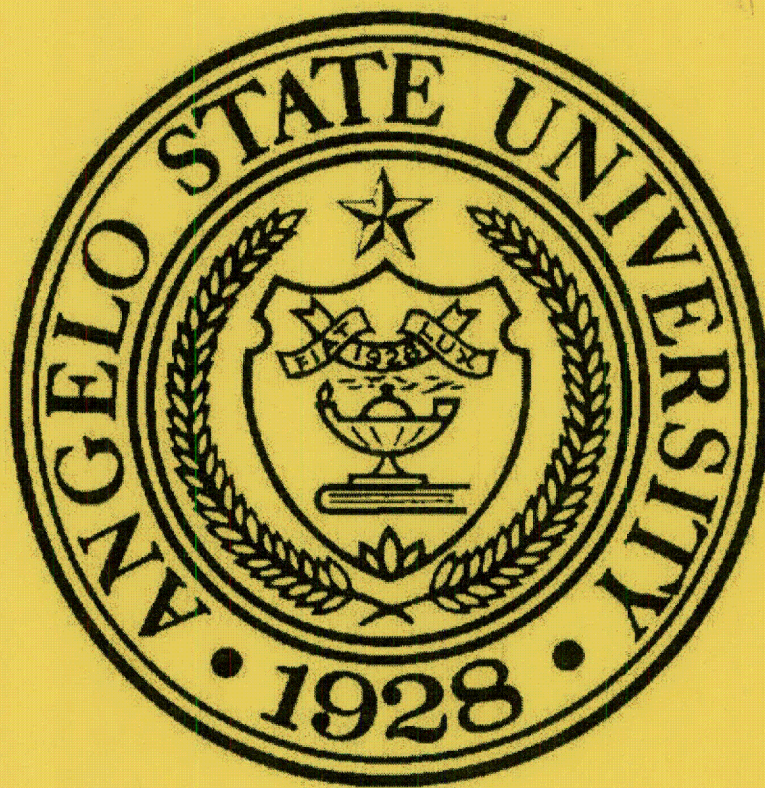


# ANGELO STATE UNIVERSITY



## ANNUAL FINANCIAL REPORT

FISCAL YEAR 2015

A MEMBER OF THE TEXAS TECH UNIVERSITY SYSTEM



**ANNUAL FINANCIAL REPORT**

**OF**

**ANGELO STATE UNIVERSITY**

FOR THE YEAR ENDED AUGUST 31, 2015

**SAN ANGELO, TEXAS**

**A MEMBER OF THE TEXAS TECH UNIVERSITY SYSTEM**

**ANGELO STATE UNIVERSITY  
FY 2015 FINANCIAL REPORT**

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ANGELO STATE UNIVERSITY

Office of the President

November 20, 2015

The Honorable Greg Abbott  
Governor of Texas

Ms. Ursula Parks  
Acting Director, Legislative Budget Board

The Honorable Glenn Hegar  
Texas Comptroller

Mr. John Keel, CPA  
State Auditor

Lady and Gentlemen:

We are pleased to submit the Annual Financial Report of Angelo State University for the year ended August 31, 2015, 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 cursive script that reads "Brian J. May".

Brian J. May  
President

November 20, 2015



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, 2015.

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  
Interim Vice President for  
Finance and Administration

Denise Brodnax  
Controller

Janet Coleman  
Director of Accounting

Jackie Baxter  
Accountant

Carrie Whitesell  
Accountant

**ANGELO STATE UNIVERSITY  
ORGANIZATIONAL DATA  
For the Fiscal Year 2014 - 2015**

**BOARD OF REGENTS  
TEXAS TECH UNIVERSITY SYSTEM**

**OFFICERS**

Mickey L. Long  
Robert L. Duncan

Chairman  
Chancellor

**MEMBERS**

<b><u>Name</u></b>	<b><u>Residence</u></b>	<b><u>Term Expires February 1</u></b>
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
Mr. Mickey L. Long	Midland, TX	2021
Mr. Ronnie Hammonds	Houston, TX	2021
Mr. Christopher M. Huckabee	Fort Worth, TX	2021

**PRESIDENT**

Dr. Brian J. May

**OFFICE OF FINANCE AND ADMINISTRATION**

Angelina Wright  
Denise Brodnax

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, 2015 and 2014**

	<b>FY 2015</b>	<b>Restated FY 2014</b>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 47,912,757.40	\$ 36,924,433.24
Restricted:		
Cash and Cash Equivalents	(482,792.92)	6,192,500.76
Legislative Appropriations	6,715,986.18	6,268,973.02
Accounts Receivable, net:		
Federal Receivables	11,980,885.45	18,175,767.04
Student Receivables	12,834,050.18	11,537,328.50
Gift Receivables	930,019.30	693,396.00
Accounts Receivables	2,416,309.49	1,769,917.44
Due From Other Agencies (Note 12)	317,476.18	92,492.38
Prepaid Items	9,644,493.42	7,083,249.45
Inventories	297,874.42	286,045.06
Loans and Notes Receivable, net	581,073.94	591,079.72
Total Current Assets	93,148,133.04	89,615,182.61
Non-current Assets:		
Restricted:		
Investments (Note 3)	36,452,935.50	28,448,277.04
Gift Receivables	1,349,105.86	1,129,788.00
Capital Assets (Note 2)		
Non-Depreciable or Non-Amortizable	3,958,145.88	35,536,778.60
Depreciable or Amortizable	233,251,896.00	198,596,958.97
Accumulated Depreciation and Amortization	(121,692,360.63)	(114,151,820.52)
Total Non-Current Assets	153,319,722.61	149,559,982.09
Total Assets	\$ 246,467,855.65	\$ 239,175,164.70
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 2,128,988.64	\$ 1,824,423.95
Payroll Payable	3,396,052.26	3,196,960.93
Unearned Revenues	36,169,903.07	36,884,769.31
Bonds Payable (Note 5)	-	1,865,830.31
Employees' Compensable Leave (Note 5)	260,032.79	330,369.03
Notes and Loans Payable (Note 5)	-	3,826,200.00
Funds Held for Others	12,093,867.72	10,891,093.75
Other Current Liabilities	1,480.00	2,300.00
Total Current Liabilities	54,050,324.48	58,821,947.28
Non-current Liabilities:		
Employees Compensable Leave (Note 5)	2,022,312.61	2,029,222.44
Bonds Payable (Note 5)	-	66,329,661.81
Other Non-Current Liabilities	412,692.92	430,406.36
Total Non-Current Liabilities	2,435,005.53	68,789,290.61
Total Liabilities	\$ 56,485,330.01	\$ 127,611,237.89
<b>NET POSITION</b>		
Invested in Capital Assets, Net of Related Debt	\$ 115,517,681.25	\$ 49,557,540.88
Restricted:		
Non-Expendable:		
Endowments	23,651,110.18	23,430,808.21
Expendable:		
Quasi Endowments	5,473,241.40	5,717,367.14
Higher Education Assistance Fund	5,137,309.54	4,439,496.78
Other	17,297,069.74	14,241,514.53
Unrestricted	22,906,113.53	14,177,199.27
Total Net Position	\$ 189,982,525.64	\$ 111,563,926.81

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



**Angelo State University Foundation**  
**Statement of Revenues, Expenses, and Changes in Net Position (Unaudited)**  
**For the Fiscal Years Ended August 31, 2015 and 2014**

	FY 2015	Restated FY 2014
<b>OPERATING REVENUES</b>		
Sales of Goods and Services		
Tuition and Fees - Pledged	\$ 45,977,797.41	\$ 44,512,615.71
Tuition and Fees - Unpledged	3,089,321.46	2,982,391.02
Discounts and Allowances	(11,246,323.59)	(10,719,809.46)
Auxiliary Enterprises - Pledged	21,232,397.45	16,944,188.78
Discounts and Allowances	(4,667,878.39)	(4,153,936.39)
Other Sales of Goods and Services - Pledged	1,229,064.17	1,181,079.55
Federal Revenue-Operating (Sch 1A)	3,298,462.78	4,135,187.94
Federal Pass Through Revenue (Sch 1A)	287,098.87	205,558.70
State Grant Pass Through Revenue (Sch 1B)	4,136,129.89	5,206,823.63
Nongovernmental Grants and Contracts	732,243.82	576,876.55
Total Operating Revenues	64,068,313.87	60,870,976.03
<b>OPERATING EXPENSES</b>		
Salaries and Wages	46,009,493.29	46,022,971.40
Payroll Related Costs	14,386,019.54	14,069,734.32
Professional Fees and Services	584,702.67	751,292.57
Travel	1,564,995.29	1,531,950.79
Materials and Supplies	7,857,021.73	7,029,888.98
Communications and Utilities	3,619,716.26	3,462,016.54
Repairs and Maintenance	3,530,110.23	2,857,203.88
Rentals and Leases	695,673.65	699,200.41
Printing and Reproduction	321,858.22	347,141.75
Depreciation and Amortization	8,220,294.89	6,687,200.34
Bad Debt Expense	454,646.28	339,409.08
Interest	177.09	7.27
Scholarships	13,719,514.02	12,872,419.64
Other Operating Expenses	10,241,664.82	7,411,471.08
Total Operating Expenses	111,205,887.98	104,081,908.05
Operating Income (Loss)	(47,137,574.11)	(43,210,932.02)
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Legislative Revenue	32,710,169.76	33,866,544.45
Federal Revenue-Non-operating (Sch 1A)	9,214,210.03	9,283,908.96
Gifts	12,431,871.91	15,974,956.28
Investment Income	8,516,458.00	8,918,152.35
Interest Expense on Capital Asset Financing	(2,969,650.62)	(3,091,554.69)
Gain (Loss) on Sale and Disposal of Capital Assets	(19,025.79)	(103,730.89)
Net Increase (Decrease) in Fair Value of Investments	(1,156,792.92)	1,549,231.70
Other Non-operating Revenues/(Expenses) - Pledged	- (750,905.03)	(8,308,868.51)
Total Non-operating Revenues (Expenses)	57,976,335.34	58,088,639.65
Income (Loss) before Other Revenues, Expenses, Gains/Losses and Transfers	10,838,761.23	14,877,707.63
<b>OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS</b>		
Capital Appropriations (HEAF)	3,743,027.00	3,743,027.00
Capital Contributions - Gifts	7,200.00	9,600.00
Transfers In - TTU System Admin (Note 12)	68,736,837.12	(410,084.00)
Transfers Out - TTUHSC (Note 12)	6,000.00	(19,849.00)
Transfers In - TTUSA Foundation, Inc. (Note 12)	140,377.75	20,765.00
Transfers Out - Other State Agencies (Note 12)	(2,541,133.48)	(2,770,693.15)
Legislative Transfers-Out (Note 12)	(2,512,470.79)	(2,889,644.63)
Legislative Appropriations Lapsed	-	(2,980.13)
Total Other Revenues, Expenses, Gains, Losses, and Transfers	67,579,837.60	(2,319,858.91)
<b>Total Changes in Net Position</b>	<b>\$ 78,418,598.83</b>	<b>\$ 12,557,848.72</b>
Beginning Net Position (September 1, 2014)	111,563,926.81	99,006,078.09
<b>Ending Net Position (August 31, 2015)</b>	<b>\$ 189,982,525.64</b>	<b>\$ 111,563,926.81</b>

