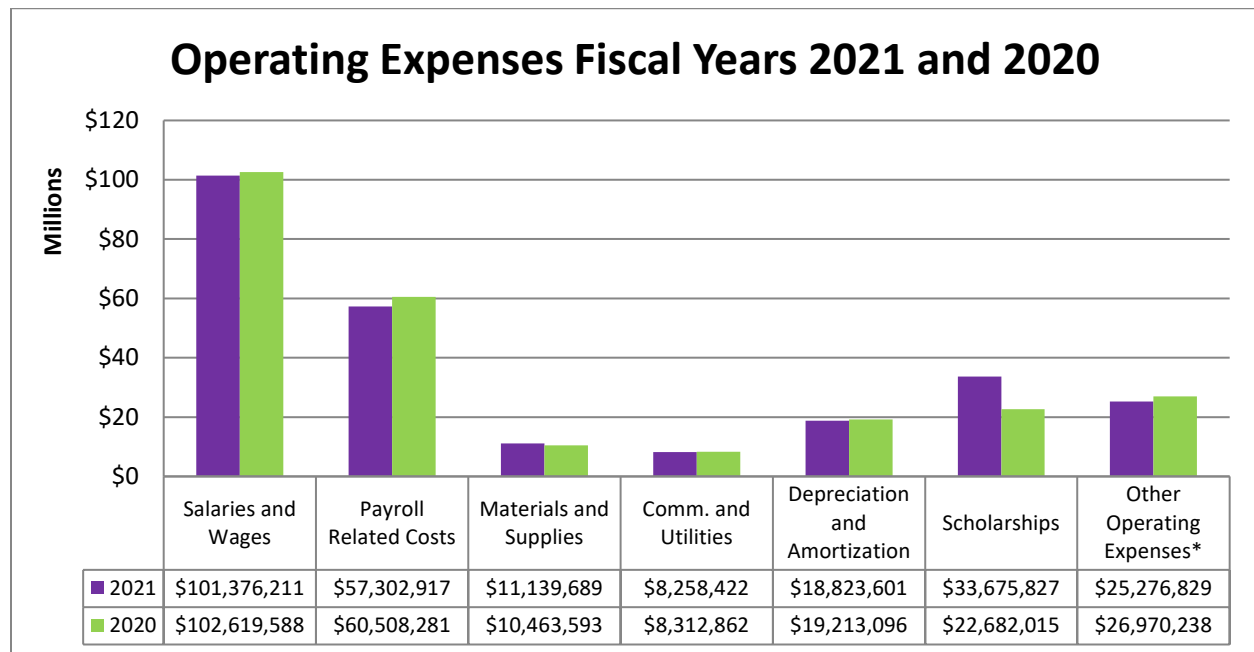
| Gross Scholarships and Related Discounts Applied to Revenues | | | |
|---|------------------|------------------|-------------------|
| | 2021 | 2020 | Net Change |
| State and federal student loans | \$ 62,991,803.80 | \$ 69,760,742.27 | \$ (6,768,938.47) |
| Gross Scholarships | 75,468,732.95 | 62,092,436.76 | 13,376,296.19 |
| Scholarships - Reclassified to Tuition/Fee Discounts | (31,059,972.75) | (28,336,313.52) | (2,723,659.23) |
| Scholarships - Reclassified to Auxiliary Enterprises | (10,732,932.93) | (11,074,108.31) | 341,175.38 |
| Scholarships (as reported) | \$ 33,675,827.27 | \$ 22,682,014.93 | \$ 10,993,812.34 |

Stephen F. Austin State University-755
Management's Discussion and Analysis
UNAUDITED
For the Year Ended August 31, 2021

The following data summarizes the operating expenses in the natural classification expense categories for the fiscal years ended August 31, 2021 and 2020:

| | <u>2021</u> | <u>2020</u> |
|---|--------------------------|--------------------------|
| Cost of Goods Sold | \$ 7,845,744.90 | \$ 9,194,858.70 |
| Salaries and Wages | 101,376,210.74 | 102,619,587.74 |
| Payroll-Related Costs | 57,302,916.97 | 60,508,281.13 |
| Professional Fees and Services | 2,348,434.84 | 2,585,959.90 |
| Travel | 1,109,966.07 | 1,822,362.93 |
| Materials and Supplies | 11,139,689.02 | 10,463,593.38 |
| Communication and Utilities | 8,258,422.27 | 8,312,862.24 |
| Repairs and Maintenance | 5,028,834.93 | 4,542,671.49 |
| Rentals and Leases | 2,576,824.25 | 2,582,531.27 |
| Printing and Reproduction | 285,270.69 | 307,753.50 |
| Federal and State Pass-Through Expenditures | 0.00 | 19,731.93 |
| Depreciation | 18,823,600.63 | 19,213,096.02 |
| Scholarships | 33,675,827.27 | 22,682,014.93 |
| Other Operating Expenses | 6,081,752.85 | 5,914,367.92 |
| | <u>\$ 255,853,495.43</u> | <u>\$ 250,769,673.08</u> |

The following is a graphic presentation of the major operating expense categories for the fiscal years ended August 31, 2021 and 2020:

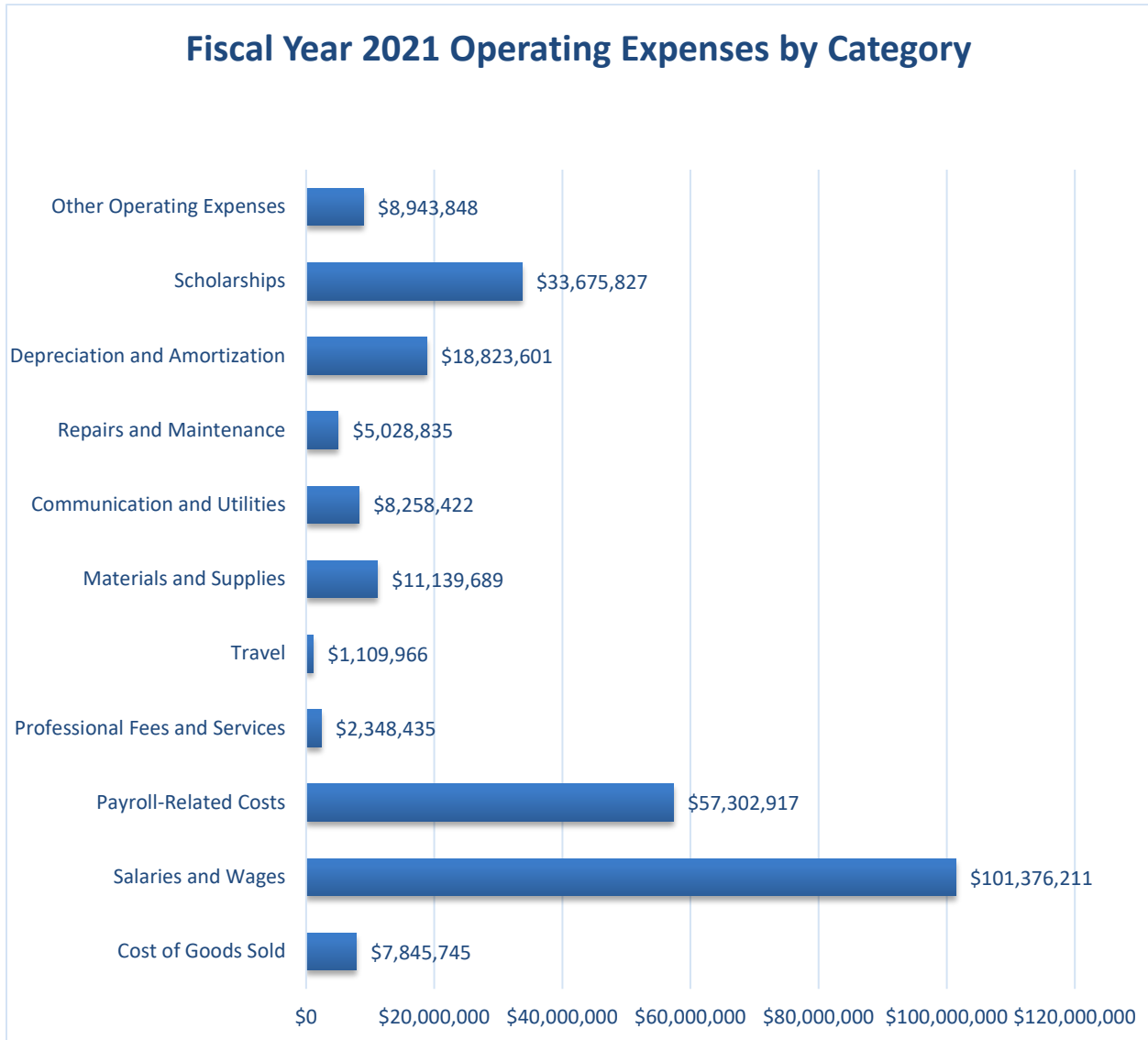


*Other Operating Expenses includes Cost of Goods Sold, Professional Fees and Services, Travel, Repairs and Maintenance, Rentals and Leases, Printing and Reproduction, Federal Pass-Through Expenditures, and Other Operating Expenses.

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Management's Discussion and Analysis
UNAUDITED
For the Year Ended August 31, 2021

Some of the fiscal year 2021 significant changes from the prior year for all other operating expenses are:

- Due to the financial crisis created by the pandemic, administration curtailed travel for most departments.
- A substantial decrease in on-campus living caused a sharp decline in auxiliary services and their related costs of goods sold.
- Scholarship expense increased \$11 million as explained previously in this report.
- Payroll related costs decreased \$1.8 million from a decrease in university's proportionate share relevant to actuarial adjustments of the net TRS pension liability.



****Other Operating Expenses includes Rentals and Leases, Federal Pass-Thru Expenditures, and Printing and Reproduction costs.***

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Management's Discussion and Analysis
UNAUDITED
For the Year Ended August 31, 2021

Statement of Cash Flows

The purpose of a Statement of Cash Flows is to provide relevant information about the University's cash receipts and payments during the fiscal year. The Statement of Cash Flows, when used with related disclosures and information in the other financial statements, provides relevant information about the University, such as:

- Its ability to generate future net cash flows.
- Its ability to meet obligations when due.
- Its needs for external financing.
- The reason for differences between operating income and associated cash receipts and payments.
- The effects on the University's financial position of its cash and its non-cash investing, capital, and financing transactions.

The Statement of Cash Flows provides details about the University's major sources and uses of cash during the year. It presents detailed information about the cash activity and an indication of the University's liquidity and ability to meet cash obligations. There are four categories of cash flow activity:

1. Cash Flows from Operating Activities – cash flows from operating activities result from providing services and producing and delivering goods. They include all other transactions not defined as non-capital financing, capital and related financing, or investing activities.
2. Cash Flows from Non-Capital Financing Activities – cash flows from non-capital financing activities include borrowing money and repaying the principal and interest on amounts borrowed for purposes other than to acquire, construct, or improve capital assets.
3. Cash Flows from Capital and Related Financing Activities – cash flows from capital and related financing activities include acquiring and disposing of capital assets; borrowing money to acquire, construct, or improve capital assets; and repaying the principal and interest amounts.
4. Cash Flows from Investing Activities – cash flows from investing activities include making and collecting loans (except program loans) and the acquisition and disposition of debt or equity instruments.

The Statement of Cash Flows reports net cash provided or used in each of the four categories of classifying cash transactions. It also reports the net effect of these flows on cash and cash equivalents during the fiscal year in a manner that reconciles beginning and ending cash and cash equivalents for the year.

The final section of the Statement of Cash Flows reconciles the Net Cash Provided (Used) by Operating Activities to the Operating Income (Loss) reflected on the Statement of Revenues, Expenses, and Changes in Net Position. When transactions are part cash and part non-cash, only the cash portion is reported within the Statement of Cash Flows. Non-cash items include information about investing, capital, and financing activities that affect assets and liabilities but do not result in cash receipts or cash payments in the fiscal period. The non-cash portion is reported in the non-cash transaction section supplemental to the Statement of Cash Flows.

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Management's Discussion and Analysis
UNAUDITED
For the Year Ended August 31, 2021

A summarized comparison of the Statement of Cash Flows at August 31, 2021 and 2020 follows:

| | 2021 | 2020 |
|---|--------------------|--------------------|
| Net Cash Provided (Used) by: | | |
| Operating Activities | \$ (61,067,759.22) | \$ (48,079,825.06) |
| Non-Capital Financing Activities | 98,854,795.74 | 56,579,169.46 |
| Capital and Related Financing Activities | (40,129,096.68) | (28,602,902.05) |
| Investing Activities | 31,099,641.35 | 3,599,660.85 |
| Increase (Decrease) in Cash and Cash Equivalents | \$ 28,757,581.19 | \$ (16,503,896.80) |
| Cash and Cash Equivalents, Beginning of Year | 56,978,864.86 | 110,313,646.59 |
| Restatements | - | (36,830,884.93) |
| Cash and Cash Equivalents, as Restated, Sept. 1, 2020 | 56,978,864.86 | 73,482,761.66 |
| Increase (Decrease) in Cash and Cash Equivalents | 28,757,581.19 | (16,503,896.80) |
| Cash and Cash Equivalents, End of Year | \$ 85,736,446.05 | \$ 56,978,864.86 |

Net cash provided (used) by operating activities should be viewed together with net cash provided (used) by non-capital financing activities because State appropriations are significant sources of recurring revenue in support of operating expenses but, under GASB Statement No. 35, they must be classified as non-capital financing activities instead of operating activities. Additionally, federal financial aid revenues, including Pell grants and HEERF grants, are classified as a non-operating activity since these are considered non-exchange activities, but the offsetting expenditures are recognized as operating expenses. Overall, the University experienced an increase of \$28.8 million in cash and cash equivalents due almost entirely to the use of federal HEERF funds for student aid and lost revenue caused by the pandemic.

Cash used by operating activities increased by approximately \$22.5 million due largely to the increase in student aid provided from the HEERF funding. More than \$20 million was provided to the students in need during the fiscal year and as a result, scholarships awarded increased \$11 million.

Net cash flows provided by non-capital financing activities in fiscal year 2021 increased \$51.8 million from the prior year. As mentioned before, the economic recovery funds to the institution and to the students was used to provide relief to both parties and pay for classroom upgrades that allowed social distancing.

Net cash used for capital and related financing activities increased \$11.5 million due mainly to the use of bond proceeds to complete the basketball training facility and the beginning of the fine arts addition.

Net cash used from investing activities increased \$27.5 million due to the investment of the bond proceeds from the Series 2019 bond issues.

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Management's Discussion and Analysis
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For the Year Ended August 31, 2021

ECONOMIC OUTLOOK

Total enrollment for fall 2021 decreased by 3 percent when compared to the previous fall and semester credit hours decreased 4.4 percent.

In October 2018, the Board of Regents authorized the issuance of financing revenue system bonds for no more than \$125 million for the planned construction or renovation of four buildings on campus. By October of 2021, the basketball training facility was declared substantially complete. Attention now turns to the completion of the fine arts renovation and addition. Discussions are underway on the most advantageous use of the remaining bond proceeds.

In July 2020, the Board of Regents approved a voluntary separation incentive plan in an effort to reduce costs without implementing a reduction in force. The plan was designed to incentivize eligible employees to retire early by the end of August 2021, by offering 50 percent of their annual pay as a lump sum. The University anticipates annual salary savings each year for the next five fiscal years of approximately \$2 million as a result of the program.

The Board of Regents approved in July 2021 an operating budget of \$262,019,418 for the 2021-22 fiscal year.

In October 2021, the State enacted legislation authorizing its ten public universities and university systems to issue a combined approximately \$3.3 billion in bonds (tuition revenue bonds or TRBs) for capital projects. Debt service will be reimbursed through funds allocated from state general revenue appropriations. The University was allotted \$45 million.

