

ANGELO STATE UNIVERSITY



ANNUAL FINANCIAL REPORT

FISCAL YEAR 2013

A MEMBER OF THE TEXAS TECH UNIVERSITY SYSTEM



ANNUAL FINANCIAL REPORT

OF

ANGELO STATE UNIVERSITY

FOR THE YEAR ENDED AUGUST 31, 2013

SAN ANGELO, TEXAS

A MEMBER OF THE TEXAS TECH UNIVERSITY SYSTEM



ANGELO STATE UNIVERSITY
FY 2013 FINANCIAL REPORT

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ANGELO STATE UNIVERSITY

Office of the President

November 20, 2013

The Honorable Rick Perry
Governor of Texas

Ms. Ursula Parks
Acting Director, Legislative Budget Board

The Honorable Susan Combs
Texas Comptroller

Mr. John Keel, CPA
State Auditor

Dear Ladies and Gentlemen:

We are pleased to submit the Annual Financial Report of Angelo State University for the year ended August 31, 2013, in compliance with TEX. GOV'T CODE ANN §2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts.

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

If you have any questions, please contact Denise Brodnax at (325) 942-2014. Janet Coleman may be contacted at (325) 942-2014 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

A handwritten signature in black ink that reads "Brian J. May". The signature is written in a cursive style with a large, prominent "B" and "M".

Brian J. May, Ph.D.
President





November 20, 2013

ANGELO STATE UNIVERSITY

Controller's Office

Dr. Brian J. May
President
Angelo State University
2601 West Avenue N
San Angelo, Texas 76909

Dear Dr. May:

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

The financial statements in this report have been prepared in conformity with the General Provisions of the Appropriations Act, Article IX, and in accordance with the requirements established by the Comptroller of Public Accounts.

The accompanying Annual Financial Report will be considered for audit by the State Auditor as part of the audit of the State's Comprehensive Annual Report; therefore, an opinion has not been expressed on the statements and related information contained in this report.

If you have any questions, please contact Denise Brodnax at (325) 942-2014. Janet Coleman may be contacted at (325) 942-2014 for questions related to the Schedule of Expenditures of Federal Awards.

Respectfully submitted,

Angie Wright
Angie Wright
Interim Vice President for
Finance and Administration

Denise Brodnax
Denise Brodnax
Controller

Janet Coleman
Janet Coleman
Director of Accounting

Jackie Baxter
Jackie Baxter
Accountant

Peggy Castro
Peggy Castro
Accountant

Carrie Whitesell
Carrie Whitesell
Accountant



**ANGELO STATE UNIVERSITY
ORGANIZATIONAL DATA
For the Fiscal Year 2012 - 2013**

**BOARD OF REGENTS
TEXAS TECH UNIVERSITY SYSTEM**

OFFICERS

Mickey L. Long
Kent Hance

Chairman
Chancellor

MEMBERS

<u>Name</u>	<u>Residence</u>	<u>Term Expires</u> <u>February 1</u>
Mr. Mickey L. Long	Midland, Tx	2015
Mrs. Nancy R. Neal	Lubbock, Tx	2015
Mr. John Walker	Houston, Tx	2015
Mr. Larry K. Anders	Dallas, Tx	2017
Mrs. Debbie Montford	San Antonio, Tx	2017
Mr. John D. Steinmetz	Lubbock, Tx	2017
Mr. John Esparza	Austin, Tx	2019
Mr. L. Frederick "Rick" Francis	El Paso, Tx	2019
Mr. Tim Lancaster	Abilene, Tx	2019

PRESIDENT

Dr. Brian J. May

OFFICE OF FINANCE AND ADMINISTRATION

Angie Wright
Denise Brodnax

Interim Vice President for Finance and Administration
Controller

ADMISSIONS & REGISTRAR

Sharla Adam
Cindy Weeaks

Director of Admissions
Registrar



Angelo State University
Statement of Net Position (Unaudited)
August 31, 2013 and 2012

	<u>FY 2013</u>	<u>FY 2012</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 33,818,946.57	\$ 38,752,067.77
Restricted:		
Cash and Cash Equivalents	65,990.84	(706,922.71)
Legislative Appropriations	5,865,852.57	4,690,734.93
Accounts Receivable, net:		
Federal Receivables	18,352,931.19	20,929,779.68
Student Receivables	10,088,714.18	9,333,243.04
Gift Receivables	291,190.00	78,590.00
Accounts Receivables	1,515,560.36	1,053,822.59
Due From Other Agencies (Note 12)	144,217.12	143,184.66
Prepaid Items	5,912,899.48	5,933,817.07
Inventories	249,224.33	260,886.56
Loans and Notes Receivable, net	714,049.08	770,445.59
Total Current Assets	77,019,575.72	81,239,649.18
Non-current Assets:		
Restricted:		
Cash and Cash Equivalents		
Investments (Note 3)	129,413,435.62	118,281,830.18
Gift Receivables	386,000.00	357,600.00
Capital Assets (Note 2)		
Non-Depreciable or Non-Amortizable	35,281,425.51	43,545,120.89
Depreciable or Amortizable	195,363,309.17	185,075,806.87
Accumulated Depreciation and Amortization	(108,382,802.74)	(102,074,560.86)
Total Non-Current Assets	252,061,367.56	245,185,797.08
Total Assets	\$ 329,080,943.28	\$ 326,425,446.26
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 1,776,249.67	\$ 2,110,634.96
Payroll Payable	3,065,431.56	3,066,084.33
Unearned Revenues	31,412,968.43	32,487,896.73
Bonds Payable (Note 5)	2,595,447.70	2,595,005.50
Employees' Compensable Leave (Note 5)	245,698.76	281,524.93
Notes and Loans Payable (Note 5)	3,132,720.00	3,946,433.28
Funds Held for Others	11,858,899.58	16,542,532.22
Other Current Liabilities	3,285.00	4,810.00
Total Current Liabilities	54,090,700.70	61,034,921.95
Non-current Liabilities:		
Employees Compensable Leave (Note 5)	1,856,703.69	1,776,345.18
Bonds Payable (Note 5)	68,195,492.12	70,790,939.84
Other Non-Current Liabilities	455,173.21	466,874.87
Total Non-Current Liabilities	70,507,369.02	73,034,159.89
Total Liabilities	\$ 124,598,069.72	\$ 134,069,081.84
NET POSITION		
Invested in Capital Assets, Net of Related Debt	\$ 49,357,837.05	\$ 52,267,431.70
Restricted:		
Non-Expendable:		
Endowments	130,768,224.96	119,076,427.84
Expendable:		
Higher Education Assistance Fund	3,902,758.35	2,796,257.57
Other	10,124,306.55	8,894,499.05
Unrestricted	10,329,746.65	9,321,748.26
Total Net Position	204,482,873.56	192,356,364.42
Total Liabilities and Net Position	\$ 329,080,943.28	\$ 326,425,446.26

The accompanying combined notes to the financial statements are an integral part of this statement.



Angelo State University
Statement of Revenues, Expenses, and Changes in Net Position (Unaudited)
For the Fiscal Years Ended August 31, 2013 and 2012

	FY 2013	FY 2012
OPERATING REVENUES		
Sales of Goods and Services		
Tuition and Fees - Pledged	\$ 49,290,815.20	\$ 49,741,129.20
Discounts and Allowances	(10,001,010.71)	(9,154,550.76)
Auxiliary Enterprises - Pledged	16,783,767.32	15,603,264.89
Discounts and Allowances	(3,204,142.46)	(2,871,409.72)
Other Sales of Goods and Services - Pledged	1,285,785.35	1,052,868.03
Federal Revenue-Operating (Sch 1A)	4,144,949.16	3,491,988.03
Federal Pass Through Revenue (Sch 1A)	475,221.51	474,573.59
State Grant Pass Through Revenue (Sch 1B)	4,917,636.88	4,999,469.72
Nongovernmental Grants and Contracts	1,007,334.22	680,625.05
Total Operating Revenues	64,700,356.47	64,017,958.03
OPERATING EXPENSES:		
Instruction	33,577,781.49	33,185,760.40
Research	977,904.75	857,158.48
Public Service	2,181,706.66	1,858,035.60
Academic Support	5,544,860.66	6,149,613.95
Student Services	4,640,801.20	4,433,620.29
Institutional Support	14,433,248.49	14,465,845.41
Operation and Maintenance of Plant	7,607,124.41	7,250,321.18
Scholarship and Fellowships	17,902,443.33	19,581,277.95
Auxiliary Enterprise Expenditures	12,331,984.70	13,546,561.00
Depreciation and Amortization	6,832,905.10	6,564,714.30
Total Operating Expenses	106,030,760.79	107,892,908.56
Operating Income (Loss)	(41,330,404.32)	(43,874,950.53)
NON-OPERATING REVENUES (EXPENSES)		
Legislative Revenue	29,100,649.92	28,438,916.07
Federal Revenue-Non-operating (Sch 1A)	9,400,287.40	10,485,567.52
Gifts	2,616,808.77	1,923,699.88
Investment Income	13,819,210.98	10,723,926.51
Interest Expense on Capital Asset Financing	(3,033,915.39)	(2,736,483.26)
Gain (Loss) on Sale and Disposal of Capital Assets	(19,348.82)	(53,138.72)
Net Increase (Decrease) in Fair Value of Investments	4,477,322.12	(2,013,673.82)
Other Non-operating Revenues/(Expenses) - Pledged	(1,020,641.36)	591,828.16
Total Non-operating Revenues (Expenses)	55,340,373.62	47,360,642.34
Income (Loss) before Other Revenues, Expenses, Gains/Losses and Transfers	14,009,969.30	3,485,691.81
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS		
Capital Appropriations (HEAF)	3,743,027.00	3,743,027.00
Capital Contributions - Gifts	77,500.00	13,000.00
Transfers Out - TTU System Admin (Note 12)	(42,103.85)	(255,931.00)
Transfers In - TTU Foundation, Inc. (Note 12)	11,261.57	20,625.00
Transfers In - TTUSA Foundation, Inc. (Note 12)	29,765.00	(1,666.98)
Transfers Out - Other State Agencies (Note 12)	(2,874,890.09)	(3,225,644.46)
Legislative Transfers-Out (Note 12)	(2,827,503.77)	(3,040,311.08)
Legislative Appropriations Lapsed	(516.02)	(1,280.84)
Total Other Revenues, Expenses, Gains, Losses, and Transfers	(1,883,460.16)	(2,748,182.36)
Total Changes in Net Position	\$ 12,126,509.14	\$ 737,509.45
Beginning Net Position (September 1, 2012)	192,356,364.42	191,618,854.97
Ending Net Position (August 31, 2013)	\$ 204,482,873.56	\$ 192,356,364.42

The accompanying combined notes to the financial statements are an integral part of this statement.