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

Angelo State University  
 Matrix of Operating Expenses Reported by Function  
 For the Fiscal Year Ended August 31, 2015

<u>Operating Expenses</u>	<u>Instruction</u>	<u>Research</u>	<u>Public Service</u>	<u>Academic Support</u>	<u>Student Services</u>
Salaries and Wages	\$ 22,683,143.26	\$ 494,658.54	\$ 1,013,050.17	\$ 3,094,069.70	\$ 3,474,425.88
Payroll Related Costs	7,728,740.01	80,171.57	243,966.25	807,313.83	858,771.94
Professional Fees and Services	221,310.33	19,126.16	108,800.93	29,241.75	3,408.09
Travel	651,997.86	62,019.57	65,698.20	73,563.56	114,087.59
Materials and Supplies	1,520,913.89	131,852.60	193,526.68	284,662.90	248,569.36
Communication and Utilities	86,537.17	1,008.78	5,468.45	17,001.83	16,340.57
Repairs and Maintenance	134,738.76	1,782.35	2,236.97	72,541.60	175,947.29
Rentals and Leases	117,370.32	3,446.50	48,307.76	116,081.57	34,357.29
Printing and Reproduction	57,075.55	4,329.85	15,208.95	12,712.48	36,701.60
Depreciation and Amortization	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-
Interest	-	-	-	-	-
Scholarships	-	-	-	-	-
Other Operating Expenses	<u>2,487,612.22</u>	<u>51,211.36</u>	<u>156,786.47</u>	<u>1,593,502.93</u>	<u>447,903.02</u>
Total Operating Expenses	\$ <u>35,689,439.37</u>	\$ <u>849,607.28</u>	\$ <u>1,853,050.83</u>	\$ <u>6,100,692.15</u>	\$ <u>5,410,512.63</u>

<u>Institutional Support</u>	<u>Operation and Maintenance of Plant</u>	<u>Scholarship and Fellowships</u>	<u>Auxiliary Enterprise Expenditures</u>	<u>Depreciation and Amortization</u>	<u>Total Expenditures</u>	<u>FY2014</u>
\$ 8,243,927.75	\$ 1,981,590.85	\$ -	\$ 5,024,627.14	\$ -	\$ 46,009,493.29	\$ 46,022,971.40
2,640,390.77	759,464.19	-	1,267,200.98	-	14,386,019.54	14,069,734.32
113,271.32	2,691.99	-	86,852.10	-	584,702.67	751,292.57
158,507.30	3,036.00	-	436,085.21	-	1,564,995.29	1,531,950.79
522,965.38	733,030.57	-	4,221,500.35	-	7,857,021.73	7,029,888.98
54,362.77	1,965,244.34	-	1,473,752.35	-	3,619,716.26	3,462,016.54
821,164.34	886,752.44	-	1,434,946.48	-	3,530,110.23	2,857,203.88
43,849.44	140,620.63	-	191,640.14	-	695,673.65	699,200.41
148,572.70	1,435.91	-	45,821.18	-	321,858.22	347,141.75
-	-	-	-	8,220,294.89	8,220,294.89	6,687,200.34
225,674.82	-	-	228,971.46	-	454,646.28	339,409.08
177.09	-	-	-	-	177.09	7.27
-	-	13,719,514.02	-	-	13,719,514.02	12,872,419.64
<u>3,938,720.94</u>	<u>305,748.89</u>	<u>-</u>	<u>1,260,178.99</u>	<u>-</u>	<u>10,241,664.82</u>	<u>7,411,471.08</u>
\$ <u>16,911,584.62</u>	\$ <u>6,779,615.81</u>	\$ <u>13,719,514.02</u>	\$ <u>15,671,576.38</u>	\$ <u>8,220,294.89</u>	\$ <u>111,205,887.98</u>	\$ <u>104,081,908.05</u>

Angelo State University  
Statement of Cash Flows (Unaudited)  
For the Years Ended August 31, 2015 and 2014

8

	FY 2015	Restated FY 2014
<b>Cash Flows from Operating Activities</b>		
Tuition and Fees	\$ 39,239,985.37	\$ 33,452,368.36
Grants and Contracts	12,903,026.59	9,654,824.71
Sales and Services of Auxiliary Enterprises	16,729,415.83	15,752,467.21
Other Sales and Services	1,229,064.17	5,225,471.12
Collections for Loans Issued to Students	355,537.10	389,693.93
Payments to Suppliers for Goods and Services	(18,127,500.61)	(16,766,033.78)
Payments for Loans Issued to Students	(357,551.23)	(297,477.85)
Payments to Employees - Salaries	(45,927,482.54)	(46,232,794.26)
Payments to Employees - Benefits	(14,346,185.03)	(13,447,904.87)
Payments for Other Operating Activities	(31,583,512.57)	(22,816,628.31)
Net Cash Provided (Used) by Operating Activities	<u>(39,885,202.92)</u>	<u>(35,086,013.74)</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
State Appropriations	32,263,156.60	33,463,424.00
Noncapital Gifts	12,431,871.91	15,974,956.28
Noncapital Grants	9,214,210.03	9,283,908.96
Proceeds from Agency Transactions	34,154,816.52	31,991,193.43
Transfers to/from Other State Agencies:		
TTU System Admin	(354,812.00)	(410,084.00)
TTU HSC	6,000.00	(19,849.00)
TTU System Admin - Legislative Transfer	(129,628.00)	(125,128.00)
TTU System Admin Foundation, Inc	140,377.75	20,765.00
Texas B-on-Time	(424,999.73)	(410,461.13)
TPFA	(568,435.69)	(545,852.85)
Comptroller of Public Accounts	150,629.00	-
Other Noncapital Financing Activities	<u>(32,040,538.26)</u>	<u>(39,622,609.70)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>54,842,648.13</u>	<u>49,600,262.99</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from Capital Debt Issuance	290,252.00	1,500,000.00
Capital Appropriations	3,743,027.00	3,743,027.00
Transfers to/from Other State Agencies:		
TTU System Admin - proceeds	146,500.00	-
Texas State University System	(4,081,169.85)	(4,581,193.38)
Purchases of Capital Assets	(3,761,584.88)	(5,909,582.11)
Principal Paid on Capital Debt	(3,366,795.00)	(3,176,520.00)
Payments of Interest on Debt Issuance	<u>(2,969,650.62)</u>	<u>(3,091,554.69)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(9,999,421.35)</u>	<u>(11,515,823.18)</u>
<b>Cash Flows from Investing Activities</b>		
Interest and Dividends Received	8,516,458.00	8,918,152.35
Purchases of Investments	<u>(9,161,451.38)</u>	<u>(2,189,898.47)</u>
Net Cash Provided by Investing Activities	<u>(644,993.38)</u>	<u>6,728,253.88</u>
<b>TOTAL NET CASH FLOWS</b>	<u>\$ 4,313,030.48</u>	<u>\$ 9,726,679.95</u>
Beginning Cash and Cash Equivalents, September 1	43,116,934.00	33,390,254.05
Ending Cash and Cash Equivalents, August 31	<u>\$ 47,429,964.48</u>	<u>\$ 43,116,934.00</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>		
Operating Income (Loss)	\$ (47,137,574.11)	\$ (43,210,932.02)
Adjustments:		
Depreciation Expense	8,220,294.89	6,687,200.34
Bad Debt Expense	454,646.28	339,409.08
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivables	1,819,219.99	(4,023,412.08)
Increase (Decrease) in Due from Other Agency	(224,841.36)	51,724.74
(Increase) Decrease in Loans and Notes Receivable	10,005.78	122,969.36
(Increase) Decrease in Inventory	(11,829.36)	(36,820.73)
(Increase) Decrease in Prepaid Items	(2,482,397.96)	(959,756.87)
Increase (Decrease) in Accounts Payable	78,827.35	85,548.82
Increase (Decrease) in Payrolls Payable	82,010.75	(209,822.86)
Increase (Decrease) in Unearned Revenue	(714,866.24)	5,471,800.88
Increase (Decrease) in Compensable Leave	(77,246.07)	257,189.02
Increase (Decrease) in Benefits Payable	117,080.58	364,640.43
Increase (Decrease) in Other Liabilities	(18,533.44)	(25,751.85)
Net Cash Used for Operating Activities	<u>(39,885,202.92)</u>	<u>(35,086,013.74)</u>
<b>Non-Cash Transactions</b>		
Donation of Capital Assets	\$ 7,200.00	\$ 9,600.00
Net Change in Fair Value of Investments	(1,193,608.27)	1,549,231.70
Disposal of Plant Facilities	(679,754.78)	(918,182.56)
Capitalization Adjustment	-	(1,434,565.77)
Trade In	6,300.00	26,300.00
Debt moved to System's books	68,977,149.12	-

**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2015**

**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, 2015**

**ASSETS, LIABILITIES, AND FUND BALANCES/NET POSITION**

**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, 2015**

**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 position. 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 position.