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STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Statement of Net Position
For the Fiscal Year Ended August 31, 2021

| | <u>2021</u> | <u>2020</u> |
|---|-----------------------|-----------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and Cash Equivalents: | | |
| Cash on Hand | \$ 29,476.00 | \$ 29,236.00 |
| Cash in Bank | 65,972,117.69 | 39,592,273.50 |
| Cash in Transit/Reimburse from Treasury | 1,071,841.18 | 539,485.85 |
| Cash in State Treasury | 882,360.90 | 2,068,036.06 |
| Restricted: | | |
| Cash and Cash Equivalents | | |
| Cash in Bank | 17,780,650.28 | 14,749,833.45 |
| Short-Term Investments | | |
| Endowment | 987,610.19 | 874,863.75 |
| Proceeds from Bond Sales | 86,177,928.36 | 107,390,950.04 |
| Legislative Appropriations | 13,553,366.89 | 14,716,722.67 |
| Receivables: | | |
| Intergovernmental Receivables | | |
| Federal | 2,057,482.06 | 1,795,641.73 |
| State | 18.00 | 0.00 |
| Other Intergovernmental | 634,799.95 | 109,643.02 |
| Student Accounts Receivable | 12,233,136.79 | 14,154,151.74 |
| Accounts Receivable | 2,571,653.53 | 3,222,890.91 |
| Gifts/Pledges Receivables | 2,500,000.00 | 0.00 |
| Due From Other Agencies: | | |
| Federal | 307,402.04 | 308,669.34 |
| State | 59,767.92 | 0.00 |
| Consumable Inventories | 476,330.54 | 587,784.41 |
| Merchandise Inventories | 469,335.98 | 451,962.85 |
| Prepaid Items | 15,243,368.00 | 13,541,115.07 |
| Student Loans Receivables | 1,666,305.13 | 1,968,381.14 |
| Total Current Assets | <u>224,674,951.43</u> | <u>216,101,641.53</u> |

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Statement of Net Position
For the Fiscal Year Ended August 31, 2021

| | <u>2021</u> | <u>2020</u> |
|--|-----------------------|-----------------------|
| Noncurrent Assets | | |
| Unrestricted | | |
| Restricted: | | |
| Cash Equivalents | \$ 992,733.81 | \$ 0.00 |
| Investments | | |
| Endowments | 17,128,181.87 | 14,335,342.39 |
| Student Loans Receivables | 4,148,126.38 | 4,519,878.36 |
| Allowance for Doubtful Accounts | (896,969.74) | (1,471,758.09) |
| Unrestricted: | | |
| Investments | | |
| Operating | 89,771,722.27 | 90,079,096.99 |
| Quasi-Endowments | 8,687,846.60 | 7,476,837.16 |
| Student Accounts Receivables | 12,942,390.73 | 12,304,651.61 |
| Allowance for Doubtful Accounts | (11,082,214.69) | (10,253,022.22) |
| Capital Assets | | |
| Non-Depreciable or Non-Amortizable | 49,133,417.73 | 23,510,154.38 |
| Capital Assets, Depreciable: | | |
| Depreciable or Amortizable, Net | 174,563,792.03 | 190,594,820.52 |
| Total Noncurrent Assets | <u>345,389,026.99</u> | <u>331,096,001.10</u> |
| Total Assets | <u>570,063,978.42</u> | <u>547,197,642.63</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Outflows of Resources (Note 28) | <u>98,671,719.00</u> | <u>123,585,061.00</u> |

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Statement of Net Position
For the Fiscal Year Ended August 31, 2021

| | <u>2021</u> | <u>2020</u> |
|---|-------------------------|-------------------------|
| LIABILITIES | | |
| Current Liabilities: | | |
| Payables: | | |
| Accounts Payable | \$ 7,677,340.55 | \$ 3,800,136.35 |
| Payroll Payable | 6,596,596.64 | 7,741,202.95 |
| Deposits | 3,304,014.88 | 2,880,416.79 |
| Benefits Payable | 4,468,397.33 | 3,677,501.17 |
| Interagency Payable | 0.00 | 1,506,436.00 |
| Due to Other Agencies | 467,934.09 | 342,488.79 |
| Unearned Revenues: | | |
| Tuition and Fees | 50,683,027.78 | 53,507,331.07 |
| Sales and Services | 15,960,945.21 | 16,521,338.94 |
| Grants and Contracts | 519,948.13 | 618,123.57 |
| Employees' Compensable Leave | 593,977.34 | 419,328.73 |
| Capital Lease Obligations | 26,473.21 | 62,085.17 |
| Notes and Loans Payable | 762,756.42 | 722,078.33 |
| Revenue Bonds Payable | 9,873,876.46 | 11,272,441.59 |
| Tuition Revenue Bonds Payable | 4,145,124.07 | 4,091,781.15 |
| Accrued Bond Interest Payable | 3,304,937.16 | 3,520,149.29 |
| Funds Held for Others | 9,320,445.24 | 9,059,554.24 |
| Other Current Liabilities | 5,143,127.00 | 4,844,354.00 |
| Total Current Liabilities | <u>122,848,921.51</u> | <u>124,586,748.13</u> |
| Noncurrent Liabilities: | | |
| Interfund Payable | 0.00 | 182,303.73 |
| Capital Lease Obligations | 0.00 | 26,473.21 |
| Employees' Compensable Leave | 2,920,730.91 | 4,147,478.85 |
| Notes and Loans Payable | 7,238,537.94 | 8,001,294.36 |
| Revenue Bonds Payable | 154,741,871.36 | 164,570,340.26 |
| Tuition Revenue Bonds Payable | 50,061,186.78 | 54,206,310.85 |
| ERS OPEB Liability | 149,043,885.00 | 148,001,443.00 |
| TRS Net Pension Liability | 47,397,222.00 | 47,647,340.00 |
| Total Noncurrent Liabilities | <u>411,403,433.99</u> | <u>426,782,984.26</u> |
| Total Liabilities | <u>534,252,355.50</u> | <u>551,369,732.39</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred Inflows of Resources (Note 28) | <u>55,831,468.00</u> | <u>58,405,904.00</u> |
| NET POSITION | | |
| Invested in Capital Assets, Net of Related Debt | 81,340,280.21 | 71,755,447.36 |
| Restricted for: | | |
| Capital Projects | 0.00 | 4,304,325.12 |
| Endowment Funds | | |
| Nonexpendable | 6,107,043.66 | 6,083,565.66 |
| Expendable | 5,712,932.57 | 3,837,457.28 |
| Other | 25,765,760.60 | 23,414,001.99 |
| Unrestricted | (40,274,143.12) | (48,387,730.17) |
| Total Net Position | <u>\$ 78,651,873.92</u> | <u>\$ 61,007,067.24</u> |

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended August 31, 2021

| | <u>2021</u> | <u>2020</u> <u>Restated</u> |
|--|-------------------------|--------------------------------|
| Operating Revenues: | | |
| Sales of Goods and Services | | |
| Tuition and Fees - Pledged | \$ 124,442,914.99 | \$ 124,442,982.56 |
| Tuition and Fees - Non-Pledged | 4,331,692.36 | 4,382,523.90 |
| Discounts and Allowances | (47,773,232.08) | (41,219,484.88) |
| Auxiliary Enterprise - Pledged | 29,480,475.10 | 31,399,353.16 |
| Auxiliary Enterprise - Non-Pledged | 2,122,908.61 | 1,827,388.78 |
| Discounts and Allowances | (11,089,229.59) | (10,894,811.65) |
| Other Sales of Goods and Svcs - Pledged | 4,218,198.59 | 3,141,964.71 |
| Other Sales of Goods and Svcs - Non-Pledged | 571,352.25 | 523,308.70 |
| Federal Revenue | 1,320,021.93 | 1,802,045.91 * |
| Federal Pass-Through Rev from Non-State Entities | 245,454.69 | 77,179.26 |
| Federal Pass-Through Revenue | 2,632,795.31 | 830,482.56 |
| State Pass-Through Revenue | 11,746,070.64 | 12,440,399.71 |
| Local Contracts and Grants | 1,129,224.27 | 667,716.12 |
| Other Contracts and Grants | 319,452.23 | 757,515.67 |
| Other Operating Revenues - Pledged | 209,967.10 | 700,982.56 |
| Other Operating Revenues - Non-Pledged | 4,139.28 | 47,343.28 |
| Total Operating Revenues | <u>123,912,205.68</u> | <u>130,926,890.35</u> |
| Operating Expenses: | | |
| Cost of Goods Sold | 7,845,744.90 | 9,194,858.70 |
| Salaries and Wages | 101,376,210.74 | 102,619,587.74 |
| Payroll-Related Costs | 57,302,916.97 | 60,508,281.13 |
| Professional Fees and Services | 2,348,434.84 | 2,585,959.90 |
| Travel | 1,109,966.07 | 1,822,362.93 |
| Materials and Supplies | 11,139,689.02 | 10,463,593.38 |
| Communication and Utilities | 8,258,422.27 | 8,312,862.24 |
| Repairs and Maintenance | 5,028,834.93 | 4,542,671.49 |
| Rentals and Leases | 2,576,824.25 | 2,582,531.27 |
| Printing and Reproduction | 285,270.69 | 307,753.50 |
| Federal Pass-Through Expenditure to Non-State Entities | - | 19,731.93 |
| Depreciation | 18,823,600.63 | 19,213,096.02 |
| Interest Expense | 124.54 | 133.84 |
| Scholarships | 33,675,827.27 | 22,682,014.93 |
| Claims and Judgments | - | 37,800.00 |
| Other Operating Expenses | 6,081,628.31 | 5,876,434.08 |
| Total Operating Expenses | <u>255,853,495.43</u> | <u>250,769,673.08</u> |
| Operating Income (Loss) | <u>(131,941,289.75)</u> | <u>(119,842,782.73)</u> |

See accompanying Notes to the Financial Statements

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended August 31, 2021

| | <u>2021</u> | <u>2020</u> <u>Restated</u> |
|---|-------------------------|--------------------------------|
| Non-Operating Revenues (Expenses): | | |
| Legislative Revenue | \$ 36,406,556.72 | \$ 39,106,062.00 |
| Additional Appropriations | 10,743,445.23 | 10,650,410.46 |
| Federal Revenue | 70,292,372.06 | 31,535,813.43 * |
| Gifts - Non-Pledged | 6,734,994.56 | 5,463,160.68 |
| Gifts - Pledged | 1,000,000.00 | - |
| Other Rental Income | 178,907.54 | 138,668.16 |
| Investment Income - Pledged | 3,498,009.77 | 3,339,599.17 |
| Investment Income - Non-Pledged | 1,572,555.14 | 1,026,962.09 |
| Net Increase (Decrease) Fair Value - Pledged | 7,862,028.18 | 5,283,026.40 |
| Net Increase (Decrease) Fair Value - Non-Pledged | 1,971,918.75 | 177,796.77 |
| Investing Activities Expenses | (457,037.12) | (376,003.44) |
| Income on Loans Receivable | (168,136.33) | 30,515.28 |
| Interest Income on Capital Investments-Pledged | 240,322.82 | 1,773,403.01 |
| Interest Expenses and Fiscal Charges | (7,243,290.68) | (7,664,054.70) |
| Gain (Loss) on Sale of Capital Assets | 417,201.68 | (1,131.35) |
| Settlement of Claims | 293.52 | 159,889.23 |
| Other Non-Operating Revenues (Expenses) | 348,346.84 | 193,464.16 |
| Total Non-Operating Revenues (Expenses) | <u>133,398,488.68</u> | <u>90,837,581.35</u> |
| Income (Loss) Before Other Revenues, Expenses, Gains/Losses, and Transfers | <u>1,457,198.93</u> | <u>(29,005,201.38)</u> |
| Other Revenues, Expenses, Gains/Losses, and Transfers | | |
| Capital Contributions | 4,183,278.05 | 253,600.00 |
| Capital Appropriations (Higher Education Fund) | 11,277,793.00 | 11,636,163.00 |
| Additions to Permanent and Term Endowments | 23,478.00 | 45,497.90 |
| Lapsed Appropriations | (100.00) | (1,632,927.72) |
| Legislative Transfers In | 403,398.00 | 376,564.00 |
| Transfers In | 265,086.00 | 221,308.00 |
| Transfers Out | 1,751.48 | (570.11) |
| Total Other Revenue, Expenses, Gain/Losses, and Transfers | <u>16,154,684.53</u> | <u>10,899,635.07</u> |
| Change in Net Position | <u>17,611,883.46</u> | <u>(18,105,566.31)</u> |
| Net Position, Beginning of Year | 61,007,067.24 | 79,284,267.70 |
| Restatements | 32,923.22 | (171,634.15) |
| Net Position, Beginning of Year, as Restated | <u>61,039,990.46</u> | <u>79,112,633.55</u> |
| Net Position, August 31, 2021 | <u>\$ 78,651,873.92</u> | <u>\$ 61,007,067.24</u> |

* Reclassified federal revenue from Operating to Non-operating

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Matrix of Operating Expenses by Function
 For the Fiscal Year Ended August 31, 2021

| Operating Expenses | Instruction | Research | Public Service | Academic Support | Student Services |
|-----------------------------------|------------------|-----------------|-----------------|------------------|------------------|
| Cost of Goods Sold | \$ 17,520.23 | 0.00 | 23,881.90 | 245,003.76 | 7,754.78 |
| Salaries and Wages | 52,765,146.78 | 2,274,618.78 | 556,472.62 | 9,246,600.61 | 11,355,815.60 |
| Payroll Related Costs | 13,490,835.56 | 425,485.49 | 113,561.19 | 2,385,725.40 | 3,129,157.63 |
| Payroll Related Costs-TRS Pension | 1,509,328.67 | 54,765.50 | 15,043.57 | 318,720.93 | 415,130.39 |
| Payroll Related Costs-OPEB | 6,195,110.77 | 148,377.15 | 46,297.94 | 1,145,597.65 | 1,624,463.66 |
| Professional Fees and Services | 126,307.85 | 133,190.52 | 121,787.15 | 60,976.76 | 215,030.74 |
| Travel | 57,461.33 | 27,546.99 | 1,081.83 | 55,656.96 | 1,043,315.75 |
| Materials and Supplies | 1,134,670.60 | 396,218.53 | 175,844.39 | 800,990.80 | 2,704,897.70 |
| Communication and Utilities | 215,956.46 | 51,559.43 | 2,880.47 | 1,259,132.69 | 354,231.13 |
| Repairs and Maintenance | 188,291.05 | 16,880.16 | 250,866.13 | 160,115.90 | 421,161.23 |
| Rentals and Leases | 247,159.82 | 62,899.65 | 65,752.69 | 267,203.92 | 808,436.25 |
| Printing and Reproduction | 33,647.20 | 6,104.87 | 4,714.10 | 56,647.36 | 79,205.11 |
| Federal Pass-Through Expenditures | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| State Pass-Through Expenditures | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Depreciation and Amortization | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Bad Debt Expense | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest Expense | 1.57 | 0.00 | 0.08 | 14.91 | 0.00 |
| Scholarships | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Claims and Judgments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Operating Expenses | 303,297.54 | 90,753.61 | 43,642.59 | 380,171.10 | 1,443,485.86 |
| Total Operating Expenses | \$ 76,284,735.43 | \$ 3,688,400.68 | \$ 1,421,826.65 | \$ 16,382,558.75 | \$ 23,602,085.83 |

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Matrix of Operating Expenses by Function
 For the Fiscal Year Ended August 31, 2021

| Operating Expenses | Institutional Support | Operation and Maintenance of Plant | Scholarships and Fellowships | Auxiliary Enterprises | Depreciation and Amortization | Total Expenses |
|-----------------------------------|-------------------------|------------------------------------|------------------------------|-------------------------|-------------------------------|--------------------------|
| Cost of Goods Sold | 0.00 | 0.00 | 0.00 | 7,551,584.23 | 0.00 | \$ 7,845,744.90 |
| Salaries and Wages | 11,834,458.54 | 5,040,841.20 | (0.00) | 8,302,256.61 | 0.00 | 101,376,210.74 |
| Payroll Related Costs | 8,424,733.08 | 1,826,969.98 | 0.00 | 4,068,195.64 | 0.00 | 33,864,663.97 |
| Payroll Related Costs-TRS Pension | 565,968.53 | 276,357.25 | 0.00 | 370,848.16 | 0.00 | 3,526,163.00 |
| Payroll Related Costs-OPEB | 6,706,438.44 | 1,088,359.32 | 0.00 | 2,957,445.07 | 0.00 | 19,912,090.00 |
| Professional Fees and Services | 1,060,237.95 | 416,738.12 | 0.00 | 214,165.75 | 0.00 | 2,348,434.84 |
| Travel | 20,761.57 | (137,670.87) | 0.00 | 41,812.51 | 0.00 | 1,109,966.07 |
| Materials and Supplies | 2,297,085.73 | 2,515,968.83 | 0.00 | 1,114,012.44 | 0.00 | 11,139,689.02 |
| Communication and Utilities | 272,953.16 | 3,063,477.05 | 0.00 | 3,038,231.88 | 0.00 | 8,258,422.27 |
| Repairs and Maintenance | 1,320,240.16 | 1,534,229.79 | 0.00 | 1,137,050.51 | 0.00 | 5,028,834.93 |
| Rentals and Leases | 292,744.00 | 683,429.72 | 0.00 | 149,198.20 | 0.00 | 2,576,824.25 |
| Printing and Reproduction | 90,864.25 | 2,911.11 | 0.00 | 11,176.69 | 0.00 | 285,270.69 |
| Federal Pass-Through Expenditures | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| State Pass-Through Expenditures | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Depreciation and Amortization | 0.00 | 0.00 | 0.00 | 0.00 | 18,823,600.63 | 18,823,600.63 |
| Bad Debt Expense | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest Expense | 56.53 | 51.45 | 0.00 | 0.00 | 0.00 | 124.54 |
| Scholarships | 0.00 | 0.00 | 33,675,827.27 | 0.00 | 0.00 | 33,675,827.27 |
| Claims and Judgments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Operating Expenses | 1,884,112.35 | 771,963.33 | 0.00 | 1,164,201.93 | 0.00 | 6,081,628.31 |
| Total Operating Expenses | \$ 34,770,654.29 | \$ 17,083,626.28 | \$ 33,675,827.27 | \$ 30,120,179.62 | \$ 18,823,600.63 | \$ 255,853,495.43 |

