

# **ANGELO STATE UNIVERSITY**



## **ANNUAL FINANCIAL REPORT**

**FISCAL YEAR 2013**

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

**ANNUAL FINANCIAL REPORT**

**OF**

**ANGELO STATE UNIVERSITY**

FOR THE YEAR ENDED AUGUST 31, 2013

**SAN ANGELO, TEXAS**

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

**ANGELO STATE UNIVERSITY  
FY 2013 FINANCIAL REPORT**

**TABLE OF CONTENTS**

	<u>Page</u>
LETTER OF TRANSMITTAL	1
ORGANIZATIONAL DATA	3
PROPRIETARY FUND FINANCIAL STATEMENTS (PRIMARY STATEMENTS)	
STATEMENT OF NET POSITION	4
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	5
MATRIX OF OPERATING EXPENSES REPORTED BY NATURAL CLASSIFICATION	6
STATEMENT OF CASH FLOWS	8
NOTES TO THE FINANCIAL STATEMENTS	9
SUPPLEMENTAL SUPPORTING INFORMATION	
SCHEDULES:	
1A - Schedule of Expenditures of Federal Awards	28
1B - Schedule of State Grant Pass-Throughs To/From State Agencies	31
2A - Miscellaneous Bond Information	32
2B - Changes in Bonded Indebtedness	33
2C - Debt Service Requirements	34
2D - Analysis of Funds Available for Debt Service	35
2E - Defeased Bonds Outstanding	36
2F - Early Extinguishment and Refunding	37
3 - Reconciliation of Cash in State Treasury	38
DISCRETELY PRESENTED COMPONENT UNIT	
STATEMENT OF NET POSITION	38A
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	38B
MATRIX OF OPERATING EXPENSES REPORTED BY NATURAL CLASSIFICATION	38C
STATEMENT OF CASH FLOWS	38D



ANGELO STATE UNIVERSITY

Office of the President

November 20, 2013

The Honorable Rick Perry  
Governor of Texas

Ms. Ursula Parks  
Acting Director, Legislative Budget Board

The Honorable Susan Combs  
Texas Comptroller

Mr. John Keel, CPA  
State Auditor

Dear Ladies and Gentlemen:

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

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

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

Sincerely,

A handwritten signature in blue ink that reads "Brian J. May".

Brian J. May, Ph.D.  
President

November 20, 2013



ANGELO STATE UNIVERSITY

Controller's Office

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

Dear Dr. May:

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

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

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

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

Respectfully submitted,

Angie Wright  
Interim Vice President for  
Finance and Administration

Denise Brodnax  
Controller

Janet Coleman  
Director of Accounting

Jackie Baxter  
Accountant

Peggy Castro  
Accountant

Carrie Whitesell  
Accountant

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

**BOARD OF REGENTS  
TEXAS TECH UNIVERSITY SYSTEM**

**OFFICERS**

Mickey L. Long  
Kent Hance

Chairman  
Chancellor

**MEMBERS**

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

**PRESIDENT**

Dr. Brian J. May

**OFFICE OF FINANCE AND ADMINISTRATION**

Angie Wright  
Denise Brodnax

Interim Vice President for Finance and Administration  
Controller

**ADMISSIONS & REGISTRAR**

Sharla Adam  
Cindy Weaks

Director of Admissions  
Registrar

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

	<b>FY 2013</b>	<b>FY 2012</b>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 33,292,659.16	\$ 38,447,953.13
Restricted:		
Cash and Cash Equivalents	(170,287.86)	(969,873.60)
Legislative Appropriations	5,865,852.57	4,690,734.93
Accounts Receivable, net:		
Federal Receivables	18,352,931.19	20,929,779.68
Student Receivables	10,088,714.18	9,333,243.04
Gift Receivables	291,190.00	78,590.00
Accounts Receivables	1,200,464.27	816,815.43
Due From Other Agencies (Note 12)	144,217.12	143,184.66
Prepaid Items	5,912,899.48	5,933,817.07
Inventories	249,224.33	260,886.56
Loans and Notes Receivable, net	714,049.08	770,445.59
Total Current Assets	75,941,913.52	80,435,576.49
Non-current Assets:		
Restricted:		
Cash and Cash Equivalents		
Investments (Note 3)	15,882,705.76	15,358,197.10
Gift Receivables	386,000.00	357,600.00
Loans and Notes Receivable, net		
Investments (Note 3)		
Capital Assets (Note 2)		
Non-Depreciable or Non-Amortizable	35,281,425.51	43,545,120.89
Depreciable or Amortizable	195,363,309.17	185,075,806.87
Accumulated Depreciation and Amortization	(108,382,802.74)	(102,074,560.86)
Total Non-Current Assets	138,530,637.70	142,262,164.00
Total Assets	\$ 214,472,551.22	\$ 222,697,740.49
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 1,761,488.78	\$ 2,110,365.10
Payroll Payable	3,042,143.36	3,048,381.62
Due to Other Agencies	-	-
Unearned Revenues	31,412,968.43	32,487,896.73
Bonds Payable (Note 5)	2,595,447.70	2,595,005.50
Employees' Compensable Leave (Note 5)	245,698.76	281,524.93
Notes and Loans Payable (Note 5)	3,132,720.00	3,946,433.28
Funds Held for Others	11,858,899.58	16,542,532.22
Other Current Liabilities	3,285.00	4,810.00
Total Current Liabilities	54,052,651.61	61,016,949.38
Non-current Liabilities:		
Employees Compensable Leave (Note 5)	1,856,703.69	1,776,345.18
Bonds Payable (Note 5)	68,195,492.12	70,790,939.84
Other Non-Current Liabilities	455,173.21	466,874.87
Total Non-Current Liabilities	70,507,369.02	73,034,159.89
Total Liabilities	\$ 124,560,020.63	\$ 134,051,109.27
<b>NET POSITION</b>		
Invested in Capital Assets, Net of Related Debt	\$ 49,357,837.05	\$ 52,267,431.70
Restricted:		
Non-Expendable:		
Endowments	19,803,397.74	15,066,366.54
Expendable:		
Higher Education Assistance Fund	3,902,758.35	2,796,257.57
Other	6,518,790.80	9,194,827.15
Unrestricted	10,329,746.65	9,321,748.26
Total Net Position	89,912,530.59	88,646,631.22
Total Liabilities and Net Position	\$ 214,472,551.22	\$ 222,697,740.49

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

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

<b>OPERATING REVENUES</b>	<u><b>FY 2013</b></u>	<u><b>FY 2012</b></u>
Sales of Goods and Services		
Tuition and Fees - Pledged	\$ 49,290,815.20	\$ 49,741,129.20
Discounts and Allowances	(10,001,010.71)	(9,154,550.76)
Auxiliary Enterprises - Pledged	16,783,767.32	15,603,264.89
Discounts and Allowances	(3,204,142.46)	(2,871,409.72)
Other Sales of Goods and Services - Pledged	1,285,785.35	1,052,868.03
Federal Revenue-Operating (Sch 1A)	4,144,949.16	3,491,988.03
Federal Pass Through Revenue (Sch 1A)	475,221.51	474,573.59
State Grant Pass Through Revenue (Sch 1B)	4,917,636.88	4,999,469.72
Nongovernmental Grants and Contracts	<u>1,007,334.22</u>	<u>680,625.05</u>
Total Operating Revenues	<u>64,700,356.47</u>	<u>64,017,958.03</u>
<b>OPERATING EXPENSES:</b>		
Instruction	33,577,781.49	33,185,760.40
Research	977,904.75	857,158.48
Public Service	2,181,706.66	1,858,035.60
Academic Support	5,544,860.66	6,149,613.95
Student Services	4,640,801.20	4,433,620.29
Institutional Support	14,060,922.73	14,123,036.75
Operation and Maintenance of Plant	7,607,124.41	7,250,321.18
Scholarship and Fellowships	17,902,443.33	19,581,277.95
Auxiliary Enterprise Expenditures	12,331,984.70	13,546,561.00
Depreciation and Amortization	<u>6,832,905.10</u>	<u>6,564,714.30</u>
Total Operating Expenses	<u>105,658,435.03</u>	<u>107,550,099.90</u>
Operating Income (Loss)	<u>(40,958,078.56)</u>	<u>(43,532,141.87)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Legislative Revenue	29,100,649.92	28,438,916.07
Federal Revenue-Non-operating (Sch 1A)	9,400,287.40	10,485,567.52
Gifts	2,616,808.77	1,923,699.88
Investment Income	6,538,868.01	3,013,244.28
Interest Expense on Capital Asset Financing	(3,033,915.39)	(2,736,483.26)
Gain (Loss) on Sale and Disposal of Capital Assets	(19,348.82)	(53,138.72)
Net Increase (Decrease) in Fair Value of Investments	524,729.56	(230,376.53)
Other Non-operating Revenues/(Expenses) - Pledged	<u>(1,020,641.36)</u>	<u>591,828.16</u>
Total Non-operating Revenues (Expenses)	44,107,438.09	41,433,257.40
<b>Income (Loss) before Other Revenues, Expenses, Gains/Losses and Transfers</b>	3,149,359.53	(2,098,884.47)
<b>OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS</b>		
Capital Appropriations (HEAF)	3,743,027.00	3,743,027.00
Capital Contributions - Gifts	77,500.00	13,000.00
Transfers Out - TTU System Admin (Note 12)	(42,103.85)	(255,931.00)
Transfers In - TTU Foundation, Inc. (Note 12)	11,261.57	20,625.00
Transfers In - TTUSA Foundation, Inc. (Note 12)	29,765.00	(1,666.98)
Transfers Out - Other State Agencies (Note 12)	(2,874,890.09)	(3,225,644.46)
Legislative Transfers-Out (Note 12)	(2,827,503.77)	(3,040,311.08)
Legislative Appropriations Lapsed	<u>(516.02)</u>	<u>(1,280.84)</u>
Total Other Revenues, Expenses, Gains, Losses, and Transfers	<u>(1,883,460.16)</u>	<u>(2,748,182.36)</u>
<b>Total Changes in Net Position</b>	<u>\$ 1,265,899.37</u>	<u>\$ (4,847,066.83)</u>
Beginning Net Position (September 1, 2012)	88,646,631.22	93,493,698.05
<b>Ending Net Position (August 31, 2013)</b>	<u>\$ 89,912,530.59</u>	<u>\$ 88,646,631.22</u>