**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 position. 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 position.

**Fund Balance/Net Position**

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

**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, 2015**

**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 Position**

Restricted net position results when constraints placed 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 position results when there are no externally imposed stipulations. Unrestricted net position may involve 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, 2015 is presented in Note 12.



**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2015**

**NOTE 2: Capital Assets**

	Balance 9/1/2014	Adjustments	Reclassifications			Additions	Deletions	Balance 8/31/2015
			Completed CIP	Inc-Int'agy Trans	Dec-Int'agy Trans			
<b>Business-type activities:</b>								
<b>Non-depreciable/Non-amortizable Assets</b>								
Land and Land Improvements Infrastructure	\$2,684,828.77							\$2,684,828.77
Construction in Progress	33,448,271.52	(1,511,503.66)	(31,936,767.86)			358,135.14		358,135.14
Other Tangible Capital Assets	932,181.97	(17,000.00)						915,181.97
<b>Total Non-depreciable assets</b>	<b>\$37,065,282.26</b>	<b>(\$1,528,503.66)</b>	<b>(\$31,936,767.86)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$358,135.14</b>	<b>\$0.00</b>	<b>\$3,958,145.88</b>
<b>Depreciable Assets</b>								
Building and Building Improvements Infrastructure	\$163,404,934.13		\$30,411,669.35			\$462,827.00		\$194,279,430.48
Facilities and Other Improvements	5,286,500.06							5,286,500.06
Furniture and Equipment	9,155,689.00		1,525,098.51			1,652,009.61		12,332,797.12
Vehicle, Boats, and Aircraft	11,016,950.01					1,022,338.65	(511,426.91)	11,527,861.75
Other Capital Assets	1,672,472.20					234,656.50	(103,951.74)	1,803,176.96
	6,993,048.78					45,117.98	(83,401.92)	6,954,764.84
<b>Total Depreciable Assets</b>	<b>\$197,529,594.18</b>	<b>\$0.00</b>	<b>\$31,936,767.86</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,416,949.74</b>	<b>(\$698,780.57)</b>	<b>\$232,184,531.21</b>
<b>Accumulated Depreciation</b>								
Buildings and Improvements Infrastructure	(\$90,363,955.18)					(\$6,414,208.01)		(\$96,778,163.19)
Facilities and Other Improvements	(2,469,060.70)					(167,953.68)		(2,637,014.38)
Furniture and Equipment	(5,522,654.41)					(358,639.63)		(5,881,294.04)
Vehicle, Boats, and Aircraft	(7,391,957.31)					(935,812.19)	492,401.12	(7,835,368.38)
Other Capital Assets	(1,333,998.15)					(101,076.17)	103,951.74	(1,331,122.58)
	(6,002,829.98)					(242,605.21)	83,401.92	(6,162,033.27)
<b>Total Accumulated Depreciation</b>	<b>(\$113,084,455.73)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>(\$8,220,294.89)</b>	<b>\$679,754.78</b>	<b>(\$120,624,995.84)</b>
<b>Depreciable Assets, Net</b>	<b>\$84,445,138.45</b>	<b>\$0.00</b>	<b>\$31,936,767.86</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>(\$4,803,345.15)</b>	<b>(\$19,025.79)</b>	<b>\$111,559,535.37</b>
<b>Amortizable Assets-Intangible</b>								
Computer Software	\$1,067,364.79							\$1,067,364.79
<b>Total Amortizable Assets-Intangible</b>	<b>\$1,067,364.79</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,067,364.79</b>
<b>Accumulated Amortization</b>								
Computer Software	(\$1,067,364.79)							(\$1,067,364.79)
<b>Total Accumulated Amortization</b>	<b>(\$1,067,364.79)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>(\$1,067,364.79)</b>
<b>Total Business-Type Activities</b>	<b>\$121,510,420.71</b>	<b>(\$1,528,503.66)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>(\$4,445,210.01)</b>	<b>(\$19,025.79)</b>	<b>\$115,517,681.25</b>

**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2015**

**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**

The carrying amount of deposits as of August 31, 2015 and August 31, 2014 was \$5,441,531.16, and \$3,316,040.49 respectively, as presented below:

<b>Business-Type Activities</b>	<b>FY 2015</b>	<b>FY 2014</b>
CASH IN BANK - CARRYING VALUE	\$ 5,441,531.16	\$ 3,316,040.49
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>\$ 5,441,531.16</u>	<u>\$ 3,316,040.49</u>
Current Assets Cash in Bank	\$ 8,452,760.82	\$ 3,642,702.57
Current Assets Restricted Cash in Bank	<u>(3,011,229.66)</u>	<u>(326,662.08)</u>
Cash in Bank per AFR	<u>\$ 5,441,531.16</u>	<u>\$ 3,316,040.49</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 Position as part of the "Cash and Cash Equivalents" and "Securities Lending Collateral" accounts.

As of August 31, 2015, the total bank balance was as follows:

Business-Type Activities \$6,078,761.73

<b>Business-Type Activities</b>	<b>Discrete Component Unit</b>	
	<b>FY 2015</b>	<b>FY 2014</b>
CASH IN BANK - CARRYING VALUE	\$ 304,961.67	\$ 536,293.38
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>\$ 304,961.67</u>	<u>\$ 536,293.38</u>
Current Assets Cash in Bank	\$ 50,204.37	\$ 343,867.03
Current Assets Restricted Cash in Bank	<u>254,757.30</u>	<u>192,426.35</u>
Cash in Bank per AFR	<u>\$ 304,961.67</u>	<u>\$ 536,293.38</u>

These amounts consist of all cash in local banks and are included on the Statement of Net Position as part of current unrestricted and restricted "Cash and Cash Equivalents" and non-current restricted "Cash and Cash Equivalents".

As of August 31, 2015, the total **bank balance** for Business-Type Activities for the Carr Foundation was \$280,773.35.

**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2015**

**Investments**

The fair value of investments is as presented below for August 31, 2015, and August 31, 2014, respectively;

<b>Business-Type Activities</b>	<b>Fair Value</b>	
	<b><u>FY 2015</u></b>	<b><u>FY 2014</u></b>
U.S. Treasury Securities	\$ 693,401.44	\$ 1,011,974.22
U.S. Treasury TIPS	109,566.20	136,192.11
U.S. Government Agency Obligations	1,107,738.51	1,604,134.88
Corporate Obligations	3,672.28	7,521.30
Corporate Asset and Mortgage Backed Securities	8,943.80	14,654.29
Equity	97,557.38	176,105.88
International Obligations (Govt and Corp)	48,560.16	359,298.13
Fixed Income Money Market and Bond Mutual Fund	2,872,417.51	5,286,468.44
Mutual Funds	129,653.30	219,053.84
Other Commingled Funds	3,058,347.35	3,465,201.61
Other Commingled Funds (Texpool)	35,578,093.66	27,784,788.90
International Other Commingled Funds	1,346,572.32	3,294,722.98
Real Estate	1,769,754.76	898,568.92
Domestic Derivatives	(266,902.87)	47,795.78
Domestic	26,004,768.29	18,126,203.88
International	32,120.46	71,871.06
Total	<u>\$ 72,594,264.55</u>	<u>\$ 62,504,556.22</u>

	<b><u>FY 2015</u></b>	<b><u>FY 2014</u></b>
Non-Current Investments	\$ 36,452,935.50	\$ 28,448,277.04
Money Market Funds	563,235.39	6,271,490.28
TexPool Investments	35,578,093.66	27,784,788.90
Total	<u>\$ 72,594,264.55</u>	<u>\$ 62,504,556.22</u>

<b>Business-Type Activities</b>	<b>Fair Value-Discrete Component Unit</b>	
	<b><u>FY 2015</u></b>	<b><u>FY 2014</u></b>
Equity	\$	\$
International Obligations (Govt and Corp)	57,816.99	1,092,315.31
Fixed Income Money Market and Bond Mutual Fund	6,645,898.38	15,199,751.96
Mutual Funds		
Other Commingled Funds	10,441,974.73	13,690,672.69
Other Commingled Funds (Texpool)		
International Other Commingled Funds	4,736,529.96	13,626,234.30
Real Estate	13,431,953.79	10,776,928.83
Domestic Derivatives	(994,482.17)	209,524.35
Domestic	95,378,052.39	76,634,664.88
International	119,681.11	315,064.24
Total	<u>\$ 129,817,425.18</u>	<u>\$ 131,545,156.56</u>

	<b><u>FY 2015</u></b>	<b><u>FY 2014</u></b>
Non-Current Investments	\$ 129,817,425.18	\$ 131,545,156.56
Money Market Funds	0.00	0.00
TexPool Investments	0.00	0.00
Total	<u>\$ 129,817,425.18</u>	<u>\$ 131,545,156.56</u>

**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2015**

Foreign currency risk for investments is the risk that changes in exchange rates will adversely affect the investment. The LTIF and STIF do not have policy limits specific to international equity or debt. All exposures are through funds managed by external investment managers. The exposure to foreign currency risk as of August 31, 2015, is presented below.