STEPHEN F. AUSTIN STATE UNIVERSITY
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2021

| | 2021 | 2020 |
|--|-------------------------|---------------------------|
| Cash Flows from Operating Activities | | |
| Proceeds from Tuition and Fees | \$ 80,713,138.37 | \$ 86,925,168.61 |
| Proceeds from Auxiliary Services | 19,953,760.39 | 20,983,254.68 |
| Proceeds from Other Sales and Services | 4,883,631.58 | 3,564,886.54 |
| Proceeds from Grants and Contracts | 16,574,773.05 | 17,277,317.37 |
| Proceeds from Other Revenues | 214,106.38 | 748,325.84 |
| Proceeds from Loan Programs | 99,039.64 | 79,170.52 |
| Payments to Suppliers for Goods and Services | (40,146,373.70) | (50,822,793.50) |
| Payments to Employees for Salaries and Benefits * | (108,242,521.19) | (105,300,769.51) |
| Payments to Students for Scholarships | (35,117,189.20) | (21,496,451.77) |
| Payments for Other Expenses | (124.54) | (37,933.84) |
| Net Cash Provided (Used) by Operating Activities | <u>(61,067,759.22)</u> | <u>(48,079,825.06)</u> |
| Cash Flows from Noncapital Financing Activities | | |
| Proceeds from State Appropriations | 19,203,328.68 | 17,526,307.33 |
| Proceeds from Non-Operating Grants and Contracts | 70,292,372.06 | 31,535,813.43 |
| Proceeds from Gifts | 7,734,994.56 | 5,463,160.68 |
| Proceeds(Payments) for Student Loan Funds | (168,136.33) | 30,515.28 |
| Proceeds of Transfers from Other Agencies | 668,484.00 | 597,872.00 |
| Proceeds from Claims and Settlements | 293.52 | 159,889.23 |
| Proceeds from Other Revenue (Expense) | 348,346.84 | 193,464.16 |
| Proceeds from Endowment Investments | 775,112.41 | 1,072,147.35 |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>98,854,795.74</u> | <u>56,579,169.46</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Proceeds from Sale of Capital Assets | 401,732.82 | 16,149.00 |
| Proceeds from Debt Issuance | - | - |
| Proceeds from State Appropriations-Higher Education Funds (HEF) | 11,975,309.05 | 10,338,368.23 |
| Proceeds from Capital Contributions | 1,683,278.05 | 253,600.00 |
| Payments from Other Financing Activities | (992,733.81) | - |
| Proceeds from Other Rental Income | 178,907.54 | 138,668.16 |
| Proceeds from Interest on Capital Investments | 240,322.82 | 1,773,403.01 |
| Payments for Additions to Capital Assets | (28,367,443.41) | (15,405,068.18) |
| Payments for Interfund Payables | (1,692,373.31) | (1,506,436.00) |
| Payments of Principal on Capital Debt | (16,040,893.51) | (15,435,585.70) |
| Payments for Capital Leases | (60,333.69) | (60,660.58) |
| Payments of Interest on Capital Debt | (7,454,869.23) | (8,715,339.99) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(40,129,096.68)</u> | <u>(28,602,902.05)</u> |
| Cash Flows from Investing Activities | | |
| Proceeds for Investments | 28,058,668.70 | (81,225,828.44) |
| Proceeds from Interest Income from Investments | 3,040,972.65 | 2,713,163.25 |
| Proceeds from Bond Investments | - | 82,112,326.04 |
| Net Cash Provided (Used) by Investing Activities | <u>31,099,641.35</u> | <u>3,599,660.85</u> |
| Increase (Decrease) in Cash and Cash Equivalents | <u>\$ 28,757,581.19</u> | <u>\$ (16,503,896.80)</u> |
| Cash and Cash Equivalents, August 31, 2020 | \$ 56,978,864.86 | \$ 110,313,646.59 |
| Restatements | <u>(36,830,884.93)</u> | <u>(36,830,884.93)</u> |
| Cash and Cash Equivalents, as Restated at Sept. 1, 2020 | 56,978,864.86 | 73,482,761.66 |
| Increase (Decrease) in Cash and Cash Equivalents | <u>28,757,581.19</u> | <u>(16,503,896.80)</u> |
| Cash and Cash Equivalents, August 31, 2021 | <u>\$ 85,736,446.05</u> | <u>\$ 56,978,864.86</u> |

STEPHEN F. AUSTIN STATE UNIVERSITY
Statement of Cash Flows
For the Fiscal Year Ended August 31, 2021

| | 2021 | 2020 |
|--|---------------------------|---------------------------|
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities | | |
| Operating Income (Loss) | \$ (131,941,289.75) | \$ (119,842,782.73) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash used by Operating Activities | | |
| Amortization and Depreciation | 18,823,600.63 | 19,213,096.02 |
| Pension Expense | 28,412,413.00 | 31,253,521.00 |
| Operating Income (Loss) and Cash Flow Categories | | |
| Changes in Current Assets and Liabilities | | |
| (Increase) Decrease in Receivables | (714,744.93) | 1,324,049.69 |
| (Increase) Decrease in Inventories | 94,080.74 | (100,386.87) |
| (Increase) Decrease in Loans to Students | 302,076.01 | 752,688.42 |
| (Increase) Decrease in Prepaid Expenses | (1,702,252.93) | 1,953,743.84 |
| (Increase) Decrease in Due from Other Agencies | (58,518.62) | (54,893.55) |
| Increase (Decrease) in Payables | 2,732,597.89 | (1,101,371.38) |
| Increase (Decrease) in Deposits Payable | 423,598.09 | (64,775.18) |
| Increase (Decrease) in Due to Other Agencies | 125,445.30 | (177,979.36) |
| Increase (Decrease) in Unearned Revenue | (3,482,872.46) | (6,247,598.84) |
| Increase (Decrease) in Compensable Leave | 174,648.51 | (42,442.26) |
| Increase (Decrease) in Benefits Payable | 790,896.16 | 1,000,938.38 |
| Increase (Decrease) in Funds Held for Others | 260,891.00 | (703,405.50) |
| Changes in Non-Current Assets and Liabilities | | |
| Increase (Decrease) in Compensable Leave | (1,226,747.84) | (355,996.18) |
| Increase (Decrease) in Deferred Inflows | (2,574,436.00) | (445,848.00) |
| Increase (Decrease) in Deferred Outflows | 24,913,342.00 | 18,238,940.00 |
| Increase (Decrease) in Liabilities to NPL | 1,091,097.00 | 8,229,312.00 |
| (Increase) Decrease in Student Receivables | 191,453.35 | (235,116.66) |
| (Increase) Decrease in Loans to Students | (203,036.37) | (673,517.90) |
| Cash Reported in Other Categories | | |
| Increase (Decrease) of Gifts Receivable | 2,500,000.00 | - |
| Total Adjustments | <u>70,873,530.53</u> | <u>71,762,957.67</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (61,067,759.22)</u> | <u>\$ (48,079,825.06)</u> |
| Displayed as: | | |
| Cash on Hand | \$ 29,476.00 | \$ 29,236.00 |
| Cash in Bank | 65,972,117.69 | 39,592,273.50 |
| Cash in Transit/Reimb. Due from Treasury | 1,071,841.18 | 539,485.85 |
| Cash in State Treasury | 882,360.90 | 2,068,036.06 |
| Cash in Bank, Restricted | 17,780,650.28 | 14,749,833.45 |
| Cash Equivalents, Restricted | - | - |
| | <u>\$ 85,736,446.05</u> | <u>\$ 56,978,864.86</u> |
| Non-Cash Transactions | | |
| Other | \$ - | \$ - |
| Net Change in Fair Value of Investments | 9,833,946.93 | 5,460,823.17 |
| | <u>\$ 9,833,946.93</u> | <u>\$ 5,460,823.17</u> |

NOTE 1: Summary of Significant Accounting Policies

Entity

Stephen F. Austin State University (the University) is an agency of the State of Texas (the State). The University's financial records comply with State statutes and regulations including compliance with the Texas Comptroller of Public Accounts' *Reporting Requirements for Annual Financial Reports of State Agencies and Universities*.

The University serves the State as a public institution of higher education.

The University has four related entities. The University has determined no related entity is a reportable component unit of Stephen F. Austin State University.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments* and GASB Statement No. 35, *Basic Financial Statements — and Management's Discussion and Analysis — for Public Colleges and Universities*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in these Statements. 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 audit opinion has not been expressed on the financial statements and related information contained in this report.

The University follows the “business-type activities” reporting requirement of GASB Statement No. 34 that specifies all the financial statements required for enterprise funds.

Blended Component Units

No component unit has been identified which should be reported as a blended unit.

Discretely Presented Component Units

No component unit has been identified which should be discretely presented.

Fund Structure

Basis of Accounting – Proprietary Fund Accounting

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The financial statements of the University have been prepared on the full accrual basis of accounting. Accrual accounting attempts to record a transaction's financial effects in the period in which the transaction occurred, rather than when the funds were received or paid by the University. Revenues are recorded when they are earned or when the University has a right to receive the revenues. Expenses are recognized when incurred. The date related cash was received or paid is of no consequence.

Four essential elements of accrual accounting are:

- Recognition of expenditures when incurred and the subsequent amortization of the deferred outflows
- Recognition of revenues when they are earned
- Capitalization of certain expenses and the subsequent depreciation of the capitalized costs
- Accruals of revenues earned and expenses incurred

Proprietary funds use the flow of economic resources measurement focus, which is similar to the focus used by commercial entities. Proprietary funds focus on whether the enterprise is economically better off as a result of the events and transactions that occurred during the fiscal period reported. Transactions and events that improved an enterprise's financial position are reported as revenues or gains. Transactions and events that diminished the economic position of the enterprise are reported as expenses or losses. Both current and long-term assets and liabilities are presented on the Statement of Net Position.

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The Statement of Revenues, Expenses, and Changes in Net Position is segregated into non-operating and operating sections.

Generally, operating activities are those that directly result from the provision of goods and services to customers or are directly related to the principal and usual activity of a fund. GASB Statement No. 34 indicates that a consideration for defining a proprietary fund's operating revenues and expenditures is how individual transactions would be classified for purposes of preparing a Statement of Cash Flows according to GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*. Transactions for which cash flows are reported as capital and related financing activities, or investing activities normally would not be reported as components of operating income. This includes most revenues considered to be non-exchange transactions.

Since certain grants are actually contracts for services, they are classified as operating activities. State appropriations and certain grants, such as the Pell grants, are reported as non-operating activities even though they are directly related to the principal and usual activity of the University. These are considered non-exchange transactions and are, therefore, considered non-operating revenues.

Budget and Budgetary Accounting

The University prepares an annual budget which represents anticipated sources of revenue and authorized uses. This budget is approved by the University's Board of Regents. Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated. Budget information is not included in the Annual Financial Report.

Assets, Liabilities, and Net Position

The statement of net position reports the following elements of financial statements:

- Assets
- Deferred Outflow of Resources
- Liabilities
- Deferred Inflow of Resources
- Net Position.

Assets

Assets are reported separately as either current or non-current in the Statement of Net Position.

Cash and Cash Equivalents

Short-term highly liquid investments with an original maturity of three months or less are considered cash equivalents.

Restricted Assets

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of proprietary fund general obligation and revenue bonds and revenues set aside for statutory or contractual requirements.

Inventories

Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued using the average cost method. The consumption method of accounting is used to account for inventories and prepaid items. The cost of these items is expensed when the items are sold or consumed.

Prepaid Items

Prepaid items include prepaid expenses attributable to a subsequent fiscal year, including scholarships for fiscal year 2022. The cost of these items is expensed when the items are used or consumed.

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Capital Assets

Equipment with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year is capitalized. Other categories of capital assets have capitalization thresholds that are set by the State. These assets are capitalized and reported at cost or, if not purchased, at appraised fair value on the date of acquisition. Donated assets are reported at fair value on the acquisition date. Depreciation is reported on all "exhaustible" assets. "Inexhaustible" assets, such as works of art and historical treasures, are not depreciated. Assets are depreciated over the estimated useful life of the asset using the straight-line method of depreciation.

Other Receivables — Current and Noncurrent

Current receivables are specified in the Statement of Net Position. They include amounts that are reasonably expected to be received in fiscal year 2022. Non-current receivables are those receivables that are not expected to be collected within one year. Included in this category are student accounts receivable and loan receivables that are not expected to be received during fiscal year 2022. The disaggregation of other receivables as reported in the financial statements is shown in Note 24, "Disaggregation of Receivable and Payable Balances."

Liabilities

Liabilities are reported separately as either current or non-current in the Statement of Net Position.

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 – Current and Non-current

The disaggregation of other payables as reported in the financial statements is shown in Note 24, "Disaggregation of Receivable and Payable Balances."

Employees' Compensable Leave

Employees' Compensable Leave represents the liability that becomes "due" upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. These obligations are normally paid from the same funding source from which the covered employee's salary or wage compensation was paid.

Capital Lease Obligations

Capital Lease Obligations represent the liability for future lease payments under capital lease contracts. Liabilities are reported separately in the Statement of Net Position as either current, for the amounts due within one year, or non-current, for the amounts due thereafter.

Bonds Payable — Revenue Bonds

The principal of revenue bonds is reported separately in the Statement of Net Position as either current, for the amounts due within one year, or noncurrent, for the amounts due thereafter. Bonds payable are recorded at par value, net of unamortized premiums, discounts, issuance costs, and gains/(losses) on bond refunding activities. Interest expense is reported on the accrual basis.

Bonds Payable — Tuition Revenue Bonds

The principal of tuition revenue bonds is reported separately in the Statement of Net Position as either current, for the amounts due within one year, or non-current, for the amounts due thereafter. Bonds payable are recorded at par value, net of unamortized premiums, discounts, issuance costs, and gains/(losses) on bond refunding activities. Interest expense is reported on the accrual basis.

Bonds Payable — General Obligation Bonds

The principal of general obligation bonds is reported separately in the Statement of Net Position as either current, for the amounts due within one year, or noncurrent, for the amounts due thereafter. Bonds payable are recorded at par, net of unamortized premiums, discounts, issuance costs, and gains/(losses) on bond refunding activities. Interest expense is reported on the accrual basis.

Deferred Outflows of Resources

Deferred Outflows of Resources represent the University's net position consumption that is applicable to a future fiscal year.

Deferred Inflows of Resources

Deferred Inflows of Resources represent the University's net position acquisition that is applicable to a future fiscal year.

Net Pension and OPEB Liability

As required by GASB 68, the University reports a reserve for the University's share of the State's overall pension liability as it relates to its own ex-employees. When the total pension liability is greater than the pension plan's assets there is a net pension liability. GASB 75 provides the same guidance and requirements for Other Post-Employment Benefits (OPEB). Both liabilities are determined by the actuarial consultants employed by the State.

Net Position

The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is "Net Position" on the Statement of Net Position.

Invested in Capital Assets, Net of Related Debt

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

Restricted Net Position

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

Unrestricted Net Position

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

The amortized balance of accretion on capital appreciation bonds is included as part of unrestricted net position unless a sinking fund was established, in which case the balance is reported as part of the restricted net position balance.

Interagency Activities and Transactions

The University has the following types of transactions among State appropriated funds and other State agencies:

- **Transfers** – Legally required transfers that are reported when incurred as "Transfers In" by the recipient fund or State agency and as "Transfers Out" by the disbursing fund or State agency.
- **Reimbursements** – Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one State agency for another are recorded as expenditures by the reimbursing State agency and as a reduction of expenditures by the reimbursed State agency. Reimbursements are not displayed in the financial statements.
- **Interagency Receivables and Payables** – Most receivables and payables from or to other State agencies are recorded as "Due from Other Agencies" or "Due to Other Agencies" on the Statement of Net Position. The amounts associated with the State Energy Conservation Office revolving loan program are recorded as "Interagency Payable" on the Statement of Net Position. Repayments associated with the loan program due during the current year are classified as "Current"; repayments due thereafter are classified as "Non-current."

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NOTE 2: Capital Assets

A summary of changes in Capital Assets for the year ended August 31, 2021, is presented below:

| | Balance 9/1/2020 | Adjustments | Reclassifications Completed CIP | Additions | Deletions | Balance 8/31/2021 |
|--|--------------------------|---------------------|------------------------------------|------------------------|-----------------------|--------------------------|
| BUSINESS-TYPE ACTIVITIES | | | | | | |
| Non-depreciable or Non-amortizable Assets | | | | | | |
| Land and Land Improvements | \$ 8,492,259.29 | \$ - | \$ - | \$ - | \$ (72,821.00) | \$ 8,419,438.29 |
| Construction in Progress | 14,198,225.82 | - | (1,320,363.59) | 27,004,258.98 | - | 39,882,121.21 |
| Other Tangible Capital Assets | 819,669.27 | - | - | 12,188.96 | - | 831,858.23 |
| Total Non-depreciable or Non-amortizable Assets | <u>23,510,154.38</u> | <u>-</u> | <u>(1,320,363.59)</u> | <u>27,016,447.94</u> | <u>(72,821.00)</u> | <u>49,133,417.73</u> |
| Depreciable Assets | | | | | | |
| Buildings and Building Improvements | 438,281,853.94 | - | 669,978.54 | 321,197.58 | - | 439,273,030.06 |
| Infrastructure | 17,469,304.46 | - | - | - | - | 17,469,304.46 |
| Facilities and Other Improvements | 35,242,040.25 | - | 650,385.05 | 142,081.00 | - | 36,034,506.30 |
| Furniture and Equipment | 22,760,830.10 | 90,735.00 | - | 884,729.20 | (562,908.48) | 23,173,385.82 |
| Vehicle, Boats, and Aircraft | 6,558,908.47 | - | - | 119,312.15 | (101,027.02) | 6,577,193.60 |
| Other Capital Assets | 13,825,098.73 | - | - | 20,920.88 | (42,647.21) | 13,803,372.40 |
| Total Depreciable Assets | <u>534,138,035.95</u> | <u>90,735.00</u> | <u>1,320,363.59</u> | <u>1,488,240.81</u> | <u>(706,582.71)</u> | <u>536,330,792.64</u> |
| Less Accumulated Depreciation for: | | | | | | |
| Buildings and Building Improvements | (274,533,926.40) | - | - | (14,416,343.80) | - | (288,950,270.20) |
| Infrastructure | (12,139,514.73) | - | - | (699,002.08) | - | (12,838,516.81) |
| Facilities and Other Improvements | (21,396,361.41) | - | - | (1,811,749.73) | - | (23,208,111.14) |
| Furniture and Equipment | (17,461,312.10) | (45,367.50) | - | (1,441,787.66) | 547,439.62 | (18,401,027.64) |
| Vehicle, Boats, and Aircraft | (4,761,958.46) | - | - | (386,159.07) | 101,027.02 | (5,047,090.51) |
| Other Capital Assets | (13,250,142.33) | - | - | (114,489.19) | 42,647.21 | (13,321,984.31) |
| Total Accumulated Depreciation | <u>(343,543,215.43)</u> | <u>(45,367.50)</u> | <u>-</u> | <u>(18,869,531.53)</u> | <u>691,113.85</u> | <u>(361,767,000.61)</u> |
| Depreciable Assets, Net | <u>190,594,820.52</u> | <u>45,367.50</u> | <u>1,320,363.59</u> | <u>(17,381,290.72)</u> | <u>(15,468.86)</u> | <u>174,563,792.03</u> |
| Amortizable Assets - Intangible | | | | | | |
| Computer Software | 4,502,623.77 | - | - | - | (9,625.20) | 4,492,998.57 |
| Total Amortizable Assets - Intangible | <u>4,502,623.77</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(9,625.20)</u> | <u>4,492,998.57</u> |
| Less Accumulated Amortization for: | | | | | | |
| Computer Software | (4,502,623.77) | - | - | - | 9,625.20 | (4,492,998.57) |
| Total Accumulated Amortization | <u>(4,502,623.77)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>9,625.20</u> | <u>(4,492,998.57)</u> |
| Amortizable Assets - Intangible, Net | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Capital Assets, Net | <u>\$ 214,104,974.90</u> | <u>\$ 45,367.50</u> | <u>\$ -</u> | <u>\$ 9,635,157.22</u> | <u>\$ (15,468.86)</u> | <u>\$ 223,697,209.76</u> |

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NOTE 3: Deposits, Investments, and Repurchase Agreements

The 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, 2021, the carrying amount of deposits was \$84,745,501.78 as presented below:

| | |
|---|------------------|
| CASH IN BANK – CARRYING AMOUNT | \$ 84,745,501.78 |
| Less: Certificates of Deposit included in carrying amount and reported as Cash Equivalents | 992,733.81 |
| Less: Uninvested Securities Lending Cash Collateral included in carrying amount and reported as Securities Lending Collateral | - |
| Less: Securities Lending CD Collateral included in carrying amount and reported as Securities Lending Collateral | - |
| Total Cash in Bank per AFR | \$ 83,752,767.97 |

| | |
|--|------------------|
| Proprietary Funds Current Assets Cash in Bank | 65,972,117.69 |
| Proprietary Funds Current Assets Restricted Cash in Bank | 17,780,650.28 |
| Proprietary Funds Noncurrent Restricted Cash in Bank | - |
| Cash in Bank per AFR | \$ 83,752,767.97 |

These amounts consist of all cash in local banks. These amounts are included on the Statement of Net Position as part of the “Cash and Cash Equivalents” accounts, except for certificates of deposit, which are recorded as Cash Equivalents, Short-Term or Long-Term Investments, based on their maturity date and management’s intent. Certificates of deposits with maturity dates of three months or less are recorded as cash equivalents.