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



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

<u>Natural Classification</u>	<u>Instruction</u>	<u>Research</u>	<u>Public Service</u>	<u>Academic Support</u>	<u>Student Services</u>
Salaries and Wages	\$ 23,217,651.65	\$ 568,158.18	\$ 1,320,695.41	\$ 2,874,000.31	\$ 2,846,544.45
Payroll Related Costs	6,996,012.26	138,483.96	230,385.33	790,993.77	818,218.89
Professional Fees and Services	116,370.26	495.00	95,802.33	16,915.00	14,726.00
Travel	783,055.18	35,005.60	70,097.05	100,047.06	139,148.49
Materials and Supplies	777,535.40	163,726.33	153,345.25	88,745.04	193,004.00
Communication and Utilities	91,714.92	8,491.19	6,173.67	15,395.67	15,743.98
Repairs and Maintenance	201,176.71	4,843.98	5,148.55	49,243.75	150,221.97
Rentals and Leases	86,546.55	308.10	39,419.87	110,911.57	48,732.11
Printing and Reproduction	58,776.60	624.28	15,288.03	15,620.58	48,941.86
Depreciation and Amortization					
Bad Debt Expense					
Interest					
Scholarships					
Other Operating Expenses	<u>1,248,941.96</u>	<u>57,768.13</u>	<u>245,351.17</u>	<u>1,482,987.91</u>	<u>365,519.45</u>
Total Operating Expenses	<u>\$ 33,577,781.49</u>	<u>\$ 977,904.75</u>	<u>\$ 2,181,706.66</u>	<u>\$ 5,544,860.66</u>	<u>\$ 4,640,801.20</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>FY2012</u>
\$ 8,320,600.43	\$ 1,981,954.23	\$	\$ 4,998,717.53	\$	\$ 46,128,322.19	\$ 46,153,078.60
2,472,844.65	738,504.15		1,276,424.45		13,461,867.46	12,174,604.43
289,917.68	7,759.23		132,948.00		674,933.50	542,340.18
103,648.08	1,510.59		283,658.77		1,516,170.82	1,521,851.02
475,611.45	628,611.85		871,837.90		3,352,417.22	7,303,153.24
220,525.21	2,954,545.70		1,840,930.41		5,153,520.75	4,766,750.09
621,458.72	925,942.31		939,421.21		2,897,457.20	2,829,896.06
58,522.29	113,839.25		229,236.53		687,516.27	605,034.45
112,648.98	1,434.07		60,064.98		313,399.38	365,673.19
				6,832,905.10	6,832,905.10	6,564,714.30
193,236.64			247,870.47		441,107.11	249,717.19
						0.41
		17,902,443.33			17,902,443.33	19,581,277.95
<u>1,191,908.60</u>	<u>253,023.03</u>	<u></u>	<u>1,450,874.45</u>	<u></u>	<u>6,296,374.70</u>	<u>4,892,008.79</u>
<u>\$ 14,060,922.73</u>	<u>\$ 7,607,124.41</u>	<u>\$ 17,902,443.33</u>	<u>\$ 12,331,984.70</u>	<u>\$ 6,832,905.10</u>	<u>\$ 105,658,435.03</u>	<u>\$ 107,550,099.90</u>