UNAUDITED

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Angelo State University
 Matrix of Operating Expenses Reported by Natural Classification
 For the Fiscal Year Ended August 31, 2013

Natural Classification	Instruction	Research	Public Service	Academic Support	Student Services
Salaries and Wages	\$ 23,217,651.65	\$ 568,158.18	\$ 1,320,695.41	\$ 2,874,000.31	\$ 2,846,544.45
Payroll Related Costs	6,996,012.26	138,483.96	230,385.33	790,993.77	818,218.89
Professional Fees and Services	116,370.26	495.00	95,802.33	16,915.00	14,726.00
Travel	783,055.18	35,005.60	70,097.05	100,047.06	139,148.49
Materials and Supplies	777,535.40	163,726.33	153,345.25	88,745.04	193,004.00
Communication and Utilities	91,714.92	8,491.19	6,173.67	15,395.67	15,743.98
Repairs and Maintenance	201,176.71	4,843.98	5,148.55	49,243.75	150,221.97
Rentals and Leases	86,546.55	308.10	39,419.87	110,911.57	48,732.11
Printing and Reproduction	58,776.60	624.28	15,288.03	15,620.58	48,941.86
Depreciation and Amortization					
Bad Debt Expense					
Interest					
Scholarships					
Other Operating Expenses	1,248,941.96	57,768.13	245,351.17	1,482,987.91	365,519.45
Total Operating Expenses	\$ 33,577,781.49	\$ 977,904.75	\$ 2,181,706.66	\$ 5,544,860.66	\$ 4,640,801.20

UNAUDITED

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Institutional Support	Operation and Maintenance of Plant	Scholarship and Fellowships	Auxiliary Enterprise Expenditures	Depreciation and Amortization	Total Expenditures	FY2012
\$ 8,539,599.28	\$ 1,981,954.23	\$	\$ 4,998,717.53	\$	\$ 46,347,321.04	\$ 46,375,600.46
2,517,054.53	738,504.15		1,276,424.45		13,506,077.34	12,220,772.09
340,358.50	7,759.23		132,948.00		725,374.32	578,192.85
113,002.57	1,510.59		283,658.77		1,525,525.31	1,529,680.50
503,600.81	628,611.85		871,837.90		3,380,406.58	7,323,059.20
221,963.49	2,954,545.70		1,840,930.41		5,154,959.03	4,766,869.60
621,458.72	925,942.31		939,421.21		2,897,457.20	2,829,896.06
60,697.31	113,839.25		229,236.53		689,691.29	606,473.33
113,395.43	1,434.07		60,064.98		314,145.83	365,836.63
				6,832,905.10	6,832,905.10	6,564,714.30
193,236.64			247,870.47		441,107.11	249,717.19
						0.41
		17,902,443.33			17,902,443.33	19,581,277.95
<u>1,208,881.21</u>	<u>253,023.03</u>		<u>1,450,874.45</u>		<u>6,313,347.31</u>	<u>4,900,817.99</u>
<u>\$ 14,433,248.49</u>	<u>\$ 7,607,124.41</u>	<u>\$ 17,902,443.33</u>	<u>\$ 12,331,984.70</u>	<u>\$ 6,832,905.10</u>	<u>\$ 106,030,760.79</u>	<u>\$ 107,892,908.56</u>



Angelo State University
Statement of Cash Flows (Unaudited)
For the Years Ended August 31, 2013 and 2012

	FY 2013	FY 2012
Cash Flows from Operating Activities		
Tuition and Fees	\$ 36,900,288.20	\$ 41,774,277.24
Grants and Contracts	11,036,156.80	10,739,683.87
Sales and Services of Auxiliary Enterprises	13,585,570.11	12,735,055.36
Other Sales and Services	1,013,126.96	1,052,868.03
Payments - Other Sales and Services	-	(336,679.18)
Collections for Loans Issued to Students	414,033.16	370,992.09
Payments to Suppliers for Goods and Services	(14,625,004.94)	(18,000,008.17)
Payments for Loans Issued to Students	(363,293.18)	(387,003.06)
Payments to Employees - Salaries	(46,312,564.52)	(46,375,600.46)
Payments to Employees - Benefits	(13,673,893.88)	(12,220,772.09)
Payments for Other Operating Activities	(24,871,145.52)	(25,344,316.54)
Net Cash Provided (Used) by Operating Activities	(36,896,726.81)	(35,991,502.91)
Cash Flows from Noncapital Financing Activities		
State Appropriations	27,925,532.28	28,651,067.41
Noncapital Gifts	2,538,719.84	1,726,725.29
Noncapital Grants	9,400,287.40	10,493,798.52
Proceeds from Agency Transactions	33,284,261.99	39,145,952.32
Transfers to/from Other State Agencies:		
TTU System Admin	(42,103.85)	(255,931.00)
TTU System Admin - Legislative Transfer	(120,628.00)	(120,628.00)
TTU	11,261.57	(1,666.98)
TTU System Admin Foundation, Inc	29,765.00	20,625.00
Texas B-on-Time	(526,833.48)	(525,091.59)
TPFA	(531,379.86)	(515,819.20)
Other Noncapital Financing Activities	(48,428,317.64)	(50,298,511.49)
Net Cash Provided (Used) by Noncapital Financing Activities	23,540,565.25	28,320,520.28
Cash Flows from Capital and Related Financing Activities		
Proceeds from Capital Debt Issuance	615.56	57,258,177.56
Capital Appropriations	3,743,027.00	3,743,027.00
Purchases of Capital Assets	(2,438,518.96)	(10,714,933.06)
Principal Paid on Capital Debt	(3,194,755.00)	(44,331,538.88)
Payments for Bond Issue Cost	-	(272,581.58)
Payments of Interest on Debt Issuance	(3,033,915.39)	(2,463,901.68)
Net Cash Provided (Used) by Capital and Related Financing Activities	(4,923,546.79)	3,218,249.36
Cash Flows from Investing Activities		
Proceeds from Investment Sales and Maturities	6,954,573.04	7,385,381.61
Interest and Dividends Received	13,819,210.98	10,723,926.51
Purchases of Investments	(6,654,283.32)	(7,428,999.37)
Net Cash Provided by Investing Activities	14,119,500.70	10,680,308.75
TOTAL NET CASH FLOWS	\$ (4,160,207.65)	\$ 6,227,575.48
Beginning Cash and Cash Equivalents, September 1	38,045,145.06	31,817,569.58
Ending Cash and Cash Equivalents, August 31	\$ 33,884,937.41	\$ 38,045,145.06
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ (41,330,404.32)	\$ (43,874,950.53)
Adjustments:		
Depreciation Expense	6,832,905.10	6,564,714.30
Bad Debt Expense	441,107.11	249,717.19
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivables	(1,330,253.64)	(614,203.05)
Increase (Decrease) in Due from Other Agency	(1,032.46)	296,361.93
(Increase) Decrease in Loans and Notes Receivable	56,396.51	17,172.85
(Increase) Decrease in Inventory	11,662.23	42,196.48
(Increase) Decrease in Prepaid Items	(250,997.84)	453,335.77
Increase (Decrease) in Accounts Payable	(104,894.52)	(74,120.29)
Increase (Decrease) in Payrolls Payable	51,667.56	(556,695.85)
Increase (Decrease) in Deposits	(1,525.00)	-
Increase (Decrease) in Due to Other Funds	-	(2,000.00)
Increase (Decrease) in Unearned Revenue	(1,074,928.30)	1,551,454.38
Increase (Decrease) in Compensable Leave	44,532.34	13,007.60
Increase (Decrease) in Benefits Payable	(229,259.92)	-
Increase (Decrease) in Other Liabilities	(11,701.66)	(57,493.69)
Net Cash Used for Operating Activities	(36,896,726.81)	(35,991,502.91)
Non-Cash Transactions		
Donation of Capital Assets	\$ 77,500.00	\$ 13,000.00
Net Change in Fair Value of Investments	4,477,322.12	(2,013,673.82)
Disposal of Plant Facilities	(524,663.22)	(205,807.13)
Capitalization Adjustment	45,000.00	
Trade In	6,800.00	



ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2013

NOTE 1: Summary of Significant Accounting Policies

ENTITY

Angelo State University is considered an Institution of Higher Education of the State of Texas, and its financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts *Reporting Requirements for State Institutions of Higher Education*. Angelo State University serves the state by offering a wide range of academic programs leading to baccalaureates and masters degrees. Angelo State University is committed to providing educational excellence for Texas.

Due to the statewide requirements embedded in 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; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

FUND STRUCTURE

The accompanying financial statements are presented on the basis of funds. A fund is considered a separate accounting entity. The fund designation for institutions of higher education is a Business Type Activity within the Proprietary Fund Type.

Proprietary Funds

Business Type Activity

Business type funds are used for activities that are financed through the charging of fees and sales for goods or services to the ultimate user. Institutions of higher education are required to report their financial activities as business type because the predominance of their funding comes through charges to students, sales of goods and services, and grant revenues.

Component Units

The fund types of the individual discrete component units are available from the component units' separately issued financial statements. Additional information about component units can be found in Note 19.

Basis of Accounting

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Business activity type funds (proprietary funds) are accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Proprietary funds distinguish operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the proprietary funds principal ongoing operations. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

BUDGETS AND BUDGETARY ACCOUNTING

The budget is prepared biennially and represents appropriations authorized by the legislature and approved by the Governor (the General Appropriations Act). Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.



ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2013

ASSETS, LIABILITIES, AND FUND BALANCES/NET ASSETS

Assets

Cash and Cash Equivalents

Short-term highly liquid investments with an original maturity of three months or less are considered cash equivalents. For reporting purposes, this account includes cash on hand, cash in local banks, cash in transit, and cash in the Treasury.

Investments

Investments are stated at fair value in all funds except pension trust funds in accordance with GASB Statement 31 - *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. For pension trust funds, investments are required to be reported at fair value using the accrual basis of accounting in accordance with GASB Statement 25 - *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*.

Securities lent are reported as assets on the balance sheet. The costs of securities lending transactions are reported as expenditures or expenses in the Operating Statement. These costs are reported at gross.

Restricted Assets

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of enterprise fund general obligation and revenue bonds and revenues set aside for statutory or contractual requirements. Assets held in reserve for guaranteed student loan defaults are also included.

Inventories

Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued at cost, generally utilizing the last-in, first-out method. The consumption method of accounting is used to account for inventories that appear in the proprietary fund types and the government-wide statements. The cost of these items is expensed when the items are consumed.

Capital Assets

Assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year should be capitalized. These assets are capitalized at cost or, if not purchased, at appraised fair value as of the date of acquisition. Purchases of assets by governmental funds are reported as expenditures. Depreciation is reported on all "exhaustible" assets. "Inexhaustible" assets such as works of art and historical treasures are not depreciated. A road and highway infrastructure is reported on the modified accrual basis. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

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

Other Receivables

Other receivables include year-end accruals not included in any other receivable category. This account can appear in governmental and proprietary fund types.

Liabilities

Accounts Payable

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



ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2013

Other Payables

Other payables are the accrual at year-end of expenditure transactions not included in any of the other payable descriptions. Other payables may be included in either the governmental or proprietary fund types.

Employees' Compensable Leave Balances

Employees' Compensable Leave Balances represent the liability that becomes 'due' upon the occurrence of relevant events such as resignation, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or noncurrent in the statement of net assets. GASB Statement No. 16, Accounting for Compensated Absences, establishes the standards of accounting and reporting for compensated absences (i.e., vacation, unpaid overtime, and sick leave) by State entities.

Capital Lease Obligations

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

Bonds Payable - General Obligation Bonds

The unmatured principal of general obligations bonds are accounted for in the Long-term Liabilities column. Payables are reported separately as either current or noncurrent in the statement of net assets.

Bonds payable are recorded at par. The bond proceeds are accounted for as an "Other Financing Source" in the governmental funds when received, and expenditures for payment of principal and interest are recorded in the Debt Service funds when paid. These amounts are adjusted in the Long-term Liabilities column.

Bonds Payable - Revenue Bonds

Revenue bonds are generally accounted for in the proprietary funds. The bonds payable are reported at par less unamortized discount or plus unamortized premiums. Interest expense is reported on the accrual basis, with amortization of discount or premium. Payables are reported separately as either current or noncurrent in the statement of net assets.

Fund Balance/Net Assets

The difference between fund assets and liabilities is 'Net Assets' on the government-wide, proprietary and fiduciary fund statements, and the 'Fund Balance' is the difference between fund assets and liabilities on the governmental fund statements.

Reservation of Fund Balance

Fund balances for governmental funds are classified as either reserved or unreserved in the fund financial statements. Reservations are legally restricted to a specific future use or not available for expenditure.

Reserve for Encumbrances

This represents commitments of the value of contracts awarded or assets ordered prior to year end but not received as of that date. Encumbrances are not included with expenditures or liabilities. They represent current resources designated for specific expenditures in subsequent operating periods.

Reserve for Consumable Inventories

This represents the amount of supplies, postage, and prepaid assets to be used in the next fiscal year.

Unreserved/Undesignated

This represents the unappropriated balance at year-end.



ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2013

Invested in Capital Assets, Net of Related Debt

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

Restricted Net Assets

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

Unrestricted Net Assets

Unrestricted net assets consist of net assets, which do not meet the definition of the two *preceding* categories. Unrestricted net assets often have constraints on resources, which are imposed by management, but can be removed or modified.

Interfund Transactions and Balances

Angelo State University has the following types of transactions among funds:

1. Transfers: Legally required transfers that are reported when incurred as 'Transfers In' by the recipient fund and as 'Transfers Out' by the disbursing fund.
2. Reimbursements: Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures, made by one fund for another, are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund. Reimbursements are not displayed in the financial statements.
3. Interfund receivables and payables: Interfund loans are reported as interfund receivables and payables. If repayment is due during the current year or soon thereafter, it is classified as 'Current, repayment for two (or more) years is classified as 'Non-Current'.
4. Interfund Sales and Purchases: Charges or collections for services rendered by one fund to another are recorded as revenues of the recipient fund and expenditures or expenses of the disbursing fund. The composition of Angelo State University's Interfund receivables and payables at August 31, 2013 is presented in Note 12.



ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2013

NOTE 2: Capital Assets

	Balance 9/1/2012	Adjustments	Reclassifications			Additions	Deletions	Balance 8/31/2013
			Completed CIP	Inc-Int'gy Trans	Dec-Int'gy Trans			
Business-type activities:								
Non-depreciable/Non-amortizable Assets								
Land and Land Improvements	\$2,554,755.97							\$2,554,755.97
Construction in Progress	40,580,282.95		(9,800,346.87)			1,392,151.49		32,172,087.57
Other Tangible Capital Assets	410,081.97	45,000.00				99,500.00		554,581.97
Total Non-depreciable assets	\$43,545,120.89	\$45,000.00	(\$9,800,346.87)	\$0.00	\$0.00	\$1,491,651.49	\$0.00	\$35,281,425.51
Depreciable Assets								
Building and Building Improvemer	\$152,541,846.26		\$9,800,346.87					\$162,342,193.13
Infrastructure	5,286,500.06							5,286,500.06
Facilities and Other Improvement	6,993,141.06							6,993,141.06
Furniture and Equipment	10,390,707.55					915,643.18	(332,650.64)	10,973,700.09
Vehicle, Boats, and Aircraft	1,519,098.02					59,072.26	(74,966.83)	1,503,203.45
Other Capital Assets	6,926,067.63					56,452.03	(49,703.07)	6,932,816.59
Total Depreciable Assets	\$183,657,360.58	\$0.00	\$9,800,346.87	\$0.00	\$0.00	\$1,031,167.47	(\$457,320.54)	\$194,031,554.38
Accumulated Depreciation								
Buildings and Improvements	(\$80,271,177.76)					(\$5,121,306.61)		(\$85,392,484.37)
Infrastructure	(2,133,153.34)					(167,953.68)		(2,301,107.02)
Facilities and Other Improvement	(4,932,969.69)					(310,435.92)		(5,243,405.61)
Furniture and Equipment	(6,458,084.61)					(938,700.80)	313,301.82	(7,083,483.59)
Vehicle, Boats, and Aircraft	(1,229,755.67)					(84,041.12)	74,966.83	(1,238,829.96)
Other Capital Assets	(5,692,848.50)					(187,966.97)	49,703.07	(5,831,112.40)
Total Accumulated Depreciation	(\$100,717,989.57)	\$0.00	\$0.00	\$0.00	\$0.00	(\$6,810,405.10)	\$437,971.72	(\$107,090,422.95)
Amortizable Assets-Intangible								
Computer Software	\$1,418,446.29						(\$86,691.50)	\$1,331,754.79
Total Amortizable Assets-Intangi	\$1,418,446.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$86,691.50)	\$1,331,754.79
Accumulated Amortization								
Computer Software	(\$1,356,571.29)					(\$22,500.00)	\$86,691.50	(\$1,292,379.79)
Total Accumulated Amortization	(\$1,356,571.29)	\$0.00	\$0.00	\$0.00	\$0.00	(\$22,500.00)	\$86,691.50	(\$1,292,379.79)
Total Business-Type Activities	\$126,546,366.90	\$45,000.00	\$0.00	\$0.00	\$0.00	(\$4,310,086.14)	(\$19,348.82)	\$122,261,931.94

A summary of changes in Capital Assets for the year ended August 31, 2012 is presented below for comparison purposes.

	Balance 9/1/2011	Adjustments	Reclassifications			Additions	Deletions	Balance 8/31/2012
			Completed CIP	Inc-Int'gy Trans	Dec-Int'gy Trans			
Business-type activities:								
Non-depreciable/Non-amortizable Assets								
Land and Land Improvements	\$2,554,755.97							\$2,554,755.97
Infrastructure								
Construction in Progress	31,661,488.56	(26,140.34)	(417,151.13)			9,362,085.86		40,580,282.95
Other Tangible Capital Assets	356,391.97					53,690.00		410,081.97
Other Intangible Capital Assets								
Total Non-depreciable assets	\$34,572,636.50	(\$26,140.34)	(\$417,151.13)	\$0.00	\$0.00	\$9,415,775.86	\$0.00	\$43,545,120.89
Depreciable Assets								
Building and Building Improvemer	\$152,124,695.13		\$417,151.13					\$152,541,846.26
Infrastructure	5,286,500.06							5,286,500.06
Facilities and Other Improvement	6,993,141.06							6,993,141.06
Furniture and Equipment	9,410,560.60					1,141,996.42	(161,849.47)	10,390,707.55
Vehicle, Boats, and Aircraft	1,498,233.34					65,660.68	(44,796.00)	1,519,098.02
Other Capital Assets	6,869,042.91					109,325.10	(52,300.38)	6,926,067.63
Total Depreciable Assets	\$182,182,173.10	\$0.00	\$417,151.13	\$0.00	\$0.00	\$1,316,982.20	(\$258,945.85)	\$183,657,360.58
Accumulated Depreciation								
Buildings and Improvements	(\$75,325,359.15)					(\$4,945,818.61)		(\$80,271,177.76)
Infrastructure	(1,953,534.80)					(179,618.54)		(2,133,153.34)
Facilities and Other Improvement	(4,622,533.77)					(310,435.92)		(4,932,969.69)
Furniture and Equipment	(5,766,711.10)					(852,384.64)	161,011.13	(6,458,084.61)
Vehicle, Boats, and Aircraft	(1,194,570.82)					(79,980.85)	44,796.00	(1,229,755.67)
Other Capital Assets	(5,549,291.19)					(143,557.31)		(5,692,848.50)
Total Accumulated Depreciation	(\$94,412,000.83)	\$0.00	\$0.00	\$0.00	\$0.00	(\$6,511,795.87)	\$205,807.13	(\$100,717,989.57)
Amortizable Assets-Intangible								
Computer Software	\$1,418,446.29							\$1,418,446.29
Total Amortizable Assets-Intangi	\$1,418,446.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,418,446.29
Accumulated Amortization								
Computer Software	(\$1,303,652.86)					(\$52,918.43)		(\$1,356,571.29)
Total Accumulated Amortization	(\$1,303,652.86)	\$0.00	\$0.00	\$0.00	\$0.00	(\$52,918.43)	\$0.00	(\$1,356,571.29)
Total Business-Type Activities	\$122,457,602.20	(\$26,140.34)	\$0.00	\$0.00	\$0.00	\$4,168,043.76	(\$53,138.72)	\$126,546,366.90



ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2013

NOTE 3: Deposits, Investments, and Repurchase Agreements

Angelo State University is authorized by statute to make investments following "prudent person rule". There were no significant violations of legal provisions during the period.