As of August 31, 2021, the total bank balance was as follows:

| | | | |
|--------------------------|------------------|-----------------|---|
| Business-Type Activities | \$ 85,094,202.93 | Fiduciary Funds | - |
|--------------------------|------------------|-----------------|---|

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the University 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 Stephen F. Austin State University Board Policy 3.21, *Investments*, states that all deposits shall be secured by a pledge of collateral with a market value equal to no less than 100 percent of the deposits plus accrued interest less any amount insured by the FDIC. Pledged collateral must conform to Chapter 2257 of the Government Code, Collateral for Public Funds.

At August 31, 2021, amounts insured by the FDIC were \$1,000,000.00. For one day during the fiscal year, a depository account was uninsured and under collateralized. The issue was quickly resolved that same day. The bank balances at August 31, 2021, that were exposed to custodial credit risks were as follows:

| Fund Type | Uninsured and uncollateralized | Uninsured and collateralized with securities held by the pledging financial institution | Uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent but not in the University’s name |
|-----------|--------------------------------|---|--|
| 05 | \$ 3,323,502.59 | \$ 81,770,700.34 | - |

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Investments

As of August 31, 2021, the fair value of investments was:

| | Fair Value Hierarchy | | | | | Fair Value |
|--|----------------------|-------------------|-------------------|-------------------|--------------------|-------------------------|
| | Level 1 Inputs | Level 2 Inputs | Level 3 Inputs | Amortized Cost | Net Asset Value | |
| U.S. Treasury Securities | \$4,656,947.84 | - | - | - | - | \$4,656,947.84 |
| U.S. Treasury TIPS | 17,284.35 | - | - | - | - | 17,284.35 |
| U.S. Government Agency Obligations (Ginnie Mae, Fannie Mae, Freddie Mac, etc.) | - | 4,244,007.53 | - | - | - | 4,244,007.53 |
| Corporate Obligations | - | 7,177,062.82 | 537,716.82 | - | - | 7,714,779.64 |
| Corporate Asset and Mortgage Backed Securities | - | 3,010,753.07 | - | - | - | 3,010,753.07 |
| Equity (Domestic) | 20,735,807.98 | - | - | - | - | 20,735,807.98 |
| International Obligations (Govt and Corp) | - | 4,626,271.81 | 123,137.67 | - | - | 4,749,409.48 |
| International Equity | 7,484,636.04 | - | - | - | - | 7,484,636.04 |
| Fixed Income Money Market and Bond Mutual Funds | 1,366,956.61 | - | - | - | - | 1,366,956.61 |
| International Other Commingled Funds - Equity | 7,421,165.52 | - | 4,019,691.41 | - | 4,367,586.13 | 15,808,443.06 |
| Other Commingled Funds | 652,364.58 | - | 522,245.90 | 54,289,721.23 | - | 55,464,331.71 |
| Other Commingled Funds – TexPool | - | - | - | 53,189,094.88 | - | 53,189,094.88 |
| Derivatives - Currency Forwards | - | 297.61 | - | - | - | 297.61 |
| Alternative Investments | - | - | - | - | 24,177,915.49 | 24,177,915.49 |
| Miscellaneous | - | 132,624.00 | - | - | - | 132,624.00 |
| TOTAL INVESTMENTS | | | | | | \$202,753,289.29 |

Reconciliation of Investments per Exhibit – Business-Type Activities

| | |
|--|-------------------------|
| Proprietary Funds Current Assets Restricted Short-Term Investments | \$87,165,538.55 |
| Proprietary Funds Noncurrent Assets Restricted Investments | 17,128,181.87 |
| Proprietary Funds Noncurrent Assets Investments | 98,459,568.87 |
| Investments per Exhibit | \$202,753,289.29 |

Displayed on Statement of Net Position as:

| | |
|--|-------------------------|
| Current Assets: | |
| Restricted: | |
| Short-Term Investments – Bond Proceeds | \$86,177,928.36 |
| Short-Term Investments – Endowments | 987,610.19 |
| Noncurrent Assets: | |
| Restricted: | |
| Investments: Bond Proceeds | 992,733.81 |
| Investments: Endowments | 17,128,181.87 |
| Unrestricted: | |
| Investments: Operating | 89,771,722.27 |
| Investments: Quasi-Endowments | 8,687,846.60 |
| Subtotal | \$203,746,023.10 |
| Less: Certificates of Deposit | 992,733.81 |
| Total | \$202,753,289.29 |

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Foreign currency risk for investments is the risk that changes in exchange rates will adversely affect the investment. In order to mitigate this risk, Stephen F. Austin State University Board Policy 3.20, *Investments-Endowment Funds*, limits foreign equity investments to a maximum of 30% of the equity portfolio. The exposure to foreign currency risk as of August 31, 2021, was:

| Fund Type | GAAP Fund | Foreign Currency | International Obligation (Govt and Corp and MF) | International Equity | Equity Mutual Funds - International | Equity Commingled Funds - International | Alternative Investments | | | |
|-----------|-----------|--|---|----------------------|-------------------------------------|---|---------------------------|------------------------------------|---|---------------------------------------|
| | | | | | | | International Hedge Funds | International Other Private Equity | International Energy, Natural Resources | International Other Real Estate Funds |
| 05 | 9999 | U.S. DOLLAR DENOMINATED FOREIGN SECURITIES | \$4,292,044.08 | \$3,491,975.32 | - | \$15,808,443.06 | \$8,613,999.71 | \$1,339,266.94 | \$295,789.07 | \$142,797.48 |
| 05 | 9999 | ARGENTINA PESO | - | - | - | - | - | - | - | - |
| 05 | 9999 | AUSTRALIAN DOLLAR | - | - | - | - | - | - | - | - |
| 05 | 9999 | BRAZIL REAL | 108,620.74 | - | - | - | - | - | - | - |
| 05 | 9999 | BRITISH POUND STERLING | - | 432,601.58 | - | - | - | - | - | - |
| 05 | 9999 | CANADIAN DOLLAR | 54,850.05 | 50,268.18 | - | - | - | - | - | - |
| 05 | 9999 | CHINESE YUAN | 13,666.82 | - | - | - | - | - | - | - |
| 05 | 9999 | DANISH KRONE | - | - | - | - | - | - | - | - |
| 05 | 9999 | EURO CURRENCY UNIT | - | 1,626,086.69 | - | - | - | 98,379.43 | - | - |
| 05 | 9999 | HONG KONG DOLLAR | - | 26,479.03 | - | - | - | - | - | - |
| 05 | 9999 | INDONESIAN RUPIAH | 78,861.05 | - | - | - | - | - | - | - |
| 05 | 9999 | JAPANESE YEN | - | 710,503.78 | - | - | - | - | - | - |
| 05 | 9999 | MEXICAN PESO | 201,366.74 | 22,265.21 | - | - | - | - | - | - |
| 05 | 9999 | NEW TAIWAN DOLLAR | - | - | - | - | - | - | - | - |
| 05 | 9999 | NEW ZEALAND | - | - | - | - | - | - | - | - |
| 05 | 9999 | NORWEGIAN KRONE | - | - | - | - | - | - | - | - |
| 05 | 9999 | SINGAPORE DOLLAR | - | 91,897.39 | - | - | - | - | - | - |
| 05 | 9999 | S AFRICAN COMM RAND | - | - | - | - | - | - | - | - |
| 05 | 9999 | SOUTH KOREAN WON | - | 106,945.02 | - | - | - | - | - | - |
| 05 | 9999 | SWEDISH KRONA | - | 86,572.62 | - | - | - | - | - | - |
| 05 | 9999 | SWISS FRANC | - | 839,041.22 | - | - | - | - | - | - |
| 05 | 9999 | THAILAND BAHT | - | - | - | - | - | - | - | - |
| 05 | 9999 | NEW TURKISH LIRA | - | - | - | - | - | - | - | - |
| | | TOTAL | \$4,749,409.48 | \$7,484,636.04 | - | \$15,808,443.06 | \$8,613,999.71 | \$1,437,646.37 | \$295,789.07 | \$142,797.48 |

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. To limit credit risk, Stephen F. Austin State University Board Policy 3.21, *Investments*, limits investments in corporate bonds, debentures or similar debt obligations to the two highest long-term rating categories.

As of August 31, 2021, the Standard & Poor's credit quality ratings of the University's investments by type of securities with credit risk exposure were as follows:

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| Investment Type | AAA | AA | A | BBB | BB | B | CCC | NR |
|--|--------------|----------------|--------------|--------------|--------------|------------|-----------|--------------|
| U.S. Government Agency Obligations | \$8,379.58 | \$3,882,256.07 | \$29,099.65 | \$164,113.63 | \$14,073.32 | \$4,816.16 | - | \$141,269.12 |
| Corporate Obligations | 40,786.20 | 236,546.48 | 1,165,524.63 | 4,140,552.94 | 1,277,613.28 | 546,826.87 | - | 306,929.24 |
| Corporate Asset and Mortgage Backed Securities | 643,990.95 | 641,528.67 | 223,063.35 | 105,254.67 | 2710.21 | 27,530.62 | 40,505.51 | 1,326,169.09 |
| International Obligations | 267,964.30 | 79,671.76 | 597,774.07 | 1,609,911.10 | 1,106,791.44 | 160,360.73 | 10,354.20 | 916,581.88 |
| Fixed Income Money Market and Bond Mutual Fund | 1,366,956.61 | - | - | - | - | - | - | - |
| Other Commingled Funds - Fixed Income | - | - | - | - | - | - | - | 1,174,610.48 |
| Miscellaneous (municipals) | - | 38,343.42 | 47,993.99 | 39,945.86 | - | - | - | 6,340.73 |

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. To the extent possible, investment maturity will be matched with anticipated cash flow requirements. Matching maturity and cash flow requirements will minimize occasions for sale of securities prior to maturity, thereby reducing market risk. However, no provision of this policy shall be interpreted as prohibiting the sale of any security prior to maturity, provided that it is in the University's financial interest to sell the security.

The maximum stated maturity date of any security may not exceed ten years, and the dollar-weighted average maturity of the portfolio shall not exceed five years without approval by the vice president for finance and administration and ratification by the Board of Regents. No officer or designee may engage in an investment transaction except as provided under terms of Policy 3.21 as approved by the Stephen F. Austin State University Board of Regents.

| Investment Types | Effective Duration (years) | Fair Value |
|--|----------------------------|-----------------|
| U.S. Treasury Securities | 6.576 | \$4,656,947.84 |
| U.S. Treasury TIPS | 19.670 | 17,284.35 |
| U.S. Government Agency Obligations | 4.0950 | 4,244,007.53 |
| Corporate Obligations | 6.220 | 7,714,779.64 |
| Corporate Asset and Mortgage Backed Securities | 2.023 | 3,010,753.07 |
| International Obligations | 4.977 | 4,749,409.48 |
| Other Commingled Funds - Fixed Income | 2.552 | 1,174,610.48 |
| Miscellaneous (Political subdivision) | 8.102 | 132,624.00 |
| Total Fair Value | | \$25,700,416.39 |

The University invests funds in The Texas A&M University System's (A&M System) investment pools. The A&M System entered into forward currency contracts for the purpose of hedging international currency risk on its non-U.S. dollar denominated investment securities. When entering into a forward currency contract, the A&M System agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. These contracts are valued daily and the A&M System's net equity in the contracts, representing unrealized gain or loss on the contracts, as measured by the differences between the forward foreign exchange rates at the dates of entry into the contracts and the forward rates at the reporting date, is reported on the Statement of Net Position as either an investment derivative or an investment derivative liability.

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These investments involve market and/or credit risk in excess of the amount recognized in the consolidated Statement of Net Position. Risks arise from the possibility that counterparties will be unable to meet the terms of their contracts and from movement in currency, securities values and interest rates. The following table summarizes the University's pro rata amount of the pending foreign exchange contracts as of August 31, 2021.

| Foreign Exchange Contracts | | | | | |
|-----------------------------------|----------------------|---------------------|----------------------------------|----------------------------|----------------------------------|
| | | | | Unrealized Gain on: | Unrealized Loss on: |
| Currency | Net Sell | Net Buy | Foreign Exchange Contract | | Foreign Exchange Contract |
| Brazilian Real | \$ 52,667.53 | - | - | \$ 1,051.28 | |
| Chinese R Yuan HK | 14,293.87 | - | - | 92.41 | |
| Indonesian Rupiah | 73,340.82 | - | - | 2,358.00 | |
| Mexican Peso | 77,166.01 | 35,379.24 | 297.61 | 217.41 | |
| Total | \$ 217,468.23 | \$ 35,379.24 | \$ 297.61 | \$ 3,719.10 | |

The unrealized gains of the open foreign currency exchange contracts as of August 31, 2021, are shown as an investment derivative of \$297.61 and the unrealized losses are shown as a liability of \$3,719.10 on the Statement of Net Position. The foreign currency exchange contracts are traded over-the-counter and categorized as Level 2 in the fair value hierarchy.

The gross counterparty exposure for the University through investments with A&M System, as of August 31, 2021, is presented in the table below. The A&M System's policy does not address master netting arrangements and the A&M System is not party to any such arrangements. Collateral posted by counterparties is held by the A&M System at its custodian bank. As of August 31, 2021, the System held \$68,812.50 as collateral related to foreign currency forwards and had on deposit with brokers \$100,000.00 as collateral related to foreign currency forwards. The A&M System policy does not address collateral or other security for currency forward contracts. The following table shows the University's pro rata counterparty exposure.

| Foreign Exchange Contract Exposure to Counterparty Risk as of August 31, 2021 | | | | |
|--|-------------|-------------------|-------------|-------------------------|
| <u>Notional</u> | | <u>Fair Value</u> | | S&P Counterparty Rating |
| Assets | Liabilities | Assets | Liabilities | |
| \$217,468.23 | \$35,379.24 | \$297.61 | \$3,719.10 | A+ |
| \$217,468.23 | \$35,379.24 | \$297.61 | \$3,719.10 | |

The A&M System has also invested in Treasury futures. The instruments are used only for the purpose of managing interest rate risk in the fixed income portfolios. As of August 31, 2021, the weighted average effective duration for short futures contracts was 7.16 years and for long futures contracts was 4.16 years. Futures contracts expose the University to minimal counterparty risk since they are exchange traded and the exchange's clearinghouse, as counterparty to all exchange traded futures, guarantees the futures against default. Therefore, they are not presented in the table above. Futures contracts are marked to market daily; meaning they are valued at the close of business each day and a gain or loss is recorded between the value of the contracts that day and on the previous day. The daily gain or loss difference is referred to as the daily variation margin, which is settled in cash with the broker each morning for the amount of the previous day's mark to market. The amount that is settled in cash with the broker each morning is the fair value of the futures contracts. Exchange traded futures contracts are categorized as Level 1 in the fair value hierarchy.

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The gains are shown as other receivables and the losses are shown as other liabilities in the Statement of Net Position as summarized in the following table:

| Open Futures Contracts as of August 31, 2021 | | | | |
|---|-----------------|-----------------|-------------------|----------------|
| | Notional | | Fair | |
| | Long | Short | Assets | Liabilities |
| | | | Other Receivables | Other Payables |
| Treasury Futures | 3,327,990.09 | 2,382,228.44 | 6,878.22 | 766.64 |
| | \$ 3,327,990.09 | \$ 2,382,228.44 | \$ 6,878.22 | \$ 766.64 |

Concentration of credit risk is the risk of loss attributable to the magnitude of investment in a single issuer. As of August 31, 2021, the University’s concentration of credit risk is immaterial to any single issuer.