<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	\$	\$ 7,557.51	\$
01	0001	Australian dollar	4,366.92	18,323.78	3.07
01	0001	Bermudan dollar			
01	0001	Brazilian real	2,413.10	70,860.80	
01	0001	British pound	28,676.10	207,552.59	3,638.94
01	0001	Canadian dollar			
01	0001	Cayman dollar			
01	0001	Chilean Peso	2,962.92	1,651.96	
01	0001	Chinese yuan		96,182.03	
01	0001	Colombian peso			
01	0001	Czech koruna		9,012.10	
01	0001	Danish krone		7,663.11	
01	0001	Dominican Peso			
01	0001	Egyptian pound		12,648.56	
01	0001	Euro	244.36	100,953.31	14,595.85
01	0001	Hong Kong dollar		34,228.55	
01	0001	Hungarian forint		710.28	
01	0001	Indian rupee	3,024.01	93,615.56	13,882.60
01	0001	Indonesian rupiah		11,260.64	
01	0001	Iraqi dinar			
01	0001	Israel shekel			
01	0001	Japanese yen		145,088.16	
01	0001	Jordanian dinar			
01	0001	Kazakhstani tenge		263.34	
01	0001	Latvian lats		14,984.23	
01	0001	Lithuanian litas			
01	0001	Malaysian ringgit			
01	0001	Mexican peso	2,993.46	43,007.05	
01	0001	Moroccan dirham			
01	0001	New Turkish lira		33,828.26	
01	0001	New Zealand dollar			
01	0001	Nigerian naira			
01	0001	Norwegian krone		1,532.62	
01	0001	Pakistani rupee			
01	0001	Panamanian balboa			
01	0001	Peruvian nuevo sol	1,252.37	903.56	
01	0001	Phillippino peso		9,445.06	
01	0001	Polish zloty		6,747.67	
01	0001	Pound sterling			
01	0001	Qatari riyal		10,701.04	
01	0001	Romanian leu			
01	0001	Russian ruble		3,045.58	
01	0001	Singapore dollar		15,837.09	
01	0001	South African rand	2,626.92	51,763.26	
01	0001	South Korean won		126,441.39	
01	0001	Swedish krona		1,532.62	
01	0001	Swiss franc		57,728.74	
01	0001	Taiwan dollar		94,725.10	
01	0001	Thai baht		44,722.23	
01	0001	UAE dirham		12,054.54	
01	0001	Uruguay peso			
01	0001	Venezuelan bolivar			
		Total	\$ 48,560.16	\$ 1,346,572.32	\$ 32,120.46

At August 31, 2014, the exposures to foreign currency risk balances for Angelo State University were: International Obligations - \$359,298.13; International Other Commingled Funds - \$3,294,722.98; and International Externally Managed Investments - \$71,871.06.

**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2015**

Discrete Component Unit

<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	\$	\$ 24,687.32	\$
01	0001	Australian dollar		68,274.54	11.46
01	0001	Bermudan dollar			
01	0001	Brazilian real	8,991.22	232,229.91	
01	0001	British pound		770,030.99	13,558.72
01	0001	Bulgarian lev			
01	0001	Canadian dollar			
01	0001	Cayman dollar			
01	0001	Chilean Peso	11,039.86		
01	0001	Chinese yuan		323,558.94	
01	0001	Colombian peso			
01	0001	Czech koruna		29,438.86	
01	0001	Danish krone		28,552.80	
01	0001	Dominican Peso			
01	0001	Egyptian pound		41,317.69	
01	0001	Euro	910.51	375,807.07	54,384.25
01	0001	Hong Kong dollar		127,535.83	
01	0001	Hungarian forint		2,646.51	
01	0001	Indian rupee	11,267.48	315,836.07	51,726.68
01	0001	Indonesian rupiah		37,051.16	
01	0001	Iraqi dinar			
01	0001	Israel shekel			
01	0001	Japanese yen		540,599.63	
01	0001	Jordanian dinar			
01	0001	Kazakhstan tenge			
01	0001	Latvian lats			
01	0001	Lithuanian litas			
01	0001	Malaysian ringgit		48,472.28	
01	0001	Mexican peso	11,153.67	136,346.30	
01	0001	Moroccan dirham			
01	0001	New Turkish lira		117,293.12	
01	0001	New Zealand dollar			
01	0001	Nigerian naira			
01	0001	Norwegian krone		5,710.56	
01	0001	Pakistani rupee			
01	0001	Panamanian balboa			
01	0001	Peruvian nuevo sol	4,666.33		
01	0001	Phillipino peso		31,758.14	
01	0001	Polish zloty		25,141.86	
01	0001	Pound sterling			
01	0001	Qatari riyal		37,051.16	
01	0001	Romanian leu			
01	0001	Russian ruble		9,262.79	
01	0001	Singapore dollar		59,009.12	
01	0001	South African rand	9,787.92	167,095.38	
01	0001	South Korean won		443,166.31	
01	0001	Swedish krona		5,710.56	
01	0001	Swiss franc		215,097.74	
01	0001	Taiwan dollar		318,508.70	
01	0001	Thai baht		162,378.85	
01	0001	UAE dirham		36,959.77	
01	0001	Uruguay peso			
01	0001	Venezuelan bolivar			
		Total	\$ 57,816.99	\$ 4,736,529.96	\$ 119,681.11

At August 31, 2014, the exposures to foreign currency risk balances for the Discrete Component Unit were: International Obligations - \$1,092,315.31; International Other Commingled Funds - \$13,626,234.30; and International Externally Managed Investments - \$315,064.24.

**ANGELO STATE UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended August 31, 2015**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Administration's investment policy limits fixed income securities held by the STIF to those issued by the U.S. or its agencies and instrumentalities. As of August 31, 2015, the credit quality distribution for securities with credit risk exposure was as follows:

*Standard & Poor's*

Fund Type	GAAP Fund	Investment Type	AAA	AAAf	AA	A	BBB	BB	Unrated
		U.S. Government Agency Obligations	\$ 1,107,738.51		\$ -	\$ -	\$ -	\$ -	\$ -
		Corporate Obligations	\$ -		\$ -	\$ -	\$ -	\$ 2,029.51	\$ 1,642.77
		CMO's	\$ 8,943.80		\$ -	\$ -	\$ -	\$ -	\$ -
		International Obligations	\$ -		\$ 1,068.32	\$ 8,595.15	\$ 27,504.47	\$ 3,845.96	\$ 7,546.26
		Fixed Income Money Market and Bond Mutual Funds		\$ 563,235.39					\$ 2,309,182.12

**Discrete Component Unit**

*Standard & Poor's*

Fund Type	GAAP Fund	Investment Type	AAA	AAAf	AA	A	BBB	BB	Unrated
		U.S. Government Agency Obligations							
		Corporate Obligations							
		CMO's							
		International Obligations			\$ 1,271.97	\$ 10,233.61	\$ 32,747.54	\$ 4,579.11	\$ 8,984.76
		Fixed Income Money Market and Bond Mutual Funds							\$ 6,645,898.38

**Concentration of credit risk** is the risk of loss attributable to the magnitude of investment in a single issuer. As of August 31, 2015 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, 2014 was as presented below.

*Standard & Poor's*

Fund Type	GAAP Fund	Investment Type	AAA	AA	A	BBB	BB	Unrated
		CMO's						
		International Obligations						
		Market and Bond Mutual Fund						

**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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Discrete Component Unit

Standard & Poor's

Fund Type	GAAP Fund	Investment Type	AAA	AA	A	BBB	BB	Unrated
		CMO's						
		International Obligations						
		Market and Bond Mutual Fund						

**Derivative Investing**

The Investment Policy Statement for the LTIF allows investment in certain derivative securities. A derivative security is a financial instrument which derives its value from another security, currency, commodity or index.

The LTIF entered into futures contracts, options, and swaps as efficient substitutes for traditional securities, to reduce portfolio risks created by other securities, or in fully hedged positions to take advantage of market anomalies.

These instruments involve market and/or credit risk in excess of the amount recognized in the 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 index values. Futures contracts have reduced counterparty credit risk since they are exchange-traded and the exchange's clearinghouse, as counterparty to all exchange-traded futures, guarantees them against default. Counterparty risk for swaps and options is mitigated by master netting agreements between the Administration and its counterparties, and by the posting of collateral on a daily basis.

The Administration's gross counterparty exposure, as of August 31, 2015, is presented below.

	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>	Counterparty
	Notional	Notional	Fair Value at	Fair Value at	Rating
Future Contracts			August 31, 2015	August 31, 2015	
	\$ 3,461,994.94	\$ 1,204,199.07	\$ -	\$ -	A
	\$ 3,461,994.94	\$ 1,204,199.07	\$ -	\$ -	

	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>	Counterparty
	Notional	Notional	Fair Value at	Fair Value at	Rating
Options			August 31, 2015	August 31, 2015	
	\$ 3,073,125.27	\$ 3,521,120.41	\$ 130,438.74	\$ 237,721.26	A-
	\$ 1,117,374.44	\$ 557,136.26	\$ 20,125.31	\$ 112,952.06	BBB+
	\$ 4,190,499.71	\$ 4,078,256.67	\$ 150,564.05	\$ 350,673.32	

	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>	Counterparty
	Notional	Notional	Fair Value at	Fair Value at	Rating
Total Return Swaps			August 31, 2015	August 31, 2015	
	\$ 595,177.03	\$ -	\$ -	\$ 35,172.31	A
	\$ 286,214.66	\$ -	\$ -	\$ 31,621.29	A-
	\$ 881,391.69	\$ -	\$ -	\$ 66,793.60	

**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2015**

Discrete Component Unit

	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>	Counterparty Rating
	Notional	Notional	Fair Value at August 31, 2015	Fair Value at August 31, 2015	
Future Contracts	\$ 12,899,420.23	\$ 4,486,855.16	\$ -	\$ -	A
	\$ 12,899,420.23	\$ 4,486,855.16	\$ -	\$ -	

	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>	Counterparty Rating
	Notional	Notional	Fair Value at August 31, 2015	Fair Value at August 31, 2015	
Options	\$ 11,450,488.80	\$ 13,119,722.18	\$ 486,015.76	\$ 885,751.28	A-
	\$ 4,163,345.89	\$ 2,075,894.05	\$ 74,987.04	\$ 420,860.24	BBB+
	\$ 15,613,834.69	\$ 15,195,616.23	\$ 561,002.80	\$ 1,306,611.52	

	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>	Counterparty Rating
	Notional	Notional	Fair Value at August 31, 2015	Fair Value at August 31, 2015	
Total Return Swaps	\$ 2,217,634.28	\$ -	\$ -	\$ 131,052.26	A
	\$ 1,066,438.07	\$ -	\$ -	\$ 117,821.19	A-
	\$ 3,284,072.35	\$ -	\$ -	\$ 248,873.45	

### 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, 2015.

### NOTE 4: Short-Term Debt

Angelo State University had the following short-term debt outstanding as of August 31, 2015.