Deposits of Cash in Bank

As of August 31, 2013, the carrying amount of deposits was \$3,458,055.24 (including Restricted Assets) as presented below.

Business-Type Activities	FY 2013	FY 2012
CASH IN BANK - CARRYING VALUE	\$ 3,458,055.24	\$ 3,776,084.36
Less: Certificates of Deposit included in carrying value and reported as Cash Equivalent	0.00	0.00
Less: Uninvested Securities Lending Cash Collateral included in carrying value and reported as Securities Lending Collateral	0.00	0.00
Less: Securities Lending CD Collateral included in carrying value and reported as Securities Lending Collateral	0.00	0.00
Cash in Bank per AFR	<u>\$ 3,458,055.24</u>	<u>\$ 3,776,084.36</u>
Current Assets Cash in Bank	\$ 5,299,906.06	\$ 6,253,726.87
Current Assets Restricted Cash in Bank	<u>(1,841,850.82)</u>	<u>(2,477,642.51)</u>
Cash in Bank per AFR	<u>\$ 3,458,055.24</u>	<u>\$ 3,776,084.36</u>

These amounts consist of all cash in local banks and a portion of short-term investments. These amounts are included on the Combined Statement of Net Assets as part of the "Cash and Cash Equivalents" and "Securities Lending Collateral" accounts.

As of August 31, 2013, the total bank balance was as follows:

Business-Type Activities \$6,624,790.21

Investments

As of August 31, 2013, the fair value of investments is as presented below.

Business-Type Activities	Fair Value	
	FY 2013	FY 2012
Corporate Asset and Mortgage Backed Securities	\$ 860.53	\$ 1,123.92
Equity	7,836,503.14	6,569,928.19
International Obligations (Govt and Corp)	367,832.53	1,669,086.43
Fixed Income Money Market and Bond Mutual Fund	7,963,007.71	5,551,143.12
Mutual Funds	4,000,333.10	5,189,595.53
Other Commingled Funds	22,403,055.66	15,178,557.72
Other Commingled Funds (Texpool)	26,727,905.17	28,589,020.32
International Other Commingled Funds	16,095,680.18	13,016,372.01
Real Estate	10,927,529.88	11,443,548.80
Domestic	58,385,228.23	60,203,893.27
International	1,683,404.66	958,581.19
Total	<u>\$ 156,391,340.79</u>	<u>\$ 148,370,850.50</u>



ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2013

Foreign currency risk for investments is the risk that changes in exchange rates will adversely affect the investment. The exposure to foreign currency risk as of August 31, 2013, is presented on this page.

<u>Fund Type</u>	<u>GAAP Fund</u>	<u>Foreign Currency</u>	<u>International Obligation</u>	<u>International Equity</u>	<u>International Alternative Investments</u>			
01	0001	Argentine peso	\$	134,910.43	\$			
01	0001	Australian dollar		58,134.93	23.60			
01	0001	Bermudan dollar						
01	0001	Brazilian real	57,377.48	1,153,314.93				
01	0001	Bulgarian lev						
01	0001	Canadian dollar		28,919.91				
01	0001	Cayman dollar						
01	0001	Chilean Peso	38,737.93	103,923.18				
01	0001	Chinese yuan		1,228,941.00	47.19			
01	0001	Colombian peso	79,385.28					
01	0001	Czech koruna		130,546.75				
01	0001	Danish krone		45,656.21				
01	0001	Dominican Peso						
01	0001	Egyptian pound		72,727.99				
01	0001	Euro	37,960.89	2,257,392.32	1,612,019.99			
01	0001	Hong Kong dollar		505,170.41				
01	0001	Hungarian forint						
01	0001	Indian rupee		539,135.75	71,313.88			
01	0001	Indonesian rupiah		317,646.04				
01	0001	Iraqi dinar						
01	0001	Israel shekel						
01	0001	Japanese yen		1,859,364.47				
01	0001	Jordanian dinar						
01	0001	Kazakhstan tenge		49,883.12				
01	0001	Latvian lats						
01	0001	Lithuanian litas						
01	0001	Malaysian ringgit		107,023.37				
01	0001	Mexican peso		730,822.92				
01	0001	Moroccan dirham						
01	0001	New Zealand dollar						
01	0001	Nigerian naira	43,544.00					
01	0001	Norwegian krone		62,777.29				
01	0001	Pakistani rupee						
01	0001	Panamanian balboa		62,856.55				
01	0001	Peruvian nuevo sol	26,547.24	120,550.88				
01	0001	Phillippino peso		157,041.38				
01	0001	Polish zloty						
01	0001	Pound sterling		1,683,484.52				
01	0001	Qatari riyal						
01	0001	Romanian leu						
01	0001	Russian ruble	49,726.67	195,517.61				
01	0001	Singapore dollar		199,745.93				
01	0001	South African rand	34,553.04	575,721.11				
01	0001	South Korean won		1,212,788.90				
01	0001	Swedish krona		57,070.26				
01	0001	Swiss franc		1,028,962.39				
01	0001	Taiwan dollar		715,226.25				
01	0001	Thai baht		245,851.57				
01	0001	Turkish lira		362,207.26				
01	0001	UAE dirham		92,364.55				
01	0001	Uruguay peso						
01	0001	Venezuelan bolivar						
		Total	\$	367,832.53	\$	16,095,680.18	\$	1,683,404.66



ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2013

The exposure to foreign currency risk as of August 31, 2012, is presented on this page.

<u>Fund Type</u>	<u>GAAP Fund</u>	<u>Foreign Currency</u>	<u>International Obligation</u>	<u>International Equity</u>	<u>International Externally Managed Investments</u>
01	0001	Argentine peso	\$ 35,333.35	\$ 127,459.26	
01	0001	Australian dollar		128,025.99	1,703.84
01	0001	Bermudan dollar			
01	0001	Brazilian real	144,161.38	973,672.10	
01	0001	Bulgarian lev			
01	0001	Canadian dollar	1,137.69	129,005.16	
01	0001	Cayman dollar	8,191.36		
01	0001	CFA Franc	46,612.72		
01	0001	Chilean Peso	116,239.25	64,379.56	
01	0001	Chinese yuan	10,336.71	904,081.54	43.69
01	0001	Colombian peso	112,208.58		
01	0001	Czech koruna		98,444.14	
01	0001	Danish krone		45,774.11	
01	0001	Dominican Peso	21,941.13		
01	0001	Egyptian pound		71,156.12	
01	0001	Euro	123,097.86	1,559,044.44	879,890.00
01	0001	Hong Kong dollar	8,061.34	245,024.88	
01	0001	Hungarian forint			
01	0001	Indian rupee		555,799.55	76,943.66
01	0001	Indonesian rupiah	169,678.10	256,465.29	
01	0001	Iraqi dinar	13,457.23		
01	0001	Israel shekel		48,468.73	
01	0001	Japanese yen		1,388,492.44	
01	0001	Jordanian dinar			
01	0001	Kazakhstani tenge	43,524.71	44,785.78	
01	0001	Latvian lats	67,351.15		
01	0001	Lithuanian litas	55,031.61		
01	0001	Malaysian ringgit	292.55	34,654.95	
01	0001	Mexican peso	63,450.51	667,210.60	
01	0001	Moroccan dirham			
01	0001	New Zealand dollar			
01	0001	Norwegian krone		71,302.10	
01	0001	Pakistani rupee			
01	0001	Panamanian balboa	11,279.37	24,479.16	
01	0001	Peruvian nuevo sol	30,912.62	117,584.21	
01	0001	Phillippino peso	121,635.15	105,930.16	
01	0001	Polish zloty			
01	0001	Pound sterling	13,164.68	1,109,424.88	
01	0001	Qatari riyal	42,061.97		
01	0001	Romanian leu			
01	0001	Russian ruble	21,128.50	153,759.85	
01	0001	Singapore dollar		208,202.60	
01	0001	South African rand	53,893.93	650,911.67	
01	0001	South Korean won	11,149.35	1,012,255.48	
01	0001	Swedish krona		95,363.26	
01	0001	Swiss franc		853,090.40	
01	0001	Taiwan dollar		612,809.16	
01	0001	Thai baht	292.55	366,338.68	
01	0001	Turkish lira		252,907.27	
01	0001	UAE dirham	5,850.97	40,068.49	
01	0001	Uruguay peso	69,106.45		
01	0001	Venezuelan bolivar	248,503.66		
		Total	\$ 1,669,086.43	\$ 13,016,372.01	\$ 958,581.19



ANGELO STATE UNIVERSITY
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Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The general investment policy of the agency limits investments in debt securities that are not in the top three investment grade ratings issued by nationally recognized statistical rating organizations to 5% total investments. As of August 31, 2013, the agency's credit quality distribution for securities with credit risk exposure was as follow:

Standard & Poor's

Fund Type	GAAP Fund	Investment Type	AAA	AA	A	
		CMO's	\$ 860.53			
		International Obligations		\$ 9,453.30	\$ 31,228.98	

Standard & Poor's

Fund Type	GAAP Fund	Investment Type	BBB	BB	B	Unrated
		International Obligations	\$ 201,719.36	\$ 43,992.77		\$ 81,438.12
		Fixed Income Money Market and Bond Mutual Funds				\$ 7,963,007.71

Concentration of credit risk is the risk of loss attributable to the magnitude of investment in a single issuer. As of August 31, 2013 the agency's concentration of credit risk is as follows.