Reverse Repurchase Agreements

The University, by statute, is authorized to enter into reverse repurchase agreements. A reverse repurchase agreement is a transaction in which a broker-dealer or financial institution transfers cash to the University and the University transfers securities to the broker-dealer and promises to repay the cash plus interest in exchange for the same or similar securities. Credit risk exposure for the University arises when a broker-dealer does not return the securities or their value at the conclusion of the reverse repurchase agreement. As of August 31, 2021, the University was not participating in reverse repurchase agreements.

Securities Lending

In securities lending transactions, the University would transfer its securities to broker-dealers and other entities for collateral – which may be cash or securities – and simultaneously agrees to return the collateral for cash or the same securities in the future. The University invests the cash received as collateral and, if the returns on those investments exceed the “rebate” paid to the borrowers of the securities, the securities lending transactions generate income for the University. The University did not participate in securities lending transactions during fiscal year 2021.

NOTE 4: Short-Term Debt

There was no reportable activity for short-term debt during the year ended August 31, 2021.

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NOTE 5: Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended August 31, 2021, the following changes occurred in long-term liabilities:

| Business-Type Activities | Balance 09/01/20 | Additions | Reductions | Restatement/ Adjustment | Balance 08/31/21 | Amounts Due Within One Year | Amounts Due Thereafter |
|-----------------------------------|------------------|-----------------|-----------------|-------------------------|------------------|-----------------------------|------------------------|
| Revenue Bonds Payable | \$204,325,873.85 | \$15,935,000.00 | \$28,140,000.00 | \$1,606,184.82 | \$193,727,058.67 | \$9,804,041.23 | \$183,923,017.44 |
| Revenue Bonds – Direct Placements | 29,815,000.00 | - | 4,720,000.00 | - | 25,095,000.00 | 4,820,000.00 | 20,275,000.00 |
| Capital Lease Obligations | 88,558.38 | - | 62,085.17 | - | 26,473.21 | 26,473.21 | - |
| Employees’ Compensable Leave | 4,566,807.58 | 2,472,409.72 | 3,524,509.05 | - | 3,514,708.25 | 593,977.34 | 2,920,730.91 |
| Notes & Loans – Direct Placements | 8,723,372.69 | - | 722,078.33 | - | 8,001,294.36 | 762,756.42 | 7,238,537.94 |
| Total Business-Type Activities | \$247,519,612.50 | \$18,407,409.72 | \$37,168,672.55 | \$1,606,184.82 | \$230,634,534.49 | \$16,007,248.20 | \$214,357,286.29 |

Notes payable consists of amounts used to finance energy conservation projects and modernization of the University’s sports-related scoreboards and video displays. The debt service requirements for notes and loans payable are as follows:

| Note Payments for Fiscal Year Ended August 31, | Principal | Interest | Total |
|--|-----------------|-----------------|-----------------|
| 2022 | \$ 762,756.42 | \$ 215,234.82 | \$ 977,991.24 |
| 2023 | 805,017.97 | 194,716.67 | 999,734.64 |
| 2024 | 848,917.25 | 173,061.69 | 1,021,978.94 |
| 2025 | 894,509.32 | 150,225.81 | 1,044,735.13 |
| 2026 | 941,853.34 | 126,163.51 | 1,068,016.85 |
| 2027-2031 | 3,748,240.06 | 237,819.77 | 3,986,059.83 |
| Total Payments | \$ 8,001,294.36 | \$ 1,097,222.27 | \$ 9,098,516.63 |

Claims and Judgments

The University had no unpaid settlements or judgments as of August 31, 2021.

Employees' Compensable Leave

Annual Leave

Full-time employees earn eight to twenty-one hours per month vacation leave (annual leave) depending on years of State employment. The State’s policy is that employees may carry accrued vacation leave forward from one fiscal year to the next up to a maximum number of hours allowed based on their years of service. Employees with at least six months of State service who terminate employment are entitled to payment for all accumulated annual leave. The University accrues the dollar value of annual leave benefits which are payable upon retirement, termination, or death of its employees. The amounts of these liabilities are reported in the Statement of Net Position. The estimated liability, \$3,514,708.25 as of August 31, 2021, is based on outstanding balances reported in the leave reporting system multiplied by the employee’s respective salary rate. The University made lump sum payments of \$3,524,509.05 for accrued leave to employees who separated from State service during the fiscal year ended August

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31, 2021; the amount included accrued leave for employees who participated in the Voluntary Separation Incentive Plan (VSIP).

Sick Leave

Sick leave is earned at the rate of eight hours per month and is paid only when an employee is absent due to illness or to the estate of an employee in the event of his/her death. The maximum sick leave payment to an employee's estate is the lesser of one-half of the employee's accumulated entitlement or 336 hours. Sick leave accumulation from one fiscal year to the next is not limited. The University recognizes the cost of sick leave when paid. The liability is not shown in the financial statements since historical payouts of sick leave have been minimal.

Overtime and Compensatory Leave for FLSA Non-Exempt and Exempt Employees

Under the federal Fair Labor Standards Act and State laws, overtime can be accumulated in lieu of immediate payment as compensatory leave for non-exempt, non-emergency employees up to a maximum of 240 hours. For emergency personnel (e.g., University police officers), overtime can be accumulated up to a maximum of 480 hours. Overtime is calculated at a rate of 1.5 times an employee's normal rate of pay. Non-exempt employees may earn compensatory leave when they work additional hours but the number of hours worked in the work week does not exceed 40 hours. Compensatory time is calculated on an hour-for-hour basis. Unpaid overtime and compensatory time for non-exempt employees is included in the calculation of current and long-term liabilities because these employees are eligible to be paid for these accruals upon death or termination.

Compensatory leave is allowed for exempt employees who are not eligible for overtime pay. This leave is accumulated on an hour-for-hour basis and must be taken within one year from date earned or it lapses, up to a maximum of 80 hours in a fiscal year. There is no death or termination benefit for compensatory leave for exempt employees and it is non-transferable. For these reasons, no liability is reported in the financial statements for compensatory leave earned by exempt employees.

Direct Borrowings and Direct Placements

GASB Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, requires the disclosure of direct borrowings and direct placements for reporting periods beginning after June 15, 2018.

Direct borrowings occur when the borrower goes directly to the lending source to avoid the high-interest rates associated with indirect lending, such as a public offering where the borrower has no relationship with the lender/investor. The University had no direct borrowings as of August 31, 2021.

Direct placements occur when the sale of an issue of debt securities is made to a single buyer or a limited number of buyers without a public offering. The University had direct placements related to business-type activities at August 31, 2021, totaling \$33,096,294.36. This amount is comprised of \$25,095,000.00 of Bonds Payable, related to the Series 2015 Revenue Bonds, and \$8,001,294.36 of Notes Payable.

There were no unused lines of credit associated with the direct placements. No assets were pledged as collateral in association with the direct placements. In the event of default, the Series 2015 Bonds shall bear an interest at a rate of 8%.

NOTE 6: Bonded Indebtedness

Bonds Payable

Detailed supplemental bond information is disclosed in:

Schedule 2A – Miscellaneous Bond Information
Schedule 2B – Changes in Bonded Indebtedness
Schedule 2C – Debt Service Requirements
Schedule 2D – Analysis of Funds Available for Debt Service
Schedule 2E – Defeased Bonds Outstanding
Schedule 2F – Early Extinguishment and Refunding

General information related to bonds is summarized below:

Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds - Series 2010 (Revenue Bonds)

- To provide funds to construct a new freshman residence hall and adjacent parking garage.
- Issued 04-01-10.
- \$35,035,000.00; All authorized bonds have been issued.
- Source of revenue for debt service: Pledged unappropriated fund balances available at the beginning of the year. Pledged revenues consisting of Unrestricted Current Fund Revenues excluding: remissions, governmental appropriations and gifts, grants, and contracts within the Educational and General Fund Group; and student service fees and private gifts in the Auxiliary Fund Group.
- Changes in Debt: Principal paid during fiscal year \$1,675,000.00; Issue was refunded by Series 2020, therefore the outstanding amount at year end \$0.00.

Board of Regents of Stephen F. Austin State University Revenue Financing System Revenue Refunding Bonds – Series 2013 (Tuition Revenue Bonds and Revenue Bonds)

- To refund outstanding Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds - Series 2002 and Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds - Series 2004.
- Issued 9-11-13.
- \$22,255,000.00; All authorized bonds have been issued.
- Source of revenue for debt service: Pledged Student Tuition; Pledged Student Center Fees; and Other Pledged Revenues.
- Changes in Debt: Principal paid during fiscal year \$2,350,000.00; Outstanding at year end \$7,530,000.00.

Board of Regents of Stephen F. Austin State University Revenue Financing System Revenue Refunding Bonds – Series 2015 (Revenue Bonds)

- To refund outstanding Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds - Series 2005 and Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds - Series 2005(A).
- Issued 5-01-15. This was a direct placement.
- \$48,410,000.00; All authorized bonds have been issued.
- Source of revenue for debt service: Pledged Revenues consisting of Unrestricted Current Funds Revenues excluding: remissions, governmental appropriations and gifts, grants, and contracts within the Educational and General Fund Group; Higher Education Funds; and student service fees and private gifts in the Auxiliary Fund Group.
- Changes in Debt: Principal paid during fiscal year \$4,720,000.00; Outstanding at year end \$25,095,000.00.

Board of Regents of Stephen F. Austin State University Revenue Financing System Revenue Refunding Bonds – Series 2016 (Tuition Revenue Bonds)

- To refund outstanding Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds - Series 2008 and Texas Public Finance Authority Stephen F. Austin State University Revenue Financing System Revenue Bonds - Series 2009, and provide funds to construct a new STEM building to house the University's Science, Technology, Engineering and Mathematics departments.

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- Issued 9-07-16.
- \$61,205,000.00; All authorized bonds have been issued.
- Source of revenue for debt service: Pledged Student Tuition; Pledged Student Center Fees; and Other Pledged Revenues.
- Changes in Debt: Principal paid during fiscal year \$3,045,000.00; Outstanding at year end \$48,160,000.00.

Board of Regents of Stephen F. Austin State University Revenue Financing System Revenue Bonds – Series 2019A (Revenue Bonds)

- To provide funds to construct a new basketball practice facility; to construct a new welcome and student support center; to expand buildings utilized by the College of Fine Arts; to construct a new student residential facility, and to pay the costs related to the issuance of the bonds.
- Issued 02-01-19.
- \$94,290,000.00; All authorized bonds have been issued.
- Source of revenue for debt service: Pledged Revenues consisting of Unrestricted Current Funds Revenues excluding: remissions, governmental appropriations and gifts, grants, and contracts within the Educational and General Fund Group; Higher Education Funds; and student service fees and private gifts in the Auxiliary Fund Group.
- Changes in Debt: Principal paid during fiscal year \$1,160,000.00; Outstanding at year end \$92,630,000.00.

Board of Regents of Stephen F. Austin State University Revenue Financing System Revenue Bonds – Taxable Series 2019B (Revenue Bonds)

- To provide funds to construct a new dining facility and to pay the costs related to the issuance of the bonds.
- Issued 02-01-19.
- \$15,925,000.00; All authorized bonds have been issued.
- Source of revenue for debt service: Pledged Revenues consisting of Unrestricted Current Funds Revenues excluding: remissions, governmental appropriations and gifts, grants, and contracts within the Educational and General Fund Group; Higher Education Funds; and student service fees and private gifts in the Auxiliary Fund Group.
- Changes in Debt: Principal paid during fiscal year \$745,000.00; Outstanding at year end \$14,755,000.00.

Board of Regents of Stephen F. Austin State University Revenue Financing System Refunding Bonds – Series 2020

- To provide funds to refund the Series 2010 Revenue Bonds and to pay the costs related to the issuance of the bonds.
- Issued 10-28-20.
- \$15,935,000.00; All authorized bonds have been issued.
- Source of revenue for debt service: Pledged Revenues consisting of Unrestricted Current Funds Revenues excluding: remissions, governmental appropriations and gifts, grants, and contracts within the Educational and General Fund Group; Higher Education Funds; and student service fees and private gifts in the Auxiliary Fund Group.
- Changes in Debt: Principal paid during fiscal year \$0.00; Outstanding at year end \$15,935,000.00.

| |
|----------------------------|
| NOTE 7: Derivatives |
|----------------------------|

The University invests funds in the A&M System investment pools. The A&M System Investment Policy allows investment in certain derivative securities. A derivative security is a financial instrument which derives its value, in whole or part, from another security, currency, commodity or index. The A&M System uses investment derivatives to manage risk in its portfolios. Forward contracts are used to manage transaction or currency exchange risk in purchasing, selling or holding investments and Treasury futures are used to manage interest risk in fixed income portfolios.

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The following disclosure summarizes the University's pro rata derivative activity as reported in the financial statements:

| Investment Derivatives | Changes in Fair Value | | Fair Value as of 8/31/2021 | | Notional Amount |
|--------------------------|-----------------------|------------|----------------------------|------------|-----------------|
| | Classification | Amount | Classification | Amount | |
| FX Contracts | Investment Revenue | \$ 297.61 | Investment | \$ 297.61 | \$ (35,379.24) |
| FX Contracts | Investment Revenue | (3,719.10) | Other Payable | (3,719.10) | 217,468.23 |
| Treasury Futures - Long | Investment Revenue | 3,909.33 | Other Receivable | 3,909.33 | 3,327,990.09 |
| Treasury Futures - Short | Investment Revenue | 2,968.89 | Other Receivable | 2,968.89 | (2,216,109.67) |
| Treasury Futures - Short | Investment Revenue | (766.64) | Other Receivable | (766.64) | (166,118.77) |

Investment Derivatives

Investment derivatives expose the University through investments with A&M System to certain investment related risks. More detail about investment derivatives is disclosed in Note 3.

Hedging Derivatives

The University through investments with A&M System did not enter into hedging derivatives in fiscal year 2021.

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|-----------------------|
| NOTE 8: Leases |
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Operating Leases

Included in the expenditures reported in the financial statements are the following amounts of rent paid or due under operating lease obligations:

| <u>Fund Type</u> | <u>Amount</u> |
|------------------|---------------|
| Proprietary Fund | \$394,340.51 |

Future minimum lease rental payments under non-cancelable operating leases having an initial term in excess of one year are as follows:

| Future Minimum Operating Lease Payments Year Ending August 31, | |
|---|--------------|
| 2022 | \$197,439.24 |
| 2023 | 138,057.34 |
| 2024 | 66,962.59 |
| 2025 | 28,995.30 |
| 2026 | 31,999.31 |
| 2027 | 7,642.44 |
| Total Future Minimum Lease Rental Payments | \$770,872.67 |

The University has also leased building roof space to a cellular phone service provider. Operating lease income in the amount of \$71,500.00 has been recorded for the year ended August 31, 2021. There are no contingent rentals in this amount.

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Future minimum lease rentals under non-cancelable operating leases having an initial term in excess of one year as of August 31, 2021, are presented below.

| Operating Lease Rentals Year Ending August 31, | |
|---|-------------|
| 2022 | \$27,500.00 |
| Total Future Minimum Lease Rentals | \$27,500.00 |

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, are recorded at the present value of the future minimum lease payments at the inception of the lease. Following is a summary of original capitalized costs of all such property under lease as well as the accumulated depreciation as of August 31, 2021:

| Assets Under Capital Leases Year Ended August 31, 2021 | Business-Type Activities |
|---|---------------------------------|
| Furniture and Equipment | \$423,552.44 |
| Less: Accumulated Depreciation | 342,875.72 |
| Total | \$80,676.72 |

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 Minimum Capital Lease Payments Year Ending August 31 | Business-Type Activities | | |
|--|---------------------------------|-----------------|--------------|
| | Principal | Interest | Total |
| 2022 | \$26,473.21 | \$1,216.79 | \$27,690.00 |
| | | | |
| Total Future Minimum Lease Payments | \$26,473.21 | \$1,216.79 | \$27,690.00 |
| Less: Amount Representing Interest at Various Rates | | | 1,216.79 |
| Present Value of Net Minimum Lease Payments | | | \$26,473.21 |

NOTE 9: Defined Benefit Pension Plans and Defined Contribution Plan

The State of Texas has joint contributory retirement plans for all of its benefits-eligible employees. One of the plans in which the University participates is administered by the Teacher Retirement System of Texas (TRS). The TRS defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms. The contributory percentages of participant salaries currently provided by the State and by each participant are 7.5% and 7.7%, respectively, of annual compensation. Further information regarding actuarial assumptions and conclusions, together with audited financial statements, are included in TRS' annual financial report. Deferred outflows of resources and deferred inflows of resources related to the pension plan administered by TRS are disclosed in Note 28.

The State has also established an Optional Retirement Program (ORP) for institutions of higher education for certain administrative personnel and faculty. Participation in ORP is in lieu of participation in TRS, and the selection to participate in ORP must be made in the first 90 days of eligibility. The ORP allows participants to select from a variety

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of companies for the purchase of annuity contracts or to invest in mutual funds. The contributory percentages on salaries for participants entering the program prior to September 1, 1995, are 8.5% and 6.65% by the State and each participant, respectively. The State's contribution is comprised of 6.6% from the ORP appropriation and 1.9% from other funding sources. The 6.6% contribution is mandatory with the other 1.9% being at the discretion of the University's Board of Regents. The Board has approved the additional contributions for these employees. The contributory percentages on salaries for participants entering the program after August 31, 1995, are 6.6% and 6.65% by the State and each participant, respectively. Since these are individual annuity contracts or mutual fund investments, the University has no additional or unfunded liability for this program.

GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, paragraph 27(d) requires universities that administer the ORP to disclose the amounts contributed by members and by the employer for that plan. Following are the ORP contributions made for the 2021 fiscal year:

| Contributions | Year Ended Aug. 31, 2021 |
|------------------------|-----------------------------|
| Member Contributions | \$ 1,848,077.48 |
| Employer Contributions | 1,932,146.61 |
| Total | \$ 3,780,224.09 |

NOTE 10: Deferred Compensation

University employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in the TEX. GOV'T. CODE ANN., Chapter 609. Two plans are available for employees: the 403(b) Tax Sheltered Annuity (TSA) plan and the TexasSaver 457(b) plan. The TSA is administered by Stephen F. Austin State University. The 457(b) plan is administered by the Employees Retirement System of Texas. The assets of these plans do not belong to the University or to the State, and thus they have no liability related to the plans.