Business Type Activities	Balance 9/1/2014	Additions	Reductions	Restatement/ Adjustment	Balance 8/31/2015	Amounts Due Within One Year	Amounts Due Thereafter
Short-Term Debt CP Notes	\$ 3,826,200.00	\$ 290,252.00	\$ 1,674,795.00	\$ 2,441,657.00	\$ -	\$ -	\$ -
Total	\$ 3,826,200.00	\$ 290,252.00	\$ 1,674,795.00	\$ 2,441,657.00	\$ 0.00	\$ 0.00	\$ 0.00

Notes Payable represents commercial paper payable, which is issued to provide interim funding for long-term construction and equipment projects in advance of the issuance of authorized bonds. The University transferred the ending commercial paper balance of \$2,441,657.00 to TTU System Administration for the central administration of all Texas Tech University System's Revenue Financing System commercial paper debt. For fiscal year 2015, the University's commercial paper activity was recorded on the University's books. Beginning with fiscal year 2016, the University's share of commercial paper activity will be recorded on the TTU System Administration books with interagency transfers between the University and TTU System Administration to transfer cash for the University's share of new debt proceeds and debt service payments.



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**Year Ended August 31, 2015**

**NOTE 5: Long Term Liabilities****Changes in Long-Term Liabilities**

During the year ended August 31, 2015, the following changes occurred in liabilities:

Business Type Activities	Balance 9/1/2014	Additions	Reductions	Restatement/ Adjustment	Balance 8/31/2015	Amounts Due Within One Year	Amounts Due Thereafter
Compensable Leave	\$ 2,359,591.47	\$ 244,569.71	\$ 321,815.78	\$	\$ 2,282,345.40	\$ 260,032.79	\$ 2,022,312.61
Revenue Bonds	68,195,492.12	0.00	1,660,000.00	(66,535,492.12)	0.00	0.00	-
Total	<u>\$ 70,555,083.59</u>	<u>\$ 244,569.71</u>	<u>\$ 1,981,815.78</u>	<u>\$ (66,535,492.12)</u>	<u>\$ 2,282,345.40</u>	<u>\$ 260,032.79</u>	<u>\$ 2,022,312.61</u>

**Discrete Component Unit**

Business Type Activities	Balance 9/1/2014	Additions	Reductions	Restatement/ Adjustment	Balance 8/31/2015	Amounts Due Within One Year	Amounts Due Thereafter
Compensable Leave	\$ 0.00	\$ 16,024.60	\$ 763.64	\$ 0.00	\$ 15,260.96	\$ 561.52	\$ 14,699.44
Total	<u>\$ 0.00</u>	<u>\$ 16,024.60</u>	<u>\$ 763.64</u>	<u>\$ 0.00</u>	<u>\$ 15,260.96</u>	<u>\$ 561.52</u>	<u>\$ 14,699.44</u>

**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 Position. 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.

**Bonds Payable**

The University transferred the ending revenue bonds payable balance of \$66,535,492.12, to TTU System Administration for the central administration of all Texas Tech University System's Revenue Financing System revenue bond debt. For fiscal year 2015, the University's revenue bond activity was recorded on the University's books. Beginning with fiscal year 2016, the University's share of revenue bond debt activity will be recorded on the TTU System Administration books with interagency transfers being recorded between the University and TTU System Administration to transfer cash for the University's share of new debt proceeds and debt service payments.

**NOTE 6: Bonded Indebtedness****Revenue Bonds Payable**

The University transferred the ending revenue bonds payable balance of \$66,535,492.12 as of August 31, 2015 to TTU System Administration for the central administration of all Texas Tech University System's Revenue Financing System revenue bond debt. The supplemental bond information is included in the TTU System Administration Annual Financial Report in Note 6 and Bond Schedules 2A to 2F.

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

**ANGELO STATE UNIVERSITY**  
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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 ("TTUS"); however, the Institution's revenues remain pledged to the RFS until TSUS can secure, from the new governing body (TTUS), 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 to honor the Institution's bonded indebtedness. TTUS signed and returned the agreement January 14, 2009. On January 23, 2009 TTUS 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 TTUS called \$7,215,000 of TSUS debt reducing the TSUS debt balance attributable to the institution by \$7,211,264.87.

In FY 2015, \$17,550,000.00 of Texas State University System debt was refunded and new debt was financed by Texas Tech University System on behalf of Angelo State University. The refunded bonds were Angelo State University's portion of the Texas State University System 2005 series bonds in the amount of \$4,185,000.00 & 2006 series bonds in the amount of \$13,365,000.00. The 2005 series refunding resulted in debt service savings of \$273,960.26 and a total net present value savings of \$259,243.73. The 2006 series refunding resulted in debt service savings of \$1,319,747.75 and a total net present value savings of \$998,516.08.

ASU must repay the remaining debt that was issued by TSUS 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	2016	\$ 1,295,000.00	\$ 351,500.00	\$ 1,646,500.00
	2017	850,000.00	286,750.00	1,136,750.00
	2018	890,000.00	244,250.00	1,134,250.00
	2019	935,000.00	199,750.00	1,134,750.00
	2020	985,000.00	153,000.00	1,138,000.00
	2021-2025	2,075,000.00	156,750.00	2,231,750.00
	2026-2030			0.00
	2031-2035			0.00
	2036			0.00
Totals		<u>\$ 7,030,000.00</u>	<u>\$ 1,392,000.00</u>	<u>\$ 8,422,000.00</u>

A portion of the debt represents Tuition Revenue Bonds historically funded by the Texas Legislature through General Revenue Appropriations. The institution was appropriated \$2,713,411.00 during the current fiscal year for Tuition Revenue Bond debt service. The institution expects future Legislative appropriations to meet debt service requirements for Tuition Revenue Bonds.

**ANGELO STATE UNIVERSITY**  
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**NOTE 7: Derivative Instruments**

The System Investment Policy Statement for the LTIF allows investment in certain derivative securities. Derivatives are financial instruments whose values are derived in whole or in part from the value of any one or more underlying assets or index of asset values. Investment derivatives are entered into with the intention of managing transaction or currency exchange risk in purchasing, selling or holding investments. These include futures contracts, options, and swaps.

The following disclosures summarize the System's derivative activity as reported in the financial statements.

		<u>Changes in Fair Value</u>			<u>Notional</u>	<u>Fair Value at August 31</u>
Futures Contracts	Investment Revenue	(57,435.90)	Futures Contracts	Investment	2,257,796.04	-
Options	Investment Revenue	(253,185.91)	Options	Investment	112,243.05	(200,109.27)
Total Return Swaps	Investment Revenue	(55,603.77)	Total Return Swaps	Investment	881,391.70	(66,793.60)

**Discrete Component Unit**

		<u>Changes in Fair Value</u>			<u>Notional</u>	<u>Fair Value at August 31</u>
Futures Contracts	Investment Revenue	(214,006.61)	Futures Contracts	Investment	8,412,565.73	-
Options	Investment Revenue	(943,372.68)	Options	Investment	418,218.46	(745,608.72)
Total Return Swaps	Investment Revenue	(207,180.07)	Total Return Swaps	Investment	3,284,072.35	(248,873.45)

**Fair Value**

Derivative instruments are recorded at fair value. Futures contracts are marked-to-market daily and valued at closing market prices on valuation date. A daily variation margin between the daily value of the contracts and the value on the previous day is recorded and settled in cash with the broker the following morning. Options and swaps are valued using broker quotes, proprietary pricing agents or appropriate pricing models with primarily externally verifiable model inputs.

**Investment Derivatives**

Investment derivatives expose the System to certain investment related risks. The System discloses more detail about investment derivatives in Note 3.

**ANGELO STATE UNIVERSITY**  
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**Year Ended August 31, 2015**

**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, 2015.

Future minimum lease payments under non-cancelable operating leases having an initial term in excess of one year as of August 31, 2015 are as follows:

Year ended August 31,	
2016	\$ 546,238.40
2017	546,238.40
2018	546,238.40
2019	546,238.40
2020	546,238.40
2021-2025	1,092,476.80
2026-2030	-
2031-2035	-
2036-2038	-
<b>Total Minimum Future Lease Payments</b>	<b>\$ <u>3,823,668.80</u></b>

**NOTE 9: Pension Plans**

The State has established an Optional Retirement Program (ORP) for institutions of higher education. Participation in ORP is in lieu of participation in the Teacher Retirement System of Texas and is available to certain eligible employees. The contributions made by plan members and the employer for the fiscal year ended August 31, 2015 and August 31, 2014 are:

Description	For the Year Ended August 2015	For the Year Ended August 2014
Member Contributions	\$ 1,109,211.08	\$ 1,146,462.00
Employer Contributions	1,222,179.26	1,262,871.00

**NOTE 10: Deferred Compensation**

Section not applicable

**NOTE 11: Postemployment Health Care and Life Insurance Benefits**

Section not applicable

**ANGELO STATE UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS  
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**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, 2015 follow:

	<u>FY 2015</u>	
	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
Institutional Funds (7999)	\$	\$
Appd Fund 7999, D23 Fund 7999		
(Agy 768, D23 Fund 7999) Texas Tech Univ Foundation, Inc.	104,612.74	
Institutional Funds (7999)		
Appd Fund 7999, D23 Fund 7999		
(Agy 739, D23 Fund 7999) TTUHSC	6,000.00	
Institutional Funds (7999)		
Appd Fund 7999, D23 Fund 7999		
(Agy 758, D23 Fund 7999) Texas State Univ System		(1,698,327.06)
Institutional Funds (7999)		
Appd Fund 7999, D23 Fund 7999		
(Agy 768, D23 Fund 7999) Texas Tech Univ System Admin	69,106,649.12	(369,812.00)
Institutional Funds (7999)		
Appd Fund 7999, D23 Fund 7999		
(Agy 768, D23 Fund 7999) Texas Tech Univ Sys Admin Found, Inc	35,765.01	
General Revenue (5103)		
Appd Fund 5103, D23 Fund 5103		
(Agency 781, D23 Fund 5103) THECB		(424,999.73)
General Revenue (0210)		
Appd Fund 0210, D23 Fund 0210		
(Agy 902, D23 Fund 0210) Comptroller	150,629.00	
Institutional Funds (7999)		
Appd Fund 799, D23 Fund 7999		
(Agy 347, D23 Fund 7999) Texas Pub Fin Auth		(568,435.69)
	<u>\$ 69,403,655.87</u>	<u>\$ (3,061,574.48)</u>
	<u>Legislative</u>	<u>Legislative</u>
	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
General Revenue (001)		
Appd Fund 0001, D23 Fund 0001		
(Agency 758, D23 Fund 0001) Texas State Univ System	\$	\$ (2,382,842.79)
General Revenue (001)		
Appd Fund 0001, D23 Fund 0001		
(Agency 768, D23 Fund 7999) Texas Tech Univ System		(129,628.00)
<b>Total Legislative Transfers</b>	<u>\$ 0.00</u>	<u>\$ (2,512,470.79)</u>
	<u>Due From</u>	<u>Due From</u>
	<u>Other Agencies</u>	<u>Other Component</u>
Institutional Funds (7999)		
Appd Fund 7999, D23 Fund 7999		
(Agy 743, D23 Fund 7999) UTSA	\$ 24,767.81	\$
Institutional Funds (7999)		
Appd Fund 7999, D23 Fund 7999		
(Agy 742, D23 Fund 7999) UTPB	82,525.65	
Institutional Funds (7999)		
Appd Fund 7999, D23 Fund 7999		
(Agy 542, D23 Fund 7639) CPRIT	194,908.17	
Institutional Funds (7999)		
Appd Fund 7999, D23 Fund 7999		
(Agy 733, D23 Fund 9999) Texas Tech University		13,421.03
Institutional Funds (0802)		
Appd Fund 0802, D23 Fund 0802		
(Agy 608, D23 Fund 0802) Department of Motor Vehicles	142.44	
Institutional Funds (7999)		
Appd Fund 7999, D23 Fund 7999		
(Agy 556, D23 Fund 7999) TAMU AgriLife	1,711.08	
<b>Total Due From/To Other Agencies</b>	<u>\$ 304,055.15</u>	<u>\$ 13,421.03</u>

**ANGELO STATE UNIVERSITY**  
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**NOTE 13: Continuance Subject To Review**

Section not applicable

**NOTE 14: Adjustments to Fund Balances and Net Position**

The Statement of Net Position has been updated to reflect quasi endowments as restricted expendable. It has also been updated to reflect a prior year correction to non-depreciable capital assets, and includes ASU Foundation which is now blended with ASU.

The Statement of Revenues, Expenses and Change in Net Position has been updated to reflect the capital asset correction and the inclusion of ASU Foundation. It also correctly shows the TSUS transfers.

The Cash Flow has been updated to reflect the reclassification of transfers to TSUS for debt service, and the inclusion of ASU Foundation.

Capital asset adjustments and the inclusion of ASU Foundation did result in a restatement of fund balance and net position.

<u>Statement of Net Position</u>	<u>FY 14 as reported</u>	<u>Correction</u>	<u>FY14 restated</u>
<b>Assets</b>			
Restricted Cash and Cash Equivalents	(662,042.37)	6,854,543.13	6,192,500.76
Investments	17,293,300.89	11,154,976.15	28,448,277.04
Non-Depreciable Capital Assets	37,065,282.26	(1,528,503.66)	35,536,778.60
<b>Net Position:</b>			
Invested in Capital Assets, Net of Related Debt	51,086,044.54	(1,528,503.66)	49,557,540.88
Nonexpendable Endowments	17,964,567.25	5,466,240.96	23,430,808.21
Expendable Quasi Endowments	-	5,717,367.14	5,717,367.14
Expendable, Other	7,415,603.35	6,825,911.18	14,241,514.53
 <u>Statement of Revenues, Expenses, &amp; Changes in Net Position</u>			
<b>Non-Operating Revenues (Expenses):</b>			
Gifts	5,005,942.72	10,969,013.56	15,974,956.28
Investment Income	8,473,335.23	444,817.12	8,918,152.35
Net Increase (Decrease) in Fair Value of Investments	742,770.13	806,461.57	1,549,231.70
Other Non-Operating Revenue - Pledged	1,390,461.45	22,647.05	1,413,108.50
Other Non-Operating Expenses - Pledged	(4,866,505.83)	(4,855,471.18)	(9,721,977.01)
Beginning Net Position September 1	89,912,530.59	9,093,547.50	99,006,078.09
Ending Net Position August 31	95,082,911.19	16,481,015.62	111,563,926.81
 <u>Statement of Cash Flows</u>			
Other Sales and Services	4,657,423.29	568,047.83	5,225,471.12
Payments-Other Sales and Services	-	(568,047.83)	(568,047.83)
<b>Cash Flows from Noncapital financing Activities:</b>			
Noncapital Gifts	5,005,942.72	10,969,013.56	15,974,956.28
Other Noncapital Financing Activities	(40,898,706.25)	1,276,096.55	(39,622,609.70)
<b>Cash Flows from Capital and Related Financing Activities:</b>			
<b>Transfers to/from Other State Agencies:</b>			
Texas State University System	-	(4,581,193.38)	(4,581,193.38)
<b>Cash Flows from Investing Activities</b>			
Interest and Dividends Received	8,473,335.23	444,817.12	8,918,152.35
Purchases of Investments	(667,825.00)	(1,522,073.47)	(2,189,898.47)
Beginning Cash and Cash Equivalents, September 1	33,122,371.30	267,882.75	33,390,254.05
Ending Cash and Cash Equivalents, August 31	36,262,390.87	6,854,543.13	43,116,934.00
<b>Non-Cash Transactions</b>			
Net Change in Fair Value of Investments	742,770.13	806,461.57	1,549,231.70
Capitalization Adjustment	93,937.89	(1,528,503.66)	(1,434,565.77)

**ANGELO STATE UNIVERSITY**  
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Discrete Component Unit

**Adjustments to Fund Balances and Net Position**

The Statement of Revenues, Expenses and Change in Net Position has been updated to reflect a correction to investment income and change in fair market value of investments.

<u>Statement of Revenues, Expenses, &amp; Changes in Net Position</u>	<u>FY 14 as reported</u>	<u>Correction</u>	<u>FY14 restated</u>
Non-Operating Revenues (Expenses):			
Investment Income	9,985,930.17	2,415,441.41	12,401,371.58
Net Increase (Decrease) in Fair Value of Investments	7,055,140.79	(2,415,441.41)	4,639,699.38

**NOTE 15: Contingencies and Commitments**

**Contingencies**

At August 31, 2015, no lawsuits and claims were pending against Angelo State University.

**Investment Funds**

The university through TTUS has entered into capital commitments with investment managers for future funding of investment funds. Investment funds include hedge fund pools, private investment pools, public market funds and other alternative investments managed by external investment managers.

Fair Value - Domestic	\$	26,004,768.29
Fair Value - International	\$	32,120.46
Remaining Commitment	\$	5,308,475.23

**Discrete Component Unit**

Fair Value - Domestic	\$	95,378,052.39
Fair Value - International	\$	119,681.11
Remaining Commitment	\$	19,779,420.23

**NOTE 16: Subsequent Events**

In October 2015, ASU accepted a pledge for a \$5 million gift from the James B. and Lois R. Archer Charitable Foundation to help expand the facilities that support the health and human services curriculum. This gift along with the TRB funding approved by the 84<sup>th</sup> legislature allows for the construction of the new Archer College of Health and Human Services building.

**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**  
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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, 2015.

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 2015 totaled \$86,280.74. 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**

The Angelo State University Foundation (ASUF) is a public non-profit 501( c)(3) organization exempt from income taxes, and formed primarily to provide financial assistance from gifts and endowed earnings to Angelo State University. Based on the application of GASB Standard No. 61 and the significance of the financial relationship with the university, the financial data of ASUF has been blended into the financial report of Angelo State University.



**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2015**

The condensed financial statements for ASUF as of August 31, 2015 are presented below:

	<b>2015</b>
<b>Condensed Statement of Net Position</b>	
Total Assets	\$ 22,684,712.79
Total Liabilities	-
Net Position:	
Invested in Capital Assets, Net of Related Debt	
Restricted:	
Nonexpendable:	
Endowments	11,147,044.01
Expendable:	
Other	11,537,668.78
Unrestricted	
Total Net Position	\$ 22,684,712.79
<b>Condensed Statement of Revenues, Expenses and Changes in Net Position</b>	
Operating Revenues	\$ -
Operating Expenses	
Institutional Support	
Professional Fees and Services	8,000.00
Materials and Supplies	102,469.52
Repairs and Maintenance	5,000.00
Rentals and Leases	100.00
Printing and Reproduction	1,439.26
Interest	108.76
Other Operating Expenses	2,456,807.98
Operating Income (Loss)	(2,573,925.52)
Non-Operating Revenues (Expenses)	
Gifts	9,237,305.10
Investment Income	133,736.88
Net Increase (Decrease) in fair Value of Investments	(258,702.04)
Other Non-Operating Revenues	442,022.30
Other Non-Operating Expenses	(479,244.26)
Total Non-Operating Revenues and Expenses	9,075,117.98
Other Revenues, Expenses, Gains, Losses and Transfers	
Transfers In - TTU Foundation, Inc.	104,612.74
Transfers to/from Other Funds	(1,930,611.69)
Total Other Revenues, Expenses, Gains, Losses and Transfers	(1,825,998.95)
Total Change in Net Position	4,675,193.51
Beginning Net Position (September 1, 2014)	18,009,519.28
Ending Net Position (August 31, 2015)	\$ 22,684,712.79
<b>Condensed Statement of Cash Flows</b>	
Net Cash Provided (Used) by Operating Activities	\$ (2,573,925.52)
Net Cash Provided (Used) by Non-capital Financing Activities	7,374,084.19
Net Cash Provided (Used) by Capital and Related Financing Activities	-
Net Cash Provided (Used) by Investing Activities	(8,297,430.97)
Total Net Cash flows	(3,497,272.30)
Beginning Cash and Cash Equivalents (September 1, 2014)	6,854,543.13
Ending Cash and Cash Equivalents (August 31, 2015)	\$ 3,357,270.83

**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2015**

Angelo State University is an agency of the State of Texas, and is one of five 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 is presented in these statements as a discretely presented component unit. The Foundation is a separate legal nonprofit organization that was established solely for the benefit of providing scholarships to the students of Angelo State University (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. These statements may be found at the end of the Annual Financial Report.