Fund Type	GAAP Fund	Issuer	Carry Value	% of total portfolio
		None		

The agency's credit quality distribution for securities with credit risk exposure as of August 31, 2012 was as presented below.

Standard & Poor's

Fund Type	GAAP Fund	Investment Type	AAA	AA	A	
		CMO's	\$ 1,123.92			
		International Obligations		\$ 88,461.58	\$ 176,923.16	

Standard & Poor's

Fund Type	GAAP Fund	Investment Type	BBB	BB	B	Unrated
		International Obligations	\$ 736,067.12	\$ 297,097.38		\$ 370,537.19

Concentration of credit risk is the risk of loss attributable to the magnitude of investment in a single issuer. As of August 31, 2012 the agency's concentration of credit risk is as follows.

Fund Type	GAAP Fund	Issuer	Carry Value	% of total portfolio
		None		



ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
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Securities Lending

Angelo State University does not participate in a security lending program. The Agency had no securities out on loan to broker/dealers at August 31, 2013.

NOTE 4: Short-Term Debt

Angelo State University had no short-term debt as of August 31, 2013.

NOTE 5: Long Term Liabilities

Employees Compensable Leave

A state employee is entitled to be paid for all unused vacation time accrued, in the event of the employee's resignation, dismissal, or separation from State employment, provided the employee has had continuous employment with the State for six months. Expenditures for accumulated annual leave balances are recognized in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Assets. An expense and liability for proprietary fund types are recorded in the proprietary fund as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Changes in Long-Term Liabilities

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

Business Type Activities	Balance 9/1/2012	Additions	Reductions	Other Changes	Balance 8/31/2013	Amounts Due Within One Year
Compensable Leave	\$ 2,057,870.11	\$ 245,698.76	\$ 201,166.42	\$	\$ 2,102,402.45	\$ 245,698.76
Commercial Paper Payable	3,946,433.28	615.56	829,755.00	15,426.16	3,132,720.00	3,132,720.00
Revenue Bonds	73,385,945.34		2,365,000.00	(230,005.52)	70,790,939.82	2,595,447.70
Total Governmental Activities	\$ 79,390,248.73	\$ 246,314.32	\$ 3,395,921.42	\$ (214,579.36)	\$ 76,026,062.27	\$ 5,973,866.46

During the year ended August 31, 2012, the following changes occurred in liabilities:

Business Type Activities	Balance 9/1/2011	Additions	Reductions	Balance 8/31/2012	Amounts Due Within One Year
Compensable Leave	\$ 2,044,862.51	\$ 281,524.93	\$ 268,517.33	\$ 2,057,870.11	\$ 281,524.93
Commercial Paper Payable	32,363,673.16	13,744,299.00	42,161,538.88	3,946,433.28	3,946,433.28
Revenue Bonds	32,160,000.00	43,513,878.56	2,287,933.22	73,385,945.34	2,595,005.50
Total Governmental Activities	\$ 66,568,535.67	\$ 57,539,702.49	\$ 44,717,989.43	\$ 79,390,248.73	\$ 6,822,963.71

Bonds Payable

See Note 6 for detailed information on bond liability balances and transactions.

Notes and Loan Payable

The TTUSA's Revenue Financing System commercial paper program is comprised of variable rate demand notes with a maximum maturity of 270 days. For FY13, commercial paper rate tax-exempt and taxable rates ranged from .09% to .20% and .13% to .17%. The issuance of commercial paper



ANGELO STATE UNIVERSITY
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notes may not exceed, in aggregate, the principal amount of \$150,000,000. In practice, the System rolls, pays off, and/or issues new commercial paper at each maturity. Commercial paper assists as interim funding until long term bonds are approved and issued or revenues and gifts are received to retire the debt.

Additional TTUSA Revenue Financing System Commercial Paper Notes, Series A in the amount \$16,041.72 were issued during the fiscal year to finance various Angelo State University capital projects and notes in the amount \$829,755.00 matured. The outstanding balance at August 31, 2013, is \$3,132,720.00 with an average interest rate of .12% for the outstanding issues. Fiscal year 2013 interest expense is based on an estimated rate of .30%; 2 year T Note. The Texas Tech University System will provide liquidity support for \$150,000,000 in commercial paper notes by utilizing available funds of the System in lieu of or in addition to bank liquidity support.

Summary of Debt Service Requirements to Maturity Year Ending August 31, 2013

2013	2014	2015	2016	2017	All Other Years	Total Requirements
\$ 3,132,720.00	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ 3,132,720.00

NOTE 6: Bonded Indebtedness

On October 21, 1993, the governing board of the Texas Tech University System established a Revenue Financing System for the purpose of providing a financing structure for all revenue supported indebtedness of Texas Tech University System components. The source of revenues for debt service issued under the Revenue Financing System includes pledged general tuition, pledged tuition fee, pledged general fee and any other revenues, income, receipts, rentals, rates, charges, fees, including interest or other income, and balances lawfully available to Texas Tech University components. Excluded from the revenues described above are amounts received under Article 7, Section 17 of the Constitution of the State of Texas, general revenue funds appropriated by the Legislature except to the extent so specifically appropriated, encumbered housing revenues, and practice plan funds.

Revenue Financing System Refunding and Improvement Bonds, 14th Series 2012A

For refunding of \$41,380,000 of Revenue Financing System Commercial Paper Notes Series A and a partial current refunding of \$355,000 of Texas State University System Revenue Financing System Bonds Series 2002 representing ASU's portion. To provide new funding for the new ASU Plaza Verde Phase I Residence Hall & Dining Facilities and other University capital improvement projects.

Original Issue Amount:	\$ 39,370,000
Issue Date:	February 1, 2012
Interest Rates:	2.0% to 5.0%
Date Range:	2012 through 2041
Type of Bond:	Revenue
Changes in Debt:	\$ 0 issued, \$765,000 retired



ANGELO STATE UNIVERSITY
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Revenue Financing System Refunding and Improvement Bonds, 12th Series 2009

Purpose:	For advanced refunding of ASU portion of Texas State University System TRB bonds and construction of Centennial Village.
Original Issue Amount:	\$35,630,000
Issue Date:	March 3, 2009
Interest Rates:	3.00% to 5.25% Maturity
Date Range:	2009 through 2038
Type of Bond:	Revenue
Changes in Debt:	\$0 issued, \$1,600,000 retired

Prior to September 1, 2007, all bonded indebtedness for Angelo State University ("Institution") was issued through the Texas State University System ("TSUS") Revenue Financing System ("RFS"), of which the System Administration and each component were members. The Board of Regents cross-pledged all lawfully available funds (revenues) and balances attributable to any RFS member against the bonded indebtedness of all other RFS members for payment on the Parity Debt. Effective September 1, 2007, *House Bill 3564 (80th Legislature, Regular Session)* transferred governance of the Institution to the Texas Tech University System ("Tech"); however, the Institution's revenues remain pledged to the RFS until TSUS can secure, from the new governing body (Tech), a legally acceptable agreement, assuming the Institution's obligations. On April 24, 2008, as authorized by *House Bill 3564*, the Texas Higher Education Coordinating Board, on the advice of the Texas Attorney General, issued a ruling and endorsed an Agreement obligation Tech to honor the Institution's bonded indebtedness. Tech signed and returned the agreement January 14, 2009. On January 23, 2009 Tech delivered to TSUS a "\$53,015,628" Board of Regents of Texas Tech University System Revenue Financing System Refund Note, Thirteenth Series (2008)", dated September 15, 2008 securing the remaining TSUS debt attributable to Angelo State University. On April 24, 2009 Tech called \$7,215,000 of TSUS debt reducing the TSUS debt balance attributable to the institution by \$7,211,264.87.

System Administration issued the debt; therefore, the bonds payable attributable to the institution are included with the Bonds Payable reported by System Administration. The institution must repay the debt that was issued on its behalf; consequently, the following debt amortization schedule is presented for informational purposes only.

**Debt Service Requirements Attributable
To Angelo State University**

<u>Description</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
All Issues	2014	\$ 3,059,602.04	\$ 1,519,293.76	\$ 4,578,895.80
	2015	2,746,440.13	1,366,313.68	4,112,753.81
	2016	2,626,342.79	1,228,991.66	3,855,334.45
	2017-2021	10,398,490.51	4,272,292.48	14,670,782.99
	2022-2026	4,720,000.00	2,328,000.00	7,048,000.00
	2027-2031	4,640,000.00	1,266,750.00	5,906,750.00
	2032-2036	2,195,000.00	166,000.00	2,361,000.00
Totals		<u>\$ 30,385,875.47</u>	<u>\$ 12,147,641.58</u>	<u>\$ 42,533,517.05</u>



ANGELO STATE UNIVERSITY
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A portion of the debt represents Tuition Revenue Bonds historically funded by the Texas Legislature through General Revenue Appropriations. The institution was appropriated \$3,962,489 during the current fiscal year for Tuition Revenue Bond debt service. The institution expects future Legislative appropriations to meet debt service requirements for Tuition Revenue Bonds.

Pledged Future Revenues

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, makes a basic distinction between sales of receivable and future revenues, on the one hand, and the pledging of receivables of future revenues to repay a borrowing (a collateralized borrowing), on the other. The following table provides the pledged future revenue information for Angelo State University's revenue bonds:

	Business-Type Activities	
	<u>FY 2013</u>	<u>FY 2012</u>
Pledged Revenue Required for Future Principal and Interest on Existing Revenue Bonds	\$116,974,222.04	\$122,587,853.30
Term of Commitment Year Ending 08/31	2041	2041
Percentage of Revenue Pledged	100.0%	100.0%
Current year Pledged Revenue	\$72,901,614.02	\$72,356,831.16
Current year Principal and Interest Paid	\$5,613,631.26	\$4,609,963.91
Pledged revenue sources:		
Business-type activities - Operating income from current unrestricted funds		

NOTE 7: Derivative Instruments

Angelo State University did not hold any material direct derivative investments as of August 31, 2013.