NOTE 11: Postemployment Benefits Other Than Pensions – Not Applicable

NOTE 12: Interagency Activity and Transactions

The University experienced routine transfers with other State agencies that were consistent with the activities of the fund making the transfer. The following are individual balances and activity reported as Legislative transfers from Hazelwood assistance and license plate funds on hand Due From and Due To Other State Agencies as of August 31, 2021:

| | Legislative Financing Sources | Legislative Financing Uses |
|-------------------------------|----------------------------------|-------------------------------|
| ENTERPRISE FUND (05) | Transfer In | Transfer Out |
| Appd Fund 0802, D23 Fund 0802 | | |
| Agency 608, D23 Fund 0802 | \$ 1,751.48 | |
| Appd Fund 0210, D23 Fund 0210 | | |
| Agency 902, D23 Fund 0210 | \$ 265,086.00 | |

Repayment of amounts reported as Due To or Due From Other State Agencies will normally occur within one year from the date of the financial statement.

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The following are individual balances and activity reported as Due From and Due To Other State and federal agencies as of August 31, 2021:

| | Due From Other Agencies | Due To Other Agencies | Source |
|---|--|--------------------------------------|----------------------|
| ENTERPRISE FUND (05) | | | |
| Appd Fund 0001, D23 Fund 0001 | | | |
| Agency 781, D23 Fund 0001 | | \$286,463.45 | State Pass Through |
| Agency 781, D23 Fund 7999 | | 58,115.95 | State Pass Through |
| Agency 802, D23 Fund 7999 | \$59,767.92 | | State Pass Through |
| Agency 802, D23 Fund 4673 | | | State Pass Through |
| Agency 720, D23 Fund 7999 | | 5,919.72 | State Pass Through |
| | | | |
| Total Due From/To Other Agencies - State | \$ 59,767.92 | \$350,499.12 | |
| Agency 753, D23 Fund 7999 | 18,917.35 | | Federal Pass Through |
| Agency 781, D23 Fund 0325 | | \$117,434.97 | Federal Pass Through |
| Agency 320, D23 Fund 0001 | \$79,192.24 | | Federal Pass Through |
| Agency 555, D23 Fund 7999 | 11,730.00 | | Federal Pass Through |
| Agency 701, D23 Fund 7999 | 2,166.48 | | Federal Pass Through |
| Agency 771, D23 Fund 7999 | 158,642.33 | | Federal Pass Through |
| Agency 802, D23 Fund 7999 | 36,753.64 | | Federal Pass Through |
| Total Due From/To Other Agencies - Federal | \$307,402.04 | \$117,434.97 | |
| Total Interagency Balances | \$367,169.96 | \$467,934.09 | |

The detailed State Grant Pass-Through information is listed on Schedule 1B - Schedule of State Grant Pass-Throughs From/To State Agencies.

In 2012, the University financed a comprehensive energy management program with a revolving loan fund from the State Energy Conservation Office (SECO) funded with American Recovery and Reinvestment Act (ARRA) funds and institutional Higher Education Funds (HEF). The total amount borrowed from SECO was \$13,327,627.82, with capitalized interest of \$197,015.33. The SECO loans were paid off during the 2021 fiscal year.

NOTE 13: Continuance Subject to Review - Not Applicable

NOTE 14: Adjustments to Fund Balances and Net Position

During fiscal year 2021, certain accounting changes and adjustments were made that required the restatement of net position. A restatement of \$32,923.22 was necessary because equipment was discovered un-tagged and had not been depreciated. The restatement reflects the amount needed to correct the accumulated depreciation and revenue that had been under-reported and miscalculated. The restatement is presented in the following table:

| | Restatement | Prior Period Adjustments | Total |
|---|-------------|-----------------------------|-----------------|
| Net Position August 31, 2020 | | | \$61,007,067.24 |
| Restatement: Property, Plant and Equipment adjustments | 32,923.22 | | 32,923.22 |
| Net Position September 1, 2020 as Restated | | | \$61,039,990.46 |

NOTE 15: Contingencies and Commitments

Unpaid Claims and Lawsuits

As of August 31, 2021, certain lawsuits were pending against the University and/or its officers. The lawsuits, which may present contingent liabilities, are displayed in summary on the following page:

| Claimant/ Plaintiff | Defendant Name | Type of Litigation | Damages Sought | Probability of Liability | Possible Loss |
|--------------------------------|--|--|---|-------------------------------------|--------------------------|
| Christin Evans | SFASU, Board of Regents, Various employees | Constitutional violations (4 th and 14 th Amendment), Negligence, Gross Negligence | Economic damages; pain/suffering; punitive damages; attorney's fees; court costs | Reasonably Possible* | Unknown |

Description of the Case

The plaintiff alleges the University and/or its employees acted negligently and violated Plaintiff's constitutional rights in response to a "swatting" incident.

*Reasonably Possible indicates the event is more than remote, but less than likely.

*Probable indicates the event is likely to occur.

NOTE 16: Subsequent Events

In October 2021, the University launched the public phase of its \$100 million capital campaign. The Elevate SFA Campaign, which began its silent phase in September 2015, is expected to reach its goal to coincide with the University's celebration of its 100-year history. As of October 31, 2021, pledges totaled \$80 million to the SFA Foundation Inc., a separate 501(c)3 entity.

NOTE 17: Risk Management

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; losses resulting from providing health and other medical benefits to employees; and natural disasters. It is the University's policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed. The methods the University uses to handle each of these risks are summarized below.

Injuries to Employees: Employees of the University are covered by a workers' compensation insurance policy provided by the State Office of Risk Management (SORM). An Interagency Contract with SORM is executed on behalf of the University for workers' compensation insurance every two years. SORM assesses the University an amount for the insurance coverage in accordance with 28 T.A.C. 251.507. The initial estimated assessment for fiscal year 2021 was \$230,826.04 to be paid in two installments. The first payment of \$173,119.53 was made in September. The assessment was adjusted during the year and the remaining payment of \$33,424.45 was made in May, bringing the actual assessment total to \$206,543.98.

Provision for Health and Other Medical Benefits: Employees of the University are eligible for health insurance and optional coverage(s) if they are employed at least 50% time. The coverage is provided through the State, under the Texas Employees Group Benefits Program (GBP), which was administered by HealthSelect. Eligible employees may select health, dental, vision, life, TexFlex, accidental death and dismemberment, dependent life, and long and short-term disability coverage. All risks associated with these benefits are passed to the GBP. The costs of health insurance coverage are jointly paid by the State and the University as follows: 100% for full-time employees and 50% for their dependents; 50% for part-time employees and 25% for their dependents. Employees hired on or after September 1, 2014, have a 60-day waiting period to participate in health insurance coverage. Contributions made by the State on behalf of the University for health and other medical benefits were \$6,423,580.00 for the year ended August 31, 2021.

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Damage to Property: The University is required by certain bond covenants to carry fire and extended coverage and boiler/heavy equipment insurance on buildings financed through the issuance of bonds. The insurance protects the bondholders from a disruption to the revenue stream that is being utilized to make the bond interest and principal payments. Also, the University was reimbursed \$441,090.46 for a claim that resulted from the 2019 fire at the SFA Beef Farm and Livestock Barn. In fiscal year 2021, there was a catastrophic winter storm/ice freeze that caused property damage. The University anticipates receiving approximately \$320,000.00 from the property insurance claim. This claim is combined with several others from universities across Texas and will take about one year to settle.

The Texas Motor Vehicle Safety Responsibility Act requires that every non-governmental vehicle operated on a State highway be insured for minimum limits of liability in the amount of \$30,000 per injured person, up to a total of \$60,000 for everyone injured in an accident (bodily injury) and \$25,000 for property damage. However, through the SORM Auto Insurance Program the University has chosen to carry liability insurance on its licensed vehicles in the amount of \$250,000/\$500,000/\$100,000. For fiscal year 2021, the auto insurance program covered liability for motorized utility vehicles, physical damage for all vehicles eleven years and newer, and liability and comprehensive coverage for the athletic courtesy cars. The annual premium was \$118,329.96.

Torts and Other Risks: The University is exposed to a variety of civil claims resulting from the performance of its duties. The University has purchased commercial insurance to mitigate this risk.

Claims and Judgments: Changes in the balances of the University's claims liabilities for 2021 are noted in the table below:

| | | Beginning Balance | Increases | Decreases | Ending Balance |
|------|--------------------|-------------------|-----------|-----------|----------------|
| 2021 | Claims & Judgments | - | - | - | - |

NOTE 18: Management's Discussion and Analysis (MD&A)

See *Management's Discussion and Analysis* at the beginning of this financial report.

NOTE 19: The Financial Reporting Entity

The University is an agency of the State of Texas. The ten members of its Board of Regents are appointed by the Governor, and include one non-voting student Regent. The University has no component units or joint ventures.

NOTE 20: Stewardship, Compliance and Accountability

Note 1, *Summary of Significant Accounting Policies*, discusses the generally accepted accounting principles upon which the financial statements are based and addresses any changes in accounting principles. The University had no material violations of finance-related legal or contractual provisions. Per the laws of the State of Texas, the University cannot spend amounts in excess of appropriations granted by the Texas Legislature. There are no deficits reported in Net Position.

Effect of Coronavirus (COVID-19) Response on the University Financial Statements

By the beginning of the 2020-21 fiscal year, the Pandemic was in full swing and many programs and services suffered. In response to these losses sustained by all colleges and universities, the federal government responded with funding in multiple phases. The University participated in most of this funding to replace lost program funding, reimbursement of refunds issued to students, and reimbursement for expenses related to upgrading classroom technology and safety related to the virus-prevention.

The following is a summary of the funds received and spent during the 2021 fiscal year::

- Coronavirus Aid, Relief and Economic Security (CARES) Act
 1. Student Financial Aid \$5,262,530.00
 2. Lost Revenue in Auxiliary Services \$728,270.00

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- 3. Refunds issued to students \$5,589,261.55
- 4. Classroom Upgrades \$1,364,781.43
- 5. Indirect Cost Recovery \$68,657.60
- CARES Act for the Higher Education Emergency Relief Fund (HEERF)
 - 1. Student Financial Aid \$5,262,539.00
 - 2. Lost Revenue in Auxiliary Services and other revenues \$7,525,856.30
 - 3. Governor's General Revenue reduction \$3,265,855.44
 - 4. Indirect Cost Recovery \$1,079,171.18
- American Recovery Program (ARP)
 - 1. Student Financial Aid \$15,344,767.00
 - 2. Lost revenue in Auxiliary Services and other revenue \$10,014,417.24
 - 3. Indirect Cost Recovery \$1,355,599.64
 - 4. COVID related sick leave \$982,421.57
 - 5. Governor's Revenue reduction \$1,632,927.50
 - 6. COVID response expenditures \$554,138.56
 - 7. Formula funding decrease \$372,911.50

These provided budgetary relief to higher education institutions through numerous provisions. They also provided economic grants to offset some additional expenses and forgone revenue.

NOTE 21: Not Applicable

NOTE 22: Donor Restricted Endowments

The University endowments are invested to maximize returns yet preserve principal. The long-term objective of maintaining the purchasing power of the endowments coupled with the goal of providing a reasonable, predictable, stable and sustainable level of income to support current needs guide the management of these funds. Distributions from the earnings and cumulative net appreciation are made annually to fund scholarships, professorships, and for other uses as stipulated by the donors. The Vice President for Finance and Administration reviews the total return on current year investing activities for endowment accounts and recommends an annual distribution. The distribution to spending accounts was 3.52% for 2021.

The following tables presents the amount of net appreciation for donor restricted true endowments for fiscal year 2021 and the changes from the prior year amounts for expendable and non-expendable balances:

| Donor Restricted Endowments | Amounts of Cumulative Net Appreciation | Reported in Net Position |
|-----------------------------|--|---------------------------|
| True Endowments | \$5,698,901.35 | Restricted for Expendable |
| Term Endowments | \$14,031.22 | Restricted for Expendable |
| Total | \$5,712,932.57 | Restricted for Expendable |

| Endowment Funds | Increase/(Decrease) | Reason for Change |
|--------------------------------|---------------------|----------------------------------|
| Expendable Balances | | |
| True Endowments | \$1,869,473.05 | Fair value increase in portfolio |
| Term Endowments | \$6,002.24 | Fair value increase in portfolio |
| Non-Expendable Balances | | |
| True Endowments | \$23,478.00 | Donor gifts and bequests |
| Term Endowments | - | |

NOTE 23: Extraordinary and Special Items - Not Applicable

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 Notes to the Financial Statements
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NOTE 24: Disaggregation of Receivable and Payable Balances

Accounts Receivables

The components of Current Accounts Receivable, as reported in the Statement of Net Position, are as follows:

| Accounts Receivable Category | Current Amount |
|--|------------------------|
| 3 rd Party Contracts for Student Payments | \$ 2,135,089.36 |
| Travel Advances | 19,597.48 |
| Departmental Receivables | 315,245.11 |
| Food Services | 98,598.53 |
| Other Receivables | 3,123.05 |
| Total | \$ 2,571,653.53 |

Of these amounts, none are considered significant and the University expects to collect all within the next fiscal year.

Accounts Payables

The components of Current Accounts Payable, as reported in the Statement of Net Position, are as follows:

| Accounts Payable Category | Current Amount |
|---------------------------|------------------------|
| Construction Payables | \$ 3,329,104.38 |
| Procurement Card Payables | 299,734.85 |
| Travel and Fuel | 8,510.46 |
| Food Service | 236,642.77 |
| Restricted Payables | 699,279.78 |
| Software | 100,000.00 |
| Utility Payables | 203,901.08 |
| Payables for Supplies | 1,802,854.17 |
| Payables for Services | 89,069.53 |
| VSIP Payable | 853,853.42 |
| Miscellaneous Payables | 54,390.11 |
| Total | \$ 7,677,340.55 |

NOTE 25: Termination Benefits - Not Applicable

NOTE 26: Segment Information - Not Applicable

NOTE 27: Service Concession Arrangements – Not Applicable

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

In accordance with GASB 68 and 75, all public entities, including state universities are required to report its proportionate share of the net pension liability and the OPEB liability in the financial statements, along with associated deferred inflows, deferred outflows and pension and OPEB expense or revenue.

| Business-Type Activities | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--------------------------|--------------------------------|-------------------------------|
| TRS Pension | \$ 24,658,538.00 | \$ 16,580,190.00 |
| ERS OPEB | 74,013,181.00 | 39,251,278.00 |
| Total | \$ 98,671,719.00 | \$ 55,831,468.00 |

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NOTE 29: Troubled Debt Restructuring – Not Applicable

NOTE 30: Non-Exchange Financial Guarantees – Not Applicable

NOTE 31: Tax Abatements – Not Applicable

NOTE 32: Governmental Fund Balances – Not Applicable

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 Schedule 1A-Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2021

| Federal Grantor/ Pass-Through Grantor/ Program Title | CFDA Number | NSE Name/ Identifying Number | Pass-through From | | |
|---|----------------|--|---------------------|---------------------------------------|---------------------------------|
| | | | Agy/ Univ No. | Agencies or Universities Amount | Non-State Entities Amount |
| Corporation for National and Community Service | | | | | |
| <u>Direct Programs:</u> | | | | | |
| Martin Luther King Jr Day of Service Grants | 94.014 | | | | |
| Totals - Corporation for National and Community Service | | | | 0.00 | 0.00 |
| Institute of Museum and Library Services | | | | | |
| <u>Pass-Through From:</u> | | | | | |
| Grants to States | 45.310 | | | | |
| <u>Pass-Through From:</u> Texas State Library and Archives Commission | | | 306 | 798.10 | |
| Totals - Institute of Museum and Library Services | | | | 798.10 | 0.00 |
| U.S. Department of Agriculture | | | | | |
| <u>Pass-Through From:</u> | | | | | |
| Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA) | 10.326 | | | | |
| <u>Pass-Through From:</u> Sam Houston State University | | | 753 | 18,917.35 | |
| Totals - U.S. Department of Agriculture | | | | 18,917.35 | 0.00 |
| U.S. Department of Education | | | | | |
| <u>Direct Programs</u> | | | | | |
| Rehabilitation Long-Term Training | 84.129 | | | | |
| COVID-19 - Higher Education Emergency Relief Fund (HEERF) Student Aid Portion | 84.425E | | | | |
| COVID-19 - Higher Education Emergency Relief Fund (HEERF) Institutional Portion | 84.425F | | | | |
| COVID-19 - HEERF Strengthening Institutions Program (SIP) | 84.425M | | | | |
| <u>Pass-Through From:</u> | | | | | |
| COVID-19 - Governors Emergency Education Relief (GEER) Fund | 84.425C | | | | |
| <u>Pass-Through From:</u> Texas Higher Education Coordinating Board | | | 781 | 1,926,071.00 | |
| Totals - U.S. Department of Education | | | | 1,926,071.00 | 0.00 |
| U.S. Department of Health and Human Services | | | | | |
| <u>Pass-Through From:</u> | | | | | |
| Temporary Assistance for Needy Families | 93.558 | | | | |
| <u>Pass-Through From:</u> Texas Workforce Commission | | | 320 | 99,738.12 | |
| Totals - U.S. Department of Health & Human Services | | | | 99,738.12 | 0.00 |
| U.S. Department of Justice | | | | | |
| <u>Direct Programs:</u> | | | | | |
| Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus | 16.525 | | | | |
| Totals - U.S. Department of Justice | | | | 0.00 | 0.00 |
| U.S. Department of State | | | | | |
| Adademic Exchange Programs - Undergraduate Programs | 19.009 | International Research & Exchanges Board/FY21-TUNISIAUGRAD-001 | | | 80,229.30 |
| Totals - U.S. Department of State | | | | 0.00 | 80,229.30 |
| Research & Development Cluster | | | | | |
| Environmental Protection Agency | | | | | |
| <u>Pass-Through From:</u> | | | | | |
| Nonpoint Source Implementation Grants | 66.460 | | | | |
| <u>Pass-Through From:</u> Texas A&M AgriLife Extension Service | | | 555 | 16,617.47 | |
| Totals - Environmental Protection Agency | | | | 16,617.47 | 0.00 |