**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.

Prior to the 2015 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 \$117,299,398.07 and realized an appreciation on investments of \$13,145,987.22. During the 2015 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 \$4,816,235.06.

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 2015 fiscal year, the spending distribution received from the investment agent totaled \$7,669,360.22. Of this amount, \$551,179.00 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.

Total scholarships awarded prior to the 2015 fiscal year amounted to \$86,415,694.34. During the 2015 fiscal year, scholarship awards amounted to \$7,987,857.11. It is estimated that the amount of annual scholarship awards from the scholarship fund will total \$8,000,000.00 in fiscal year 2016.

The records of the Foundation are audited annually by the firm of Oliver, Garrison, LLC, San Angelo, Texas.

**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2015**

**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.

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 table below.

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.

The net appreciation (cumulative and unexpended) on donor-restricted endowments presented below is available for authorization and expenditure.

<u>Donor-Restricted Endowments</u>	<u>Amount of Net Appreciation</u>		<u>Reported in Net Position</u>
	<u>FY 2015</u>	<u>FY 2014</u>	
True Endowments	(\$557,550.00)	\$155,687.39	Restricted Expendable

\* There was a negative fair value adjustment totaling (\$1,207,312.52) for fiscal year 2015 and a positive fair value adjustment of \$963,089.36 for fiscal year 2014.

<u>Donor-Restricted Endowments</u>	<u>Discrete Component Unit Amount of Net Appreciation</u>		<u>Reported in Net Position</u>
	<u>FY 2015</u>	<u>FY 2014</u>	
True Endowments	\$6,609,686.36	\$13,145,987.22	Restricted Expendable

\* There was a negative fair value adjustment totaling (\$6,536,300.86) for fiscal year 2015 and a positive fair value adjustment of \$9,738,701.08 for fiscal year 2014.

**NOTE 23: Extraordinary and Special Items**

Section not applicable

ANGELO STATE UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended August 31, 2015

**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

**NOTE 27: Service Concession Arrangements**

Section not applicable

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

Section not applicable

**NOTE 29: Trouble Debt Restructuring**

Section not applicable

**NOTE 30: Non-Exchange Financial Guarantees**

Section not applicable

Angelo State University #737  
 Schedule 1A - Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended August 31, 2015

Federal Grantor/Pass-Through Grantor/ Program Title	CFDA Number	Identifying #	Pass-Through From		Direct Program Amount	
			Agy/Univ #	Agy/Univ Amount		Non-State Entity Amount
<b>U.S. Department of Commerce</b>						
<u>Direct Program:</u>						
National Oceanic and Atmospheric Administration Earth System Science for Elementary Teachers	11.008			\$ _____	\$ _____	\$ 9,687.66
<b>Total Department of Commerce</b>				_____	_____	9,687.66
<b>U.S. Department of Defense</b>						
<u>Direct Program:</u>						
Center for Security Studies	12.000	FA3002-09-20002		_____	_____	926,388.17
<b>Total Department of Defense</b>				_____	_____	926,388.17
<b>U.S. Department of Justice</b>						
<u>Direct Program:</u>						
Office of the Governor USDOJ-QVW-2013	16.525			_____	_____	11,881.68
<b>Total Department of Justice</b>				_____	_____	11,881.68
<b>General Services Administration</b>						
<u>Pass-Through From:</u>						
Texas Facilities Commission Donation of Federal Surplus Personal Property (Non-monetary)	39.003		303	142.08	_____	_____
				142.08	_____	_____
<b>National Endowment for the Humanities</b>						
<u>Direct Program:</u>						
West Texans and America's Wars	45.162			_____	_____	10,869.21
<u>Pass-Through From:</u>						
Humanities Texas	45.129	2014-4679		_____	500.00	_____
American Library Association	45.164	LA105406		_____	31.50	_____
<b>Total National Endowment for the Humanities</b>				_____	531.50	10,869.21
<b>Institute of Museum and Library Services</b>						
<u>Pass-Through From:</u>						
Texas State Library and Archives Commission Texas State Library and Archives Grant	45.310		306	7,819.33	_____	_____
				7,819.33	_____	_____
<b>Total Institute of Museum and Library Services</b>				_____	_____	_____
<b>U. S. Small Business Administration</b>						
<u>Pass-Through From:</u>						
University of Texas San Antonio Small Business Development Center	59.037		743	145,828.99	_____	_____
				145,828.99	_____	_____
<b>Total U. S. Small Business Administration</b>				_____	_____	_____
<b>U. S. Department of Education</b>						
<u>Direct Program:</u>						
Title V - Hispanic Serving Institute STEP West Texas	84.031			_____	_____	1,600,540.10
	84.031S			_____	_____	297,156.19
<u>Pass-Through From:</u>						
University of Texas - Permian Basin Teacher Quality Grant	84.367		742	95,337.17	_____	_____
<u>Pass-Through From:</u>						
National Writing Project Pearl of the Concho Writing	84.367D	04-TX13-SEED2012		_____	9,255.01	_____
				_____	9,255.01	_____
<b>Total U.S. Department of Education</b>				95,337.17	9,255.01	1,897,696.29
<b>Research &amp; Development Cluster</b>						
<b>U.S. Department of Agriculture</b>						
<u>Direct Program:</u>						
Braden-USDA-HSI-14	10.223			_____	_____	50,187.69
<u>Pass-Through From:</u>						
Kansas State University USDA Subaward-Antibiotic Resistance	10.303	2010-51110-21083		_____	9,786.09	_____
<u>Pass-Through From:</u>						
Texas Tech University USDA Subaward- Branham USDA Subaward- Wright	10.326		733	7,746.14	_____	_____
	10.326		733	16,005.85	_____	_____
Texas A&M AgriLife Research Integrating Prescribed Fire & Herbavory	10.652		556	14,361.39	_____	_____
				38,113.38	9,786.09	50,187.69
<b>Total U.S. Department of Agriculture</b>				_____	_____	_____
<b>National Science Foundation</b>						
<u>Direct Program:</u>						
PIER Satterfield	47.050			_____	_____	74,076.62
Ammerman National History Collection	47.074			_____	_____	39,119.62
SFS Ehlers Cyber Security Educator	47.076			_____	_____	7,393.57
<b>Total National Science Foundation</b>				_____	_____	120,589.81
<b>Student Financial Assistance Cluster</b>						
<b>U. S. Department of Education</b>						
<u>Direct Program:</u>						
Federal Supplemental Educational Opportunity	84.007			_____	_____	82,898.33
Federal Work-Study Program	84.033			_____	_____	164,975.34
Federal Perkins Loan Program	84.038			_____	_____	71,526.00
Federal Pell Grant Program	84.063			_____	_____	9,214,210.03
Federal Direct Student Loans	84.268			_____	_____	29,303,448.00
Federal TEACH Grant	84.379			_____	_____	3,716.00
<b>Total U. S. Department of Education</b>				_____	_____	38,840,773.70
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				\$ 287,240.95	\$ 19,572.60	\$ 41,868,074.21

Total Pass- Thru From & Direct Program	Pass-Through To			Expenditures Amount	Total PT to and Expenditures
	Agy #/ Univ.#	State Agy. or Univ. Amount	Non-State Entities Amt.		
\$ 9,687.66 <u>9,687.66</u>	\$	\$	\$	9,687.66 <u>9,687.66</u>	\$ 9,687.66 <u>9,687.66</u>
926,388.17 <u>926,388.17</u>				926,388.17 <u>926,388.17</u>	926,388.17 <u>926,388.17</u>
11,881.68 <u>11,881.68</u>				11,881.68 <u>11,881.68</u>	11,881.68 <u>11,881.68</u>
142.08 <u>142.08</u>				142.08 <u>142.08</u>	142.08 <u>142.08</u>
10,869.21 500.00 31.50 <u>11,400.71</u>				10,869.21 500.00 31.50 <u>11,400.71</u>	10,869.21 500.00 31.50 <u>11,400.71</u>
7,819.33 <u>7,819.33</u>				7,819.33 <u>7,819.33</u>	7,819.33 <u>7,819.33</u>
145,828.99 <u>145,828.99</u>				145,828.99 <u>145,828.99</u>	145,828.99 <u>145,828.99</u>
1,600,540.10 297,156.19				1,600,540.10 297,156.19	1,600,540.10 297,156.19
95,337.17 9,255.01 <u>2,002,288.47</u>				95,337.17 9,255.01 <u>2,002,288.47</u>	95,337.17 9,255.01 <u>2,002,288.47</u>
50,187.69 9,786.09 7,746.14 16,005.85 <u>14,361.39</u> <u>98,087.16</u>				50,187.69 9,786.09 7,746.14 16,005.85 <u>14,361.39</u> <u>98,087.16</u>	50,187.69 9,786.09 7,746.14 16,005.85 <u>14,361.39</u> <u>98,087.16</u>
74,076.62 39,119.62 7,393.57 <u>120,589.81</u>				74,076.62 39,119.62 7,393.57 <u>120,589.81</u>	74,076.62 39,119.62 7,393.57 <u>120,589.81</u>
82,898.33 164,975.34 71,526.00 9,214,210.03 29,303,448.00 3,716.00 <u>38,840,773.70</u>				82,898.33 164,975.34 71,526.00 9,214,210.03 29,303,448.00 3,716.00 <u>38,840,773.70</u>	82,898.33 164,975.34 71,526.00 9,214,210.03 29,303,448.00 3,716.00 <u>38,840,773.70</u>
\$ 42,174,887.76	\$ 0.00	\$ 0.00	\$ 42,174,887.76	\$ 42,174,887.76	

**Angelo State University**  
**Schedule 1A - Schedule of Expenditures and Federal Awards**  
**For the Year Ended August 31, 2015**

**Note 1: Non-Monetary Assistance**

Angelo State University is the recipient of a federal financial assistance program that does not result in cash receipts or disbursements and is therefore, not recorded in our annual financial report. Award received is as follows:

CFDA Number	Program Name	Grant Awards
39.003	Donation of Federal Surplus Personal Property	\$ 142.08

**Note 2: Reconciliation:**

Federal Grants and Contracts (SRECNP)	\$ 3,298,462.78
Non-Operating Federal Grants and Contracts (SRECNP)	9,214,210.03
Federal Grants and Contracts Pass-Throughs (SRECNP)	<u>287,098.87</u>
Total Federal Revenues	<u>12,799,771.68</u>

Reconciling Items:

Non-monetary Items:		
Donation of Federal Surplus Personal Property	39.003	142.08
New Loans Processed:		
Federal Perkins Loan Program	84.038	71,526.00
Federal Direct Student Loan	84.268	<u>29,303,448.00</u>
Total Federal Financial Assistance	\$	<u><u>42,174,887.76</u></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	71,526.00		71,526.00	
84.268 Federal Direct Student Loans	29,303,448.00		29,303,448.00	
Total Department of Education	<u>\$ 29,374,974.00</u>	<u>\$ -</u>	<u>\$ 29,374,974.00</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 5: Unemployment Insurance Funds**

ASU did not receive any funding for FY 2015 from CFDA 17.225.