NOTE 8: Leases

Angelo State University has entered into various operating leases for buildings and equipment. Expenses for operating lease obligations included in the financial statements were \$546,238.40 for the fiscal year ended August 31, 2013.

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

Year ended August 31,	
2014	\$ 546,238.40
2015	546,238.40
2016	546,238.40
2017	546,238.40
2018	546,238.40
2019-2022	2,184,953.60
Total Minimum Future Lease Payments	<u>\$ 4,916,145.60</u>

NOTE 9: Pension Plans

Section not applicable

NOTE 10: Deferred Compensation

Section not applicable



**ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2013**

NOTE 11: Postemployment Health Care and Life Insurance Benefits

Section not applicable

NOTE 12: Interfund Activity and Transactions

ASU experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of interfund balances will occur within one year from the date of the financial statement. Individual balanced and activity at August 31, 2013 and 2012 follow:

	<u>FY2013</u>		<u>FY2012</u>	
	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
Institutional Funds (7999) Appd Fund 7999, D23 Fund 7999 (Agy 733, D23 Fund 7999) Texas Tech Univ Found, Inc.	\$ 11,261.57	\$	\$	\$ (1,666.98)
Institutional Funds (7999) Appd Fund 7999, D23 Fund 7999 (Agy 758, D23 Fund 7999) Texas State Univ System		(1,816,676.75)		(2,184,733.67)
Institutional Funds (7999) Appd Fund 7999, D23 Fund 7999 (Agy 768, D23 Fund 7999) Texas Tech Univ System Admin		(42,103.85)		(255,931.00)
Institutional Funds (7999) Appd Fund 7999, D23 Fund 7999 (Agy 768, D23 Fund 7999) Texas Tech Univ Sys Admin Found, Inc	29,765.00		20,625.00	
General Revenue (5103) Appd Fund 5103, D23 Fund 5103 (Agency 781, D23 Fund 5103) THECB		(526,833.48)		(525,091.59)
Institutional Funds (7999) Appd Fund 7999, D23 Fund 7999 (Agy 347, D23 Fund 7999) Texas Pub Fin Auth		(531,379.86)		(515,819.20)
	<u>\$ 41,026.57</u>	<u>\$ (2,916,993.94)</u>	<u>\$ 20,625.00</u>	<u>\$ (3,483,242.44)</u>
	<u>Legislative TRANSFERS IN</u>	<u>Legislative TRANSFERS OUT</u>	<u>Legislative TRANSFERS IN</u>	<u>Legislative TRANSFERS OUT</u>
General Revenue (001) Appd Fund 0001, D23 Fund 0001 (Agency 758, D23 Fund 0001) Texas State Univ System	\$	\$ (2,706,875.77)	\$	\$ (2,919,683.08)
General Revenue (001) Appd Fund 0001, D23 Fund 0001 (Agency 768, D23 Fund 7999) Texas Tech Univ System		(120,628.00)		(120,628.00)
Total Legislative Transfers	<u>\$ 0.00</u>	<u>\$ (2,827,503.77)</u>	<u>\$ 0.00</u>	<u>\$ (3,040,311.08)</u>
	<u>Due From Other Agencies</u>	<u>Due From Other Component</u>	<u>Due From Other Agencies</u>	<u>Due From Other Component</u>
Institutional Funds (7999) Appd Fund 7999, D23 Fund 7999 (Agy 320, D23 Fund 5026) TWC	\$ 5,032.29	\$	\$	\$
Institutional Funds (7999) Appd Fund 7999, D23 Fund 7999 (Agy 542, D23 Fund 7639) CPRIT	66,448.81		52,193.05	
Institutional Funds (7999) Appd Fund 7999, D23 Fund 7999 (Agy 733, D23 Fund 9999) Texas Tech University		10,436.72		7,082.72
Institutional Funds (7999) Appd Fund 7999, D23 Fund 7999 (Agy 781, D23 Fund 0001) THECB	62,299.30		83,908.89	
Total Due From/To Other Agencies	<u>\$ 133,780.40</u>	<u>\$ 10,436.72</u>	<u>\$ 136,101.94</u>	<u>\$ 7,082.72</u>

NOTE 13: Continuance Subject To Review

Section not applicable



ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2013

NOTE 14: Adjustments to Fund Balances and Net Position

Angelo State University has no restatements of fund balances or net position as of August 31, 2013.

In order to provide more consistency in reporting, the following items were changed for FY12:

<u>Statement of Net Position</u>	<u>FY12 as reported</u>	<u>Correction</u>	<u>FY12 restated</u>
Current Assets:			
Gift Receivables	436,190.00	(357,600.00)	78,590.00
Non-current Assets:			
Gift Receivables	-	357,600.00	357,600.00
<u>Statement of Revenues, Expenses, & Changes in Net Position</u>			
Operating Expenses:			
Instruction	44,978,260.81	(11,792,500.41)	33,185,760.40
Research	860,158.48	(3,000.00)	857,158.48
Public Service	1,859,235.60	(1,200.00)	1,858,035.60
Academic Support	6,150,873.95	(1,260.00)	6,149,613.95
Institutional Support	14,469,645.41	(3,800.00)	14,465,845.41
Scholarships and Fellowships	5,836,892.03	13,744,385.92	19,581,277.95
Auxiliary Enterprise Expenditures	15,489,186.51	(1,942,625.51)	13,546,561.00
<u>Matrix of Operating Expenses</u>			
Scholarships and Fellowships	5,836,892.03	13,744,385.92	19,581,277.95
Other Operating Expenses	18,645,203.91	(13,744,385.92)	4,900,817.99
<u>Statement of Cash Flows:</u>			
Cash Flows from Operating Activities:			
Payments for Auxiliaries	(813,021.37)	813,021.37	-
Payments to Suppliers for Goods & Services	-	(18,000,008.17)	(18,000,008.17)
Payment for Other Operating Activities	(42,531,303.34)	17,186,986.80	(25,344,316.54)
Cash Flows from Non-capital Financing Activities			
Proceeds from Agency Transactions	-	39,145,952.32	39,145,952.32
Other Non-capital Financing Activities	(11,152,559.17)	(39,145,952.32)	(50,298,511.49)

NOTE 15: Contingencies and Commitments

Unpaid Claims and Lawsuits

At August 31, 2013, no lawsuits and claims were pending against Angelo State University.

NOTE 16: Subsequent Events

Section not applicable

NOTE 17: Risk Management

The State provides coverage for unemployment compensation benefits from appropriations made to other State agencies for Angelo State University employees. The current General Appropriations Act provides that Angelo State University must reimburse General Revenue Fund-Consolidated, from Angelo State University appropriations, one-half of the unemployment benefits paid for former and current employees. The Comptroller of Public Accounts determines the proportionate amount to be reimbursed from each appropriated fund type. Angelo State University must reimburse the General Revenue Fund one hundred percent of the cost for workers' compensation and for any employees paid from funds held in local bank



**ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2013**

accounts. The unemployment plan is on a pay-as-you-go basis, in which no assets are set aside to be accumulated for the payment of claims. No material outstanding claims are pending at August 31, 2013.

Angelo State University by state law is required to be a participant in the Worker's Compensation Program and Pool managed by the State Office of Risk Management (SORM). The University is assessed fees by SORM based upon claims cost, claim count, payroll and FTE. Total payments to SORM for fiscal year 2013 totaled \$88,038.48. The State Office of Risk Management pays all WCI claims. The Worker's Compensation pool for the fiscal year was funded by a .25 percent charge on non-educational and general gross payroll for paying its proportionate share of the SORM assessment.

Due to the diverse risk exposure of the University, the insurance portfolio contains a comprehensive variety of coverage. Texas statutes require participation of all state agencies, directors and officers liability, employee blanket bond, and property and casualty programs. In addition to these basic policies, the University's Department of Risk Management establishes guidelines in risk assessment, risk avoidance, risk acceptance and risk transfer.

- The auxiliary buildings and contents are insured for replacement value. Each loss incident is subject to a \$100,000 deductible.
- University automobiles and leased vehicles new to 5 years old are insured for general liability and physical damage. Any automobiles or leased vehicles six years old or older are insured for general liability only.
- Each loss incident is subject to a \$1,000 deductible.

NOTE 18: Management Discussion and Analysis

Section not applicable

NOTE 19: The Financial Reporting Entity

Angelo State University is an agency of the State of Texas, and is one of four components of the Texas Tech University System.

The Robert G. Carr and Nona K. Carr Scholarship Foundation, Box 11007C, ASU Station, San Angelo, TX 76909 was established solely for the benefit of providing scholarships to the students of Angelo State University (ASU). As the resources held by the Foundation are entirely for the direct benefit of ASU, the financial transactions of the Foundation are blended with the transactions of ASU. The Foundation has a fiscal year end of August 31, and the financial records of the Foundation are audited annually by an independent accounting firm.

Robert G Carr and Nona K. Carr Scholarship Foundation

On September 1, 1980 the Robert G. Carr Estate transferred certain assets totaling \$6,815,644.46 to the Board of Regents, Texas State University System, trustees of the Robert G. Carr and Nona K. Carr Scholarship Foundation that was established for the benefit of Angelo State University under provisions of the Last Will and Testament of Robert G. Carr whose death occurred on March 17, 1978. This principal fund included \$2,986,879.74 in cash, and \$3,828,764.72 in oil, gas, and mineral properties.

On September 1, 1989 the Nona K. Carr Estate transferred certain assets totaling \$5,098,287.68 to the Board of Regents, Texas State University System, trustees of the Robert G. Carr and Nona K. Carr Scholarship Fund that was established for the benefit of Angelo State University under provision of the last will and testament of Robert G. Carr. Nona K. Carr died on June 17, 1987. This principal fund included \$2,089,218.68 in cash and \$3,009,069.00 in oil, gas, and mineral properties.