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| Direct Program Amount | Total PT From & Direct Program Amount | Pass-through To | | | Expenditures Amount | Total PT To & Expenditures Amount |
|-----------------------------|---|---------------------|---------------------------------------|---------------------------------|------------------------|---|
| | | Agy/ Univ No. | Agencies or Universities Amount | Non-State Entities Amount | | |
| 4,019.89 | 4,019.89 | | | 4,019.89 | 4,019.89 | |
| <u>4,019.89</u> | <u>4,019.89</u> | <u>0.00</u> | <u>0.00</u> | <u>4,019.89</u> | <u>4,019.89</u> | |
| | 798.10 | | | 798.10 | 798.10 | |
| <u>0.00</u> | <u>798.10</u> | <u>0.00</u> | <u>0.00</u> | <u>798.10</u> | <u>798.10</u> | |
| | 18,917.35 | | | 18,917.35 | 18,917.35 | |
| <u>0.00</u> | <u>18,917.35</u> | <u>0.00</u> | <u>0.00</u> | <u>18,917.35</u> | <u>18,917.35</u> | |
| 8,364.00 | 8,364.00 | | | 8,364.00 | 8,364.00 | |
| 20,472,731.00 | 20,472,731.00 | | | 20,472,731.00 | 20,472,731.00 | |
| 26,012,873.06 | 26,012,873.06 | | | 26,012,873.06 | 26,012,873.06 | |
| 2,057,419.00 | 2,057,419.00 | | | 2,057,419.00 | 2,057,419.00 | |
| | 1,926,071.00 | | | 1,926,071.00 | 1,926,071.00 | |
| <u>48,551,387.06</u> | <u>50,477,458.06</u> | <u>0.00</u> | <u>0.00</u> | <u>50,477,458.06</u> | <u>50,477,458.06</u> | |
| | 99,738.12 | | | 99,738.12 | 99,738.12 | |
| <u>0.00</u> | <u>99,738.12</u> | <u>0.00</u> | <u>0.00</u> | <u>99,738.12</u> | <u>99,738.12</u> | |
| 43,518.25 | 43,518.25 | | | 43,518.25 | 43,518.25 | |
| <u>43,518.25</u> | <u>43,518.25</u> | <u>0.00</u> | <u>0.00</u> | <u>43,518.25</u> | <u>43,518.25</u> | |
| | 80,229.30 | | | 80,229.30 | 80,229.30 | |
| <u>0.00</u> | <u>80,229.30</u> | <u>0.00</u> | <u>0.00</u> | <u>80,229.30</u> | <u>80,229.30</u> | |
| | 16,617.47 | | | 16,617.47 | 16,617.47 | |
| <u>0.00</u> | <u>16,617.47</u> | <u>0.00</u> | <u>0.00</u> | <u>16,617.47</u> | <u>16,617.47</u> | |

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 Schedule 1A-Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2021

| Federal Grantor/ Pass-Through Grantor/ Program Title | CFDA Number | NSE Name/ Identifying Number | Pass-through From | | |
|--|----------------|---|---------------------|---------------------------------------|---------------------------------|
| | | | Agy/ Univ No. | Agencies or Universities Amount | Non-State Entities Amount |
| National Science Foundation | | | | | |
| <u>Direct Programs:</u> | | | | | |
| Mathematical and Physical Sciences | 47.049 | | | | |
| Education and Human Resources | 47.076 | | | | |
| Totals - National Science Foundation | | | | 0.00 | 0.00 |
| U.S. Department of the Interior | | | | | |
| NFWF-USFWS Conservation Partnership | 15.663 | National Fish and Wildlife Foundation/ 1907 20 067912 | | | 28,330.60 |
| <u>Direct Programs:</u> | | | | | |
| Cooperative Research and Training Programs - Resources of the National Park System | 15.945 | | | | |
| <u>Pass-Through From:</u> | | | | | |
| State Wildlife Grants | 15.634 | | | | |
| Pass-Through From: Parks and Wildlife Department | | | 802 | 88,323.23 | |
| Totals - U.S. Department of the Interior | | | | 88,323.23 | 28,330.60 |
| U.S. Department of Agriculture | | | | | |
| Specialty Crop Block Grant Program - Farm Bill | 10.170 | Nacogdoches Economic Development Corporation/SC-1819-26 | | | 343.27 |
| | | Nacogdoches Economic Development Corporation/SC-1920-52 | | | 46,325.20 |
| Cooperative Forestry Assistance | 10.664 | United State Endowment For Forestry and Communities, Inc./207111 | | | 100.00 |
| <u>Direct Programs:</u> | | | | | |
| Cooperative Forestry Research | 10.202 | | | | |
| Forestry Research | 10.652 | | | | |
| Environmental Quality Incentives Program | 10.912 | | | | |
| Totals - U. S. Department of Agriculture | | | | 0.00 | 46,768.47 |
| U.S. Department of Health and Human Services | | | | | |
| Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement | 93.912 | Alcohol and Drug Abuse Council of Deep East Texas/206781 | | | 27,696.64 |
| | | Texas Health Institute/ G25RH40062 | | | 62,429.68 |
| Totals - U.S. Department of Health and Human Services | | | | 0.00 | 90,126.32 |
| SPECIAL EDUCATION (IDEA) Cluster | | | | | |
| U.S. Department of Education | | | | | |
| <u>Pass-Through From:</u> | | | | | |
| Special Education Grants to States | 84.027A | | | | |
| Pass-Through From: Texas Education Agency | | | 701 | 32,343.84 | |
| Special Education Grants to States | 84.027A | | | | |
| Pass-Through From: Texas School for the Blind & Visually Impaired | | | 771 | 449,986.20 | |
| Totals - U.S. Department of Education | | | | 482,330.04 | 0.00 |
| Student Financial Assistance Cluster | | | | | |
| U.S. Department of Education | | | | | |
| <u>Direct Programs:</u> | | | | | |
| Federal Supplemental Educational Opportunity Grants | 84.007 | | | | |
| Federal Work-Study Program | 84.033 | | | | |
| Federal Pell Grant Program | 84.063 | | | | |
| Federal Direct Student Loans | 84.268 | | | | |
| Teacher Education Assistance for College and Higher Education Grants (TEACH Grants) | 84.379T | | | | |
| Totals - U.S. Department of Education | | | | 0.00 | 0.00 |
| Total Expenditures of Federal Awards | | | | \$ 2,632,795.31 | \$ 245,454.69 |

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| Direct Program Amount | Total PT From & Direct Program Amount | Pass-through To | | | Expenditures Amount | Total PT To & Expenditures Amount |
|-----------------------------|---|---------------------|---------------------------------------|---------------------------------|------------------------|---|
| | | Agy/ Univ No. | Agencies or Universities Amount | Non-State Entities Amount | | |
| 16,928.44 | 16,928.44 | | | | 16,928.44 | |
| 224,146.41 | 224,146.41 | | | | 224,146.41 | |
| <u>241,074.85</u> | <u>241,074.85</u> | | <u>0.00</u> | <u>0.00</u> | <u>241,074.85</u> | |
| | 28,330.60 | | | 28,330.60 | 28,330.60 | |
| 32,715.28 | 32,715.28 | | | 32,715.28 | 32,715.28 | |
| | 88,323.23 | | | 88,323.23 | 88,323.23 | |
| <u>32,715.28</u> | <u>149,369.11</u> | | <u>0.00</u> | <u>0.00</u> | <u>149,369.11</u> | |
| | 343.27 | | | 343.27 | 343.27 | |
| | 46,325.20 | | | 46,325.20 | 46,325.20 | |
| | 100.00 | | | 100.00 | 100.00 | |
| 455,123.41 | 455,123.41 | | | 455,123.41 | 455,123.41 | |
| 19,654.73 | 19,654.73 | | | 19,654.73 | 19,654.73 | |
| 62,219.33 | 62,219.33 | | | 62,219.33 | 62,219.33 | |
| <u>536,997.47</u> | <u>583,765.94</u> | | <u>0.00</u> | <u>0.00</u> | <u>583,765.94</u> | |
| | 27,696.64 | | | 27,696.64 | 27,696.64 | |
| | 62,429.68 | | | 62,429.68 | 62,429.68 | |
| <u>0.00</u> | <u>90,126.32</u> | | <u>0.00</u> | <u>0.00</u> | <u>90,126.32</u> | |
| | 32,343.84 | | | 32,343.84 | 32,343.84 | |
| | 449,986.20 | | | 449,986.20 | 449,986.20 | |
| <u>0.00</u> | <u>482,330.04</u> | | <u>0.00</u> | <u>0.00</u> | <u>482,330.04</u> | |
| 498,977.00 | 498,977.00 | | | 498,977.00 | 498,977.00 | |
| 453,332.19 | 453,332.19 | | | 453,332.19 | 453,332.19 | |
| 20,970,664.00 | 20,970,664.00 | | | 20,970,664.00 | 20,970,664.00 | |
| 54,561,517.00 | 54,561,517.00 | | | 54,561,517.00 | 54,561,517.00 | |
| 279,708.00 | 279,708.00 | | | 279,708.00 | 279,708.00 | |
| <u>76,764,198.19</u> | <u>76,764,198.19</u> | | <u>0.00</u> | <u>0.00</u> | <u>76,764,198.19</u> | |
| <u>126,173,910.99</u> | <u>\$ 129,052,160.99</u> | <u>\$ 0.00</u> | <u>\$ 0.00</u> | <u>\$ 129,052,160.99</u> | <u>129,052,160.99</u> | |

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Schedule 1A-Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2021

Note 1: Non-Monetary Assistance - N/A

Note 2: Reconciliation

Below is a reconciliation of the total of federal pass through and federal expenditures as reported on the Schedule of Federal Financial Assistance to the total of federal revenues and federal grant pass-through revenues as reported in the general-purpose financial statements. Generally, federal funds are not earned until expended; therefore, federal revenues equal federal expenditures for the reporting period.

Per Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds; and Combined Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds; and Combined Statement of Changes in Fiduciary Net Assets:

| | | |
|--|----------------|-------------------------|
| Federal Revenue | | |
| Operating | \$1,565,476.62 | |
| Non-Operating | 70,292,372.06 | |
| Total Federal Revenue | | \$71,857,848.68 |
| Federal Pass-Through Revenue | | |
| Operating | 2,632,795.31 | |
| Total Federal Pass-Through Revenue | | 2,632,795.31 |
| Total Federal Revenue and Federal Pass-Through Revenue | | 74,490,643.99 |
| Reconciliation Items: | | |
| Non-monetary Items: | | |
| -- | | |
| Total Non-monetary Items | | \$0.00 |
| New Loans Processed: (Amounts are from Note 3a) | | |
| Federal Direct Student Loans (Direct Loans) | 84.268 | \$54,561,517.00 |
| Total New Loans Processed | | \$54,561,517.00 |
| Total reconciliation Items: | | \$54,561,517.00 |
| Total per Note 2: | | \$129,052,160.99 |
| Total Pass-Through and Expenditures per Federal Schedule: | | \$129,052,160.99 |
| Difference: | | \$0.00 |

Note 3a: Student Loans Processed and Administrative Cost Recovered FY2021

| Program Name / CFDA Number | Beginning Balance of Outstanding Loans as of 8/31/20 | New Loans Processed, does not include Admin Cost Recovered | *CY Admin Cost Recovered, PY's only if applicable | Total Loans Processed and Admin Cost Recovered | Repayment/ Adjustment (PY+CY) | **Outstanding Balance of Loans as of 8/31/2021 Includes all FYs |
|---|--|--|---|--|-------------------------------|---|
| Department of Education 84.038 Federal Perkins Loans | \$ 2,764,453.51 | \$ - | \$ - | \$ - | \$ 425,475.91 | \$ 2,338,977.60 |
| Department of Education 84.268 Federal Direct Student Loans (Direct Loans) | | 54,561,517.00 | | 54,561,517.00 | 60,686,013.00 | - |
| Total Department of Education | \$ 2,764,453.51 | \$ 54,561,517.00 | \$ - | \$ 54,561,517.00 | \$ 61,111,488.91 | \$ 2,338,977.60 |

* Administrative Cost Recovered includes administration cost and any interest subsidy related to student loans processed.
 ** Confirmed on Servicer Report

Note 3b: Federally Funded Loans Processed and Administrative Cost Recovered FY2019 - N/A

Note 4: Depository Libraries for Government Publications - Agencies are no longer required to submit.

Note 5: Unemployment Insurance Funds - N/A

Note 6: Rebates for the Special Supplemental Food Program for Women, Infants and Children (WIC) - N/A

Note 7: Federal Deferred Revenue - Universities are exempt from Note 7

Note 8: Disaster Grants - Public Assistance (Presidentially Declared Disasters) (CFDA 97.036) Not applicable. Our agency did not receive FEMA approval this current reporting fiscal year for eligible expenditures incurred in previous reporting fiscal year.

Note 9: Economic Adjustment Assistance (CFDA 11.307) - Not applicable. Our agency does not have any Revolving Loan Funds related to the Economic Adjustment Assistance program.

Note 10: 10% de Minimis Indirect Cost Rate - Our agency does not elect to use the 10 percent de minimis indirect cost rate.

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY (755)
 Schedule 1B
 Schedule of State Grant Pass-Throughs From/To State Agencies
 For The Year Ended August 31, 2021

| Pass Through From: | Grant ID | Agency Number | Amount |
|---|----------|---------------|--------------------------------|
| Fifth Year Accounting Student Scholarship Program | 457.0001 | | \$ 12,841.00 |
| Texas State Board of Public Accountancy | | 457 | <u>12,841.00</u> |
| M1902807-Attoyac Bayou Watershed Protection Plan Implementation Effectiveness Monitoring and Facilitation Continuation | 556.0028 | | \$ 49,197.81 |
| Texas A&M Agrilife Research | | 556 | <u>49,197.81</u> |
| Available School Fund - Per Capita | 701.0007 | | 121,041.00 |
| Texas Education Agency | | 701 | <u>121,041.00</u> |
| Foundation School Program (FSP)-Formula | 701.0015 | | 2,084,985.00 |
| Texas Education Agency | | 701 | <u>2,084,985.00</u> |
| Award Student Achievement and Ed Excellence | 701.0047 | | 8,998.04 |
| Texas Education Agency | | 701 | <u>8,998.04</u> |
| Instructional Materials Allotment | 701.0048 | | 19,510.45 |
| Texas Education Agency | | 701 | <u>19,510.45</u> |
| Senate Bill 500 Sec. 30C (pg. 16) 86th Leg. Session 2020-2021 | 701.0047 | | 824.00 |
| Texas Education Agency | | 701 | <u>824.00</u> |
| ADDITIONAL SCHOOL SAFETY - SB500-SC32 | 701.0059 | | 510.00 |
| Texas Education Agency | | 701 | <u>510.00</u> |
| Joint Admission Medical Program (JAMP) | 720.0002 | | 26,962.28 |
| University of Texas System | | 720 | <u>26,962.28</u> |
| TEXAS Grant Program | 781.0008 | | 9,172,746.00 |
| Texas Higher Education Coordinating Board | | 781 | <u>9,172,746.00</u> |
| Professional Nursing Shortage Reduction Program | 781.0013 | | 78,209.83 |
| Texas Higher Education Coordinating Board | | 781 | <u>78,209.83</u> |
| College Work Study Program | 781.0023 | | 29,094.49 |
| Texas Higher Education Coordinating Board | | 781 | <u>29,094.49</u> |
| Work Study Mentorship Program | 781.0029 | | 23,827.37 |
| Texas Higher Education Coordinating Board | | 781 | <u>23,827.37</u> |
| Developmental Education Program | 781.0040 | | 19,191.94 |
| Texas Higher Education Coordinating Board | | 781 | <u>19,191.94</u> |
| 521411 Nacogdoches Naturally | 802.0172 | | (627.00) |
| Parks and Wildlife Department | | 802 | <u>(627.00)</u> |
| 531442 Assessing pathways of introduction of non-native fishes (Sheepshead minnow & Gulf Killifish) in Texas streams | 802.0178 | | 43,785.46 |
| Parks and Wildlife Department | | 802 | <u>43,785.46</u> |
| 531961 Assessing the population status of Brazos river Watersnakes | 802.0179 | | 3,314.12 |
| Parks and Wildlife Department | | 802 | <u>3,314.12</u> |
| CA-0001069 Reptriation of Illegally Collected Alligator Snapping Turtles (AST) Bank Into Texas Waters | 802.0188 | | 45,000.00 |
| Parks and Wildlife Department | | 813 | <u>45,000.00</u> |
| CA-0001060 Texas State Parks Visitor Market Analysis | 802.0197 | | 6,658.85 |
| Parks and Wildlife Department | | 813 | <u>6,658.85</u> |
| Total Operating Pass-Through From Other Agencies | | | <u><u>\$ 11,746,070.64</u></u> |
| | | | |
| Pass Through To | Grant ID | Agency Number | Amount |
| Total Pass-Through to Other Agencies | | | <u><u>\$ -</u></u> |