**Note 6: Rebates for the Special Supplemental Food Program for Women, Infants, and Children (WIC)**

ASU did not receive any funding for FY 2015 from CFDA 10.557.

**Note 7: Federal Deferred Revenue (no longer required)**

**Note 8: Disaster Grants-Public Assistance**

ASU did not receive any funding for FY 2015 from CFDA 97.036

**Note 9: Economic Adjustment Assistance**

ASU did not receive any funding for FY 2015 from CFDA 11.307

## UNAUDITED

Angelo State University #737  
 Schedule 1B - Schedule of State Grant Pass Throughs From/To State Agencies  
 For the Fiscal Year Ended August 31, 2015

Agency Number	Grant ID	Agency Name Grant Description	
<b>Pass Through From:</b>			
457		<b>State Board of Public Accountancy</b>	
	457.0001	5th Year Accounting Student Scholarship Program	\$ <u>12,424.00</u>
542		<b>Cancer Prevention and Research Institute of Texas</b>	
	542.0045	CPRIT ABC 4 WT	351,662.58
	542.0624	CPRIT-Ross-2015	<u>20,897.20</u>
		<i>Total for Cancer Prevention and Research Institute of Texas</i>	<u>372,559.78</u>
720		<b>University of Texas System</b>	
	720.0002	Joint Admissions Medical Program (JAMP)	<u>8,809.50</u>
781		<b>Texas Higher Education Coordinating Board</b>	
	781.0008	Texas Grants	3,629,889.00
	781.0023	College Work Study Program	59,447.61
	781.0028	Top 10% Scholarship	<u>53,000.00</u>
		<i>Total for Texas Higher Education Coordinating Board</i>	<u>3,742,336.61</u>
		<b>Total State Grant Pass-through Revenues From Other State Agencies</b>	<u>\$ <u>4,136,129.89</u></u>



Angelo State University #737  
Schedule 2A - Miscellaneous Bond Information  
For the Fiscal Year Ended August 31, 2015

Description of Issue	Bonds Issued to Date	Range of Interest Rates	Scheduled Maturities		First Call Date
			First Year	Final Maturity Date	

Schedule Not Applicable

Angelo State University #737  
Schedule 2B - Changes in Bonded Indebtedness  
For the Year Ended August 31, 2015

<u>Description of Issue</u>	<u>Bonds Outstanding 9-1-14</u>	<u>Bonds Issued</u>	<u>Bonds Matured or Retired</u>	<u>Bonds Refunded or Extinguished</u>	<u>Bonds Outstanding 8-31-15</u>
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Schedule Not Applicable

Angelo State University #737  
Schedule 2C - Debt Service Requirements  
For the Year Ended August 31, 2015

<u>Description of Issue</u>	<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
-----------------------------	------------------------	------------------	-----------------

Schedule Not Applicable

Angelo State University #737  
 Schedule 2D - Analysis of Funds Available for Debt Service  
 For the Year Ended August 31, 2015

Description of Issue	Pledged and Other Sources and Related Expenditures for FY 2015			
	Net Available for Debt Service		Debt Service	
	Total Pledged and Other Sources	Operating Expenses/ Expenditures and Capital Outlay	Principal	Interest

Schedule Not Applicable

Angelo State University #737  
Schedule 2E - Defeased Bonds Outstanding  
For the Year Ended August 31, 2015

<u>Description of Issues</u>	<u>Year Refunded</u>	<u>Par Value Outstanding</u>
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Schedule Not Applicable

Angelo State University #737  
Schedule 2F - Early Extinguishment and Refunding  
For the Year Ended August 31, 2015

<u>Description of Issue</u>	<u>Category</u>	<u>Amount Extinguished or Refunded</u>	<u>Refunding Issue Par Value</u>	<u>Cash Flow Increase (Decrease)</u>	<u>Economic Gain/ (Loss)</u>
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Schedule Not Applicable

Angelo State University #737  
Schedule 3 - Reconciliation of Cash in State Treasury  
For the Year Ended August 31, 2015

<u>Cash in State Treasury</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Current Year Total</u>
Local Revenue Fund 0227	\$ <u>3,207,719.89</u>	\$ <u>                    </u>	\$ <u>3,207,719.89</u>
<b>Total Cash in State Treasury</b>	\$ <u><u>3,207,719.89</u></u>	\$ <u><u>0.00</u></u>	\$ <u><u>3,207,719.89</u></u>

**UNAUDITED**

**ANGELO STATE UNIVERSITY**

**DISCRETELY PRESENTED  
COMPONENT UNIT**



**Discretely Presented Component Unit - Robert G. and Nona K. Carr Scholarship Foundation**  
**Statement of Net Position (Unaudited)**  
**August 31, 2015 and 2014**

	<b>FY 2015</b>	<b>FY 2014</b>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 50,204.37	\$ 343,867.03
Restricted:		
Cash and Cash Equivalents	254,757.30	192,426.35
Accounts Receivable, net:		
Accounts Receivables	305,053.05	3,724.81
Prepaid Items	1,991.25	
Total Current Assets	612,005.97	540,018.19
Non-current Assets:		
Restricted:		
Investments (Note 3)	129,817,425.18	131,545,156.56
Total Non-Current Assets	129,817,425.18	131,545,156.56
Total Assets	\$ 130,429,431.15	\$ 132,085,174.75
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 778.10	\$ 185.00
Payroll Payable	27,158.26	22,704.98
Employees' Compensable Leave (Note 5)	561.52	
Total Current Liabilities	28,497.88	22,889.98
Non-current Liabilities:		
Employees Compensable Leave (Note 5)	14,699.44	
Total Non-Current Liabilities	14,699.44	-
Total Liabilities	\$ 43,197.32	\$ 22,889.98
<b>NET POSITION</b>		
Invested in Capital Assets, Net of Related Debt		
Restricted:		
Endowments	123,776,547.47	118,916,297.55
Expendable:		
Other	6,609,686.36	13,145,987.22
Total Net Position	\$ 130,386,233.83	\$ 132,062,284.77

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

For the Fiscal Years Ended August 31, 2015 and 2014  
Statement of Revenues, Expenses, and Changes in Net Position (Unaudited)  
For the Fiscal Years Ended August 31, 2015 and 2014

	FY 2015	Restated FY 2014
<b>OPERATING REVENUES</b>		
Sales of Goods and Services		
Tuition and Fees - Pledged	\$	\$
Tuition and Fees - Unpledged		
Discounts and Allowances		
Auxiliary Enterprises - Pledged		
Discounts and Allowances		
Other Sales of Goods and Services - Pledged		
Federal Revenue-Operating (Sch 1A)		
Federal Pass Through Revenue (Sch 1A)		
State Grant Pass Through Revenue (Sch 1B)		
Nongovernmental Grants and Contracts		
Total Operating Revenues	-	-
<b>OPERATING EXPENSES:</b>		
Salaries and Wages	272,967.37	236,285.48
Payroll Related Costs	96,013.54	67,567.04
Professional Fees and Services	55,898.15	36,554.30
Travel	9,485.35	9,167.47
Materials and Supplies	57,251.47	32,358.42
Communication and Utilities	1,437.78	783.60
Repairs and Maintenance	998.76	8.31
Rentals and Leases	2,584.00	2,701.86
Printing and Reproduction	879.10	929.33
Other Operating Expenses	9,648.62	12,447.25
Total Operating Expenses	507,164.14	398,803.06
Operating Income (Loss)	(507,164.14)	(398,803.06)
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment Income	8,220,539.22	12,401,371.58
Net Increase (Decrease) in Fair Value of Investments	(6,536,300.86)	4,639,699.38
Other Non-operating Revenues/(Expenses) - Pledged	(2,853,125.16)	849,673.90
Total Non-operating Revenues (Expenses)	(1,168,886.80)	17,890,744.86
<b>Income (Loss) before Other Revenues, Expenses, Gains/Losses and Transfers</b>	(1,676,050.94)	17,491,941.80
<b>OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS</b>		
Capital Appropriations (HEAF)		
Capital Contributions - Gifts		
Transfers Out - TTU System Admin (Note 12)		
Transfers In - TTU Foundation, Inc. (Note 12)		
Transfers In - TTUSA Foundation, Inc. (Note 12)		
Transfers Out - Other State Agencies (Note 12)		
Interagency Transfer Capital Assets (Note 12)		
Inc (Dec) in Net Assets Due to Interagency Transfer of Capital Asset (Note 12)		
Legislative Transfers-Out (Note 12)		
Legislative Appropriations Lapsed		
Total Other Revenues, Expenses, Gains, Losses, and Transfers	-	-
<b>Total Changes in Net Position</b>	\$ (1,676,050.94)	\$ 17,491,941.80
Beginning Net Position (September 1, 2014)	132,062,284.77	114,570,342.97
<b>Ending Net Position (August 31, 2015)</b>	\$ 130,386,233.83	\$ 132,062,284.77

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