ANGELO STATE UNIVERSITY
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Prior to the 2013 fiscal year, the Foundation received payments for oil and gas royalties, oil and gas lease rental and bonuses, and oil and gas payment commissions totaling \$102,562,964.38 and realized an appreciation on investments of \$1,769,939.28. During the 2013 fiscal year, the Foundation received payments for oil and gas royalties, oil and gas lease rentals and bonuses, and oil and gas payment commissions, and refunds totaling \$6,948,195.59.

All principal fund cash that is received by the Foundation is transferred to Wells Fargo Bank, San Angelo as master custodian. All principal is invested in the Long Term Investment Fund (LTIF), which is managed by the Texas Tech University System.

The value at which oil, gas, and other mineral properties is carried on the financial statements is the value that was agreed to in the settlement with the Internal Revenue Service of the Federal Estate Tax Liability of the Estate of Robert G. Carr. No provision has been made for depletion of these properties.

The LTIF spending distribution is transferred to the Angelo State University Robert G. Carr and Nona K. Carr Scholarship and expense funds. During the 2013 fiscal year, the spending distribution received from the investment agent totaled \$6,404,811.73. Of this amount, \$325,000.00 was transferred by the trustees to the Foundation Trust Estate Expense Account for the payment of salaries and wages, and other operating expenses of the foundation. Disbursements from the expense account for the 2013 fiscal year totaled \$372,325.76. \$6,079,618.85 was transferred to the Angelo State University Robert G. Carr and Nona K. Carr Scholarship Foundation Account. Depository interest of \$1,110.68 was transferred. During the 2013 fiscal year, the scholarship account earned interest totaling \$1.10.

Total scholarships awarded prior to the 2013 fiscal year amounted to \$75,680,404.63. During the 2013 fiscal year, scholarship awards amounted to \$5,009,437.62. It is estimated that the amount of annual scholarship awards from the scholarship fund will total \$4,500,000.00 in fiscal year 2014.

The records of the Foundation are audited annually by the firm of Oliver, Rainey & Wojtek, LLP, San Angelo, Texas.



ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
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Component Unit Condensed Financial Statements**Condensed Statement of Net Position**

	<u>Carr Foundation</u>	
	<u>FY 2013</u>	<u>FY 2012</u>
Total Assets	\$ 114,608,392.06	\$ 103,727,705.77
Total Liabilities	<u>38,049.09</u>	<u>17,972.57</u>
Net Position:		
Invested in Capital Assets, Net of Related Debt		
Restricted:		
Nonexpendable:		
Endowments	114,372,113.36	103,464,754.88
Expendable:		
Other	198,229.61	244,978.32
Unrestricted		
Total Net Position	<u>\$ 114,570,342.97</u>	<u>\$ 103,709,733.20</u>

Condensed Statement of Revenues, Expenses and Changes in Net Position

Operating Revenues	\$	\$
Operating Expenses		
Institutional Support	<u>(372,325.76)</u>	<u>(342,808.66)</u>
Operating Income (Loss)	<u>(372,325.76)</u>	<u>(342,808.66)</u>
Non-operating Revenue (Expense)		
Investment Income (Expense)	17,313,665.06	10,354,261.90
Other Non-operating Income		
Total Non-operating Revenue & Expenses	<u>17,313,665.06</u>	<u>10,354,261.90</u>
Other Revenues, Expenses, Gains, Losses & Transfers		
Transfers to/from Other Funds	<u>(6,080,729.53)</u>	<u>(4,426,876.96)</u>
Total Change in Net Position	<u>10,860,609.77</u>	<u>5,584,576.28</u>
Beginning Net Position (September 1, 20xx)	103,709,733.20	98,125,156.92
Ending Net Position (August 31, 20xx)	<u>\$ 114,570,342.97</u>	<u>\$ 103,709,733.20</u>

Condensed Statement of Cash Flows

Net Cash Provided (Used) by Operating Activities	\$ (11,037,434.95)	\$ (6,191,245.51)
Net Cash Provided (Used) by Noncapital Financing Activities	11,232,935.53	5,927,384.94
Net Cash Provided (Used) by Capital and Related Financing Activities		
Net Cash Provided (Used) by Investing Activities		
Total Net Cash Flows	<u>195,500.58</u>	<u>(263,860.57)</u>
Beginning Cash & Cash Equivalents (September 1, 20xx)	567,065.53	830,926.10
Ending Cash & Cash Equivalents (August 31, 20xx)	<u>\$ 762,566.11</u>	<u>\$ 567,065.53</u>

NOTE 20: Stewardship, Compliance and Accountability

Section not applicable

NOTE 21: N/A**NOTE 22: Donor Restricted Endowments**

Expenditure of endowed funds is not allowed without the express consent of the donor. Most of Angelo State University's endowments are held in perpetuity. In many cases, endowment earnings are expendable for student financial assistance or other purposes as designated by the donor. In other cases, endowment earnings are reinvested.



ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2013

Endowment assets are invested predominantly in the Long Term Investment Fund (LTIF). The LTIF has experienced varying performance since its inception. The cumulative effect of valuation changes assignable to endowment fund assets by the University are summarized in the following table:

<u>Donor-Restricted Endowments</u>	<u>Amount of Net Appreciation</u>		<u>Reported in Net Assets</u> Restricted Nonexpendable
	<u>FY 2013</u>	<u>FY 2012</u>	
True Endowments	<u>\$2,603,352.05</u>	<u>(\$1,583,594.89)</u>	
Total	<u>\$2,603,352.05</u>	<u>(\$1,583,594.89)</u>	

The System's spending policy reflects an objective to distribute as much total return as is consistent with overall investment objectives while protecting the inflation-adjusted value of the principal. The following factors are considered in the spending policy: the duration and preservation of the LTIF, the purposes of the System and the LTIF, general economic conditions, the possible effect of inflation or deflation, the expected total return from income and the appreciation of investments, other resources of the System and the overall investment policy. The distribution of spendable earnings shall not exceed 6% nor be less than 4% of the average NAV of the LTIF for the 12 quarters just ended.

NOTE 23: Extraordinary and Special Items

Section not applicable

NOTE 24: Disaggregation of Receivable and Payable Balances

Section not applicable

NOTE 25: Termination Benefits

Section not applicable

NOTE 26: Segment Information

Section not applicable

Angelo State University
 Schedule 1A - Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2013

Federal Grantor/Pass-Through Grantor/ Program Title	CFDA Number	Identifying #	Pass-Through From		Direct Program Amount
			Agy/Univ #	Agy/Univ Amount	
U.S. Department of Commerce					
<u>Direct Program:</u>					
National Oceanic and Atmospheric Administration Earth System Science for Elementary Teachers	11.008				207,131.76
Total Department of Commerce					<u>207,131.76</u>
U.S. Department of Defense					
<u>Direct Program:</u>					
Center for Security Studies	12.000	2713			1,501,795.60
Total Department of Defense					<u>1,501,795.60</u>
U.S. Department of Labor					
<u>Pass-Through From:</u>					
Texas Workforce Commission College Credit For Heroes	17.267		320	23,847.06	
Total Department of Labor				<u>23,847.06</u>	
U. S. Small Business Administration					
<u>Pass-Through From:</u>					
University of Texas San Antonio Small Business Development Center	59.037		743	126,836.73	
Total U. S. Small Business Administration				<u>126,836.73</u>	
U. S. Department of Education					
<u>Direct Program:</u>					
Title V - Hispanic Serving Institute	84.031				1,762,137.14
Pearl of the Concho Writing	84.928				32,686.76
<u>Pass-Through From:</u>					
Teacher Quality	84.367		781	103,875.41	
Total U.S. Department of Education				<u>103,875.41</u>	<u>1,794,823.90</u>
Research & Development Cluster					
U.S. Department of Agriculture					
<u>Pass-Through From:</u>					
Kansas State University USDA Subaward-Antibiotic Resistance	10.303				17,475.78
<u>Pass-Through From:</u>					
Texas Tech University USDA Subaward- Branham	10.326		733	63,448.45	
Total U.S. Department of Agriculture				<u>63,448.45</u>	<u>17,475.78</u>
U.S. Department of Defense					
<u>Direct Program:</u>					
USA War College-SSI-ERAP	12.000	2723			10,115.75
Total Department of Defense					<u>10,115.75</u>
National Science Foundation					
<u>Direct Program:</u>					
PIER Satterfield	47.050				12,004.17
Ammerman National History Collection	47.074				205,524.32
SFS Ehlers Cyber Security Education	47.076				49,068.44
<u>Pass-Through From:</u>					
Texas Tech University West Texas Middle School	47.076		733	157,213.86	
Total National Science Foundation				<u>157,213.86</u>	<u>266,596.93</u>
CDBG Entitlement Grants Cluster					
U.S. Department of Housing and Urban Development					
<u>Pass-Through From:</u>					
City of San Angelo Community Development Block Grant	14.218				18,267.19
Total Department of Housing and Urban Development					<u>18,267.19</u>
Student Financial Assistance Cluster					
U. S. Department of Education					
<u>Direct Program:</u>					
Federal Supplemental Educational Opportunity	84.007				131,882.67
Federal Work-Study Program	84.033				188,859.58
Federal Perkins Loan Program	84.038				59,637.00
Federal Pell Grant Program	84.063				9,400,287.40
Federal Direct Student Loans	84.268				34,444,177.00
Federal TEACH Grant	84.379				8,000.00
Total U. S. Department of Education					<u>44,232,843.65</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 475,221.51</u>	<u>\$ 35,742.97</u>
					<u>\$ 48,013,307.59</u>