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UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Schedule 2A - Miscellaneous Bond Information
 For the Fiscal Year Ended August 31, 2021

| Description of Issue | Bonds Issued to Date | Range of Interest Rates | | Scheduled Maturities | | First Call Date | Final Maturity |
|---|--------------------------|-------------------------|-------|----------------------|-----------|-----------------|----------------|
| | | | | First Year | Last Year | | |
| Business-Type Activities | | | | | | | |
| Revenue Bonds - Self Supporting | | | | | | | |
| Rev Fin Sys Bonds Ser '10 | \$ 35,035,000.00 | 2.000 | 5.000 | 2010 | 2029 | 10/15/2020 | 10/15/2029 |
| Rev Fin Sys Bonds Ser '13 | 15,610,000.00 | 1.000 | 5.000 | 2014 | 2024 | n/a | 10/15/2024 |
| Rev Fin Sys Bonds Ser '16 | 61,205,000.00 | 4.000 | 5.000 | 2017 | 2036 | 10/15/2026 | 10/15/2036 |
| Rev Fin Sys Bonds Ser '19A | 94,290,000.00 | 4.000 | 5.000 | 2019 | 2048 | 10/15/2028 | 10/15/2048 |
| Rev Fin Sys Bonds Ser '19B | 15,925,000.00 | 2.873 | 4.192 | 2019 | 2048 | n/a | 10/15/2035 |
| Rev Fin Sys Bonds Ser '20 | 15,935,000.00 | 5.000 | 5.000 | 2022 | 2029 | n/a | 10/16/2029 |
| | <u>238,000,000.00</u> | | | | | | |
| Revenue Bonds - Direct Placement | | | | | | | |
| Rev Fin Sys Bonds Ser '15 | 48,410,000.00 | 2.010 | 2.010 | 2015 | 2025 | n/a | 10/15/2025 |
| | <u>48,410,000.00</u> | | | | | | |
| Total Revenue Bonds | <u>286,410,000.00</u> | | | | | | |
| Grand Total of Bonds | <u>\$ 286,410,000.00</u> | | | | | | |

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 2B-Changes in Bonded Indebtedness
For the Fiscal Year Ended August 31, 2021

| <u>Description of Issue</u> | <u>Bonds Outstanding 9/1/20</u> | <u>Bonds Issued</u> | <u>Bonds Matured or Retired</u> | <u>Bonds Refunded or Extinguished</u> | <u>Bonds Outstanding 8/31/21</u> |
|---|-------------------------------------|-------------------------|---------------------------------|---|----------------------------------|
| Business-Type Activities | | | | | |
| Revenue Bonds - Self Supporting | | | | | |
| Rev Fin Sys Bonds Ser '10 | \$ 20,840,000.00 | \$ - | \$ 1,675,000.00 | \$ 19,165,000.00 | \$ - |
| Rev Fin Sys Bonds Ser '20 | - | 15,935,000.00 | - | - | 15,935,000.00 |
| Rev Fin Sys Bonds Ser '13 | 9,880,000.00 | - | 2,350,000.00 | - | 7,530,000.00 |
| Rev Fin Sys Bonds Ser '16 | 51,205,000.00 | - | 3,045,000.00 | - | 48,160,000.00 |
| Rev Fin Sys Bonds Ser '19A | 93,790,000.00 | - | 1,160,000.00 | - | 92,630,000.00 |
| Rev Fin Sys Bonds Ser '19B | 15,500,000.00 | - | 745,000.00 | - | 14,755,000.00 |
| | <u>191,215,000.00</u> | <u>15,935,000.00</u> | <u>8,975,000.00</u> | <u>19,165,000.00</u> | <u>179,010,000.00</u> |
| Revenue Bonds - Direct Placement | | | | | |
| Rev Fin Sys Bonds Ser '15 | 29,815,000.00 | - | 4,720,000.00 | - | 25,095,000.00 |
| | <u>29,815,000.00</u> | <u>-</u> | <u>4,720,000.00</u> | <u>-</u> | <u>25,095,000.00</u> |
| Total Revenue Bonds | <u>221,030,000.00</u> | <u>15,935,000.00</u> | <u>13,695,000.00</u> | <u>19,165,000.00</u> | <u>204,105,000.00</u> |
| Grand Total | <u>\$ 221,030,000.00</u> | <u>\$ 15,935,000.00</u> | <u>\$ 13,695,000.00</u> | <u>\$ 19,165,000.00</u> | <u>\$ 204,105,000.00</u> |

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 2B-Changes in Bonded Indebtedness
For the Fiscal Year Ended August 31, 2021

| Description of Issue | Unamortized Premium | Unamortized Discount | Other Adjustments | Net Bonds Outstanding 8/31/21 | Amounts Due Within One Year |
|---|---------------------|----------------------|-------------------|----------------------------------|--------------------------------|
| Business-Type Activities | | | | | |
| Revenue Bonds - Self Supporting | | | | | |
| Rev Fin Sys Bonds Ser '10 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Rev Fin Sys Bonds Ser '20 | 3,275,407.56 | | | 19,210,407.56 | 605,040.70 |
| Rev Fin Sys Bonds Ser '13 | 401,669.85 | - | | 7,931,669.85 | 2,584,762.81 |
| Rev Fin Sys Bonds Ser '16 | 6,046,310.85 | - | - | 54,206,310.85 | 4,145,124.07 |
| Rev Fin Sys Bonds Ser '19A | 5,169,149.84 | (175,479.43) | - | 97,623,670.41 | 1,699,113.65 |
| Rev Fin Sys Bonds Ser '19B | - | - | - | 14,755,000.00 | 770,000.00 |
| | 14,892,538.10 | (175,479.43) | - | 193,727,058.67 | 9,804,041.23 |
| Revenue Bonds - Direct Placement | | | | | |
| Rev Fin Sys Bonds Ser '15 | - | - | - | 25,095,000.00 | 4,820,000.00 |
| | - | - | - | 25,095,000.00 | 4,820,000.00 |
| Total Revenue Bonds | 14,892,538.10 | (175,479.43) | - | 218,822,058.67 | 14,624,041.23 |
| Grand Total | \$ 14,892,538.10 | \$ (175,479.43) | \$ - | \$ 218,822,058.67 | \$ 14,624,041.23 |

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 2C - Debt Service Requirements
For the Fiscal Year Ended August 31, 2021

| Description of Issue | FY | Principal | Interest | Total |
|--|-----------|--------------------------|-------------------------|--------------------------|
| Business-Type Activities | | | | |
| Revenue Bonds - Self Supporting | | | | |
| Rev Fin Sys Bonds Ser '20 | 2022 | \$ - | \$ 796,750.00 | \$ 796,750.00 |
| Rev Fin Sys Bonds Ser '20 | 2023 | 705,000.00 | 779,125.00 | 1,484,125.00 |
| Rev Fin Sys Bonds Ser '20 | 2024 | 1,865,000.00 | 714,875.00 | 2,579,875.00 |
| Rev Fin Sys Bonds Ser '20 | 2025 | 1,960,000.00 | 619,250.00 | 2,579,250.00 |
| Rev Fin Sys Bonds Ser '20 | 2026 | 2,060,000.00 | 518,750.00 | 2,578,750.00 |
| Rev Fin Sys Bonds Ser '20 | 2027-2030 | 9,345,000.00 | 963,625.00 | 10,308,625.00 |
| | | <u>15,935,000.00</u> | <u>4,392,375.00</u> | <u>20,327,375.00</u> |
| Rev Fin Sys Bonds Ser '13 | 2022 | 2,470,000.00 | 292,687.50 | 2,762,687.50 |
| Rev Fin Sys Bonds Ser '13 | 2023 | 1,605,000.00 | 190,812.50 | 1,795,812.50 |
| Rev Fin Sys Bonds Ser '13 | 2024 | 1,690,000.00 | 108,437.50 | 1,798,437.50 |
| Rev Fin Sys Bonds Ser '13 | 2025 | 1,765,000.00 | 33,093.75 | 1,798,093.75 |
| | | <u>7,530,000.00</u> | <u>625,031.25</u> | <u>8,155,031.25</u> |
| Rev Fin Sys Bonds Ser '16 | 2022 | 3,165,000.00 | 2,218,800.00 | 5,383,800.00 |
| Rev Fin Sys Bonds Ser '16 | 2023 | 3,310,000.00 | 2,072,750.00 | 5,382,750.00 |
| Rev Fin Sys Bonds Ser '16 | 2024 | 3,480,000.00 | 1,903,000.00 | 5,383,000.00 |
| Rev Fin Sys Bonds Ser '16 | 2025 | 3,665,000.00 | 1,724,375.00 | 5,389,375.00 |
| Rev Fin Sys Bonds Ser '16 | 2026 | 3,850,000.00 | 1,536,500.00 | 5,386,500.00 |
| Rev Fin Sys Bonds Ser '16 | 2027-2031 | 15,785,000.00 | 4,933,750.00 | 20,718,750.00 |
| Rev Fin Sys Bonds Ser '16 | 2032-2036 | 12,120,000.00 | 2,082,875.00 | 14,202,875.00 |
| Rev Fin Sys Bonds Ser '16 | 2037 | 2,785,000.00 | 55,700.00 | 2,840,700.00 |
| | | <u>48,160,000.00</u> | <u>16,527,750.00</u> | <u>64,687,750.00</u> |
| Rev Fin Sys Bonds Ser '19A | 2022 | 1,215,000.00 | 4,080,225.00 | 5,295,225.00 |
| Rev Fin Sys Bonds Ser '19A | 2023 | 1,275,000.00 | 4,017,975.00 | 5,292,975.00 |
| Rev Fin Sys Bonds Ser '19A | 2024 | 1,345,000.00 | 3,952,475.00 | 5,297,475.00 |
| Rev Fin Sys Bonds Ser '19A | 2025 | 1,410,000.00 | 3,883,600.00 | 5,293,600.00 |
| Rev Fin Sys Bonds Ser '19A | 2026 | 1,490,000.00 | 3,811,100.00 | 5,301,100.00 |
| Rev Fin Sys Bonds Ser '19A | 2027-2031 | 8,645,000.00 | 17,831,875.00 | 26,476,875.00 |
| Rev Fin Sys Bonds Ser '19A | 2032-2036 | 11,180,000.00 | 15,421,400.00 | 26,601,400.00 |
| Rev Fin Sys Bonds Ser '19A | 2037-2041 | 20,970,000.00 | 12,043,175.00 | 33,013,175.00 |
| Rev Fin Sys Bonds Ser '19A | 2042-2046 | 26,435,000.00 | 6,567,975.00 | 33,002,975.00 |
| Rev Fin Sys Bonds Ser '19A | 2047-2049 | 18,665,000.00 | 1,140,100.00 | 19,805,100.00 |
| | | <u>92,630,000.00</u> | <u>72,749,900.00</u> | <u>165,379,900.00</u> |
| Rev Fin Sys Bonds Ser '19B | 2022 | 770,000.00 | 538,091.60 | 1,308,091.60 |
| Rev Fin Sys Bonds Ser '19B | 2023 | 790,000.00 | 514,537.35 | 1,304,537.35 |
| Rev Fin Sys Bonds Ser '19B | 2024 | 815,000.00 | 489,558.75 | 1,304,558.75 |
| Rev Fin Sys Bonds Ser '19B | 2025 | 845,000.00 | 462,936.90 | 1,307,936.90 |
| Rev Fin Sys Bonds Ser '19B | 2026 | 870,000.00 | 434,382.95 | 1,304,382.95 |
| Rev Fin Sys Bonds Ser '19B | 2027-2031 | 4,865,000.00 | 1,663,832.66 | 6,528,832.66 |
| Rev Fin Sys Bonds Ser '19B | 2032-2036 | 5,800,000.00 | 608,168.74 | 6,408,168.74 |
| | | <u>14,755,000.00</u> | <u>4,711,508.95</u> | <u>19,466,508.95</u> |
| Total Revenue Bonds - Self Supporting | | <u>\$ 179,010,000.00</u> | <u>\$ 99,006,565.20</u> | <u>\$ 278,016,565.20</u> |

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 2C - Debt Service Requirements
For the Fiscal Year Ended August 31, 2021

| <u>Description of Issue</u> | <u>FY</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---|-----------|--------------------------|--------------------------|--------------------------|
| Revenue Bonds - Direct Placement | | | | |
| Rev Fin Sys Bonds Ser '15 | 2022 | 4,820,000.00 | 455,968.50 | 5,275,968.50 |
| Rev Fin Sys Bonds Ser '15 | 2023 | 4,920,000.00 | 358,081.50 | 5,278,081.50 |
| Rev Fin Sys Bonds Ser '15 | 2024 | 5,015,000.00 | 258,234.75 | 5,273,234.75 |
| Rev Fin Sys Bonds Ser '15 | 2025 | 5,120,000.00 | 156,378.00 | 5,276,378.00 |
| Rev Fin Sys Bonds Ser '15 | 2026 | 5,220,000.00 | 52,461.00 | 5,272,461.00 |
| | | <u>25,095,000.00</u> | <u>1,281,123.75</u> | <u>26,376,123.75</u> |
| Total Revenue Bonds - Direct Placement | | <u>25,095,000.00</u> | <u>1,281,123.75</u> | <u>26,376,123.75</u> |
| Total Revenue Bonds | | <u>204,105,000.00</u> | <u>100,287,688.95</u> | <u>304,392,688.95</u> |
| Total Debt Service | | <u>\$ 204,105,000.00</u> | <u>\$ 100,287,688.95</u> | <u>\$ 304,392,688.95</u> |

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY

Agency No. 755

Schedule 2D - Analysis of Funds Available for Debt Service - General Obligation Bonds

For the Fiscal Year Ended August 31, 2021

| Description of Issue | Application of Funds | | Accrual Basis |
|--|----------------------|---------------|---------------|
| | 2021 Principal | 2021 Interest | Int Exp |
| | \$ - | \$ - | \$ - |
| General Obligation Bonds - Not Self-Supporting | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Schedule 2D - Analysis of Funds Available for Debt Service - Revenue Bonds
 For the Fiscal Year Ended August 31, 2021

| Description of Issue | Net Available for Debt Service | | Debt Service | | Accrual Basis | |
|---|---------------------------------|---------------------------------------|-------------------------|------------------------|------------------------|----------------------|
| | Total Pledged and Other Sources | Operating Expenses and Capital Outlay | 2021 Principal | 2021 Interest | Interest Expense | Interest Capitalized |
| Business-Type Activities | | | | | | |
| Revenue Bonds - Self Supporting | | | | | | |
| Rev Fin Sys Bonds Ser '10 | * | * | \$ 1,675,000.00 | \$ 906,131.25 | \$ 861,379.69 | \$ - |
| Rev Fin Sys Bonds Ser '13 | * | * | 2,350,000.00 | 413,187.50 | 350,786.12 | - |
| Rev Fin Sys Bonds Ser '16 | * | * | 3,045,000.00 | 2,343,000.00 | 2,253,375.00 | - |
| Rev Fin Sys Bonds Ser '19A | * | * | 1,160,000.00 | 4,139,600.00 | 3,513,310.82 | - |
| Rev Fin Sys Bonds Ser '19B | * | * | 745,000.00 | 560,391.70 | 434,218.12 | - |
| Rev Fin Sys Bonds Ser '20 | * | * | - | 369,603.47 | - | - |
| Revenue Bonds - Direct Placement | | | | | | |
| Rev Fin Sys Bonds Ser '15 | * | * | 4,720,000.00 | 551,845.50 | 481,369.87 | - |
| | | | <u>\$ 13,695,000.00</u> | <u>\$ 9,283,759.42</u> | <u>\$ 7,894,439.62</u> | <u>\$ -</u> |

Analysis of Pledged and Other Sources:

Pledged Sources:

| | |
|--------------------|---------------------|
| Tuition and Fees | \$ 123,969,582.34 |
| Sales and Services | 26,340,382.75 |
| Other Sources | <u>1,357,935.90</u> |
| Total Revenues | 151,667,900.99 |

| | |
|---|-------------------------|
| Unrestricted Fund Balances | (103,116,332.88) |
| Less State Appropriated Fund Balances with Restrictions | <u>(11,277,793.00)</u> |
| Total Pledged Revenues | <u>\$ 37,273,775.11</u> |

Expenditures associated with operations which generated the pledged revenues

\$ 171,809,679.49

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 2E - Defeased Bonds Outstanding
For the Fiscal Year Ended August 31, 2021

| <u>Description of Issue</u> | <u>Year Refunded</u> | <u>Par Value Outstanding</u> |
|-----------------------------|--------------------------|----------------------------------|
|-----------------------------|--------------------------|----------------------------------|

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY
 Agency No. 755
 Schedule 2F - Current Year Early Extinguishment and Refunding
 For the Fiscal Year Ended August 31, 2021

| Description of Issue | Category | Amount Extinguished or Refunded | Refunding Issue Par Value | For Refunding Only | |
|---|--------------------|---------------------------------------|------------------------------|-------------------------------------|-----------------------|
| | | | | Cash Flow Increase (Decrease) | Economic Gain/Loss |
| Revenue Finance System Bond Series 2010 Refunding | Advanced Refunding | 19,165,000 | 15,935,000 | 2,970,365 | 2,917,064 |

UNAUDITED

STEPHEN F. AUSTIN STATE UNIVERSITY
Agency No. 755
Schedule 3 - Reconciliation of Cash in State Treasury
August 31, 2021

| Cash in State Treasury | <u>Unrestricted</u> | <u>Restricted</u> | Current Year <u>Total</u> |
|--|--------------------------|--------------------|------------------------------|
| Special Mineral Fund 0241 | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| Local Revenue Fund 0261 | 764,907.93 | 0.00 | 764,907.93 |
| Coronavirus Relief Fund | <u>117,452.97</u> | <u>0.00</u> | <u>117,452.97</u> |
| Total Cash in State Treasury (Stmnt of Net Position) | <u>\$ 882,360.90</u> | <u>\$ 0.00</u> | <u>\$ 882,360.90</u> |

WE ARE THE LUMBERJACKS



DID YOU KNOW?

80⁺

Majors

12,620

Enrollment

17:1

Student to faculty ratio