Total Pass-Thru From & Direct Program	Pass-Through To		Expenditures Amount	Total PT to and Expenditures
	Agy #/ Univ.#	State Agy. or Univ. Amount		
207,131.76			207,131.76	207,131.76
<u>207,131.76</u>			<u>207,131.76</u>	<u>207,131.76</u>
1,501,795.60			1,501,795.60	1,501,795.60
<u>1,501,795.60</u>			<u>1,501,795.60</u>	<u>1,501,795.60</u>
23,847.06			23,847.06	23,847.06
<u>23,847.06</u>			<u>23,847.06</u>	<u>23,847.06</u>
126,836.73			126,836.73	126,836.73
<u>126,836.73</u>			<u>126,836.73</u>	<u>126,836.73</u>
1,762,137.14			1,762,137.14	1,762,137.14
32,686.76			32,686.76	32,686.76
103,875.41			103,875.41	103,875.41
<u>1,898,699.31</u>			<u>1,898,699.31</u>	<u>1,898,699.31</u>
17,475.78			17,475.78	17,475.78
63,448.45			63,448.45	63,448.45
<u>80,924.23</u>			<u>80,924.23</u>	<u>80,924.23</u>
10,115.75			10,115.75	10,115.75
<u>10,115.75</u>			<u>10,115.75</u>	<u>10,115.75</u>
12,004.17			12,004.17	12,004.17
205,524.32			205,524.32	205,524.32
49,068.44			49,068.44	49,068.44
157,213.86			157,213.86	157,213.86
<u>423,810.79</u>			<u>423,810.79</u>	<u>423,810.79</u>
18,267.19			18,267.19	18,267.19
<u>18,267.19</u>			<u>18,267.19</u>	<u>18,267.19</u>
131,882.67			131,882.67	131,882.67
188,859.58			188,859.58	188,859.58
59,637.00			59,637.00	59,637.00
9,400,287.40			9,400,287.40	9,400,287.40
34,444,177.00			34,444,177.00	34,444,177.00
8,000.00			8,000.00	8,000.00
<u>44,232,843.65</u>			<u>44,232,843.65</u>	<u>44,232,843.65</u>
\$ <u>48,524,272.07</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>48,524,272.07</u>	\$ <u>48,524,272.07</u>



Angelo State University
 Schedule 1A - Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2013

Note 2: Reconciliation:

Federal Revenues - per Statement of Combined Revenues, Expenses and Net Assets:	
Federal Revenue-Operating	\$ 4,144,949.16
Federal Revenue-Non-Operating	9,400,287.40
Federal Pass-Through - Operating	475,221.51
Federal Pass-Through - Non-Operating	
Subtotal	<u>14,020,458.07</u>
ADD:	
New Loans Processed:	
Federal Perkins Loan Program	59,637.00
Federal Direct Student Loan	34,444,177.00
Total Pass-Through & Expenditures Per Federal Schedule	<u>\$ 48,524,272.07</u>

Note 3: Student Loans Processed & Administrative Costs Recovered

Federal Grantor/ CFDA Number/Program Name	New Loans Processed	Admin. Costs Recovered	Total Loans Processed & Admin. Costs Recovered	Ending Balances of Previous Year's Loans
<i>U.S. Department of Education</i>				
84.038 Federal Perkins Loan Program	59,637.00		59,637.00	
84.268 Federal Direct Student Loans	34,444,177.00		34,444,177.00	
93.264 Nurse Faculty Loan Program	-		-	
Total Department of Education	<u>\$ 34,503,814.00</u>	<u>\$ 0.00</u>	<u>\$ 34,503,814.00</u>	<u>\$ -</u>

Perkins loans are outsourced to ECSI.

Note 4: Government Publications

The University participates as a depository library in the Government Printing Office's Depository Libraries for Government Publication program, CFDA #40.001. The University is the legal custodian of government publications, which remain the property of the federal government. The publications are not assigned a value by the Government Printing Office.

Note 7: Federal Deferred Revenue

CFDA	Balance 9-1-12	Net Change	Balance 8-31-13
84.367	20,000.00	(20,000.00)	
84.928	12,686.76	(12,686.76)	
	<u>32,686.76</u>	<u>(32,686.76)</u>	<u>-</u>

The deferred revenue consists of awards authorized for which funds have not been expended.



UNAUDITED

Angelo State University
Schedule 1B - Schedule of State Grant Pass Throughs From/To State Agencies
For the Fiscal Year Ended August 31, 2013

Pass Through From:

State Board of Public Accountancy (Agy #457) 5th Year Accounting	\$	3,000.00
Cancer Prevention and Research Institute of Texas (Agy #542) CPRIT ABC 4 WT		222,930.65
University of Texas System (Agy #720) Joint Admissions Medical Program		7,010.86
Texas Higher Education Coordinating Board (Agy #781) Texas Grants		4,106,799.00
Professional Nursing Shortage Reduction Program		154,658.00
College Work Study Program		39,238.37
Top 10% Scholarship		384,000.00
		<hr/>
Total Pass Through From Other Agencies (Exh. II)	\$	<u>4,917,636.88</u>



Angelo State University
 Schedule 2A - Miscellaneous Bond Information
 For the Fiscal Year Ended August 31, 2013

Description of Issue	Bonds Issued to Date	Range of Interest Rates	Terms of Variable Interest Rate	Scheduled Maturities		First Call Date
				First Year	Last Year	
Revenue Bonds						
Rev Fin Sys Ref & Imp Bds 12th Series 2009	\$ 35,630,000.00	3.0% to 5.25%		2009	2/15/2038	02/15/2019
Rev Fin Sys Ref & Imp Bds 14th Series 2012A	39,370,000.00	2.0% to 5.0%		2012	8/15/2041	08/15/2021
Total	<u>\$ 75,000,000.00</u>					



Angelo State University
 Schedule 2B - Changes in Bonded Indebtedness
 For the Year Ended August 31, 2013

Description of Issue	Bonds Outstanding 9-1-12	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8-31-13
Revenue Bonds					
Rev Fin Sys Ref & Imp Bds 12th Ser 2009	\$ 30,755,000.00	\$	\$ 1,600,000.00	\$	\$ 29,155,000.00
Rev Fin Sys Ref & Imp Bds 14th Ser 2012A	38,605,000.00		765,000.00		37,840,000.00
TOTAL	\$ <u>69,360,000.00</u>	\$ <u>0.00</u>	\$ <u>2,365,000.00</u>	\$ <u>0.00</u>	\$ <u>66,995,000.00</u>
	Unamortized Premium	Unamortized Gain/ (Loss) on Refunding	Other Adjustments	Net Bonds Outstanding 8-31-13	Amounts Due Within One Year
Rev Fin Sys Ref & Imp Bds 12th Ser '09	\$	\$	\$	\$ 29,155,000.00	\$ 1,595,000.00
Rev Fin Sys Ref & Imp Bds 14th Ser '12A	3,795,939.82			41,635,939.82	1,000,447.70
TOTAL	\$ <u>3,795,939.82</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>70,790,939.82</u>	\$ <u>2,595,447.70</u>

Note: 14th Series amounts due within one year include bond premium amortization \$225,447.70.



Angelo State University
 Schedule 2C - Debt Service Requirements
 For the Year Ended August 31, 2013

Description of Issue	Fiscal Year	Principal	Interest
Revenue Bonds			
Rev Fin Sys Ref & Imp Bds 12th Ser 2009	2014	\$ 1,595,000.00	\$ 1,429,993.76
	2015	840,000.00	1,385,068.76
	2016	1,185,000.00	1,334,443.76
	2017	1,240,000.00	1,273,818.76
	2018	1,310,000.00	1,210,068.76
	2019-2023	3,780,000.00	5,433,593.80
	2024-2028	4,855,000.00	4,359,218.80
	2029-2033	6,245,000.00	2,960,246.89
	2034-2038	8,105,000.00	1,108,406.25
		29,155,000.00	20,494,859.54
Rev Fin Sys Ref & Imp Bds 14th Ser 2012A	2014	775,000.00	1,747,412.50
	2015	805,000.00	1,724,162.50
	2016	835,000.00	1,700,012.50
	2017	855,000.00	1,674,962.50
	2018	900,000.00	1,632,212.50
	2019-2023	5,100,000.00	7,466,750.00
	2024-2028	6,275,000.00	6,142,000.00
	2029-2033	7,485,000.00	4,420,750.00
	2034-2038	8,645,000.00	2,476,500.00
	2039-2041	6,165,000.00	499,600.00
		37,840,000.00	29,484,362.50
Total Principal and Interest		\$ 66,995,000.00	\$ 49,979,222.04



Angelo State University
 Schedule 2D - Analysis of Funds Available for Debt Service
 For the Year Ended August 31, 2013

Pledged and Other Sources and Related Expenditures for FY 2013				
Description of Issue	Net Available for Debt Service		Debt Service	
	Total Pledged and Other Sources	Operating Expenses/ Expenditures and Capital Outlay	Principal	Interest
Revenue Bonds	\$	\$	\$	\$
Rev Fin Sys Ref & Imp Bds 12th Series 2009			1,600,000.00	1,485,918.76
Rev Fin Sys Ref & Imp Bds 14th Ser 2012A			765,000.00	1,762,712.50
Total	\$ 72,901,614.02	\$ (B)	\$ 2,365,000.00	\$ 3,248,631.26

NOTE:

(A) - Beginning Balance as of 09/01/2012 of \$7,855,976.43 are not included in *Total Pledged and Other Sources*.
 (B) - Expenditures associated with pledged sources totaled \$64,741,304.51.



Angelo State University
Schedule 2E - Defeased Bonds Outstanding
For the Year Ended August 31, 2013

<u>Description of Issues</u>	<u>Year Refunded</u>	<u>Par Value Outstanding</u>
Revenue Bonds		
SCHEDULE NOT USED		\$
		<hr/>
		\$ <u>0.00</u>



Angelo State University
Schedule 2F - Early Extinguishment and Refunding
For the Year Ended August 31, 2013

Description of Issue	Category	Amount Extinguished or Refunded	Refunding Issue Par Value	Cash Flow Increase (Decrease)	Economic Gain/ (Loss)
SCHEDULE NOT USED		\$	\$	\$	\$
		<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>



Angelo State University
 Schedule 3 - Reconciliation of Cash in State Treasury
 For the Year Ended August 31, 2013

Cash in State Treasury	Unrestricted	Restricted	Current Year Total
Local Revenue Fund 0227	\$ 1,362,302.54	\$	\$ 1,362,302.54
Total Cash in State Treasury (Stmnt of Net Assets)	<u>\$ 1,362,302.54</u>	<u>\$ 0.00</u>	<u>\$ 1,362,302.54</u>