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

	FY 2013	FY 2012
<b>Cash Flows from Operating Activities</b>		
Tuition and Fees	\$ 36,900,288.20	\$ 41,774,277.24
Grants and Contracts	11,036,156.80	10,739,683.87
Sales and Services of Auxiliary Enterprises	13,585,570.11	12,735,055.36
Other Sales and Services	1,013,126.96	1,052,868.03
Payments - Other Sales and Services	-	(336,679.18)
Collections for Loans Issued to Students	414,033.16	370,992.09
Payments to Suppliers for Goods and Services	(14,532,860.52)	(17,934,729.36)
Payments for Loans Issued to Students	(363,293.18)	(387,003.06)
Payments to Employees - Salaries	(46,099,151.16)	(46,147,442.62)
Payments to Employees - Benefits	(13,629,684.00)	(12,174,604.43)
Payments for Other Operating Activities	(24,868,663.94)	(25,335,597.34)
Net Cash Provided (Used) by Operating Activities	(36,544,477.57)	(35,643,179.40)
<b>Cash Flows from Noncapital Financing Activities</b>		
State Appropriations	27,925,532.28	28,651,067.41
Noncapital Gifts	2,616,808.77	1,923,699.88
Noncapital Grants	9,400,287.40	10,493,798.52
Proceeds from Agency Transactions	33,284,261.99	39,145,952.32
Transfers to/from Other State Agencies:		
TTU System Admin	(42,103.85)	(255,931.00)
TTU System Admin - Legislative Transfer	(120,628.00)	(120,628.00)
TTU	11,261.57	(1,666.98)
TTU System Admin Foundation, Inc	29,765.00	20,625.00
Texas B-on-Time	(526,833.48)	(525,091.59)
TPFA	(531,379.86)	(515,819.20)
Other Noncapital Financing Activities	(48,428,317.64)	(50,298,511.49)
Net Cash Provided (Used) by Noncapital Financing Activities	23,618,654.18	28,517,494.87
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from Capital Debt Issuance	615.56	57,258,177.56
Capital Appropriations	3,743,027.00	3,743,027.00
Purchases of Capital Assets	(2,438,518.96)	(10,714,933.06)
Principal Paid on Capital Debt	(3,194,755.00)	(44,331,538.88)
Payments for Bond Issue Cost	-	(272,581.58)
Payments of Interest on Debt Issuance	(3,033,915.39)	(2,463,901.68)
Net Cash Provided (Used) by Capital and Related Financing Activities	(4,923,546.79)	3,218,249.36
<b>Cash Flows from Investing Activities</b>		
Proceeds from Investment Sales and Maturities	-	-
Interest and Dividends Received	13,493,441.05	10,398,625.91
Purchases of Investments	220.90	245.31
Net Cash Provided by Investing Activities	13,493,661.95	10,398,871.22
<b>TOTAL NET CASH FLOWS</b>	\$ (4,355,708.23)	\$ 6,491,436.05
Beginning Cash and Cash Equivalents, September 1	37,478,079.53	30,986,643.48
Ending Cash and Cash Equivalents, August 31	\$ 33,122,371.30	\$ 37,478,079.53
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>		
Operating Income (Loss)	\$ (40,958,078.56)	\$ (43,532,141.87)
Adjustments:		
Depreciation Expense	6,832,905.10	6,564,714.30
Bad Debt Expense	441,107.11	249,717.19
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivables	(1,330,253.64)	(614,203.05)
Increase (Decrease) in Due from Other Agency	(1,032.46)	296,361.93
(Increase) Decrease in Loans and Notes Receivable	56,396.51	17,172.85
(Increase) Decrease in Inventory	11,662.23	42,196.48
(Increase) Decrease in Prepaid Items	(250,997.84)	453,335.77
Increase (Decrease) in Accounts Payable	(119,385.55)	(68,605.44)
Increase (Decrease) in Payrolls Payable	46,082.07	(556,695.85)
Increase (Decrease) in Deposits	(1,525.00)	-
Increase (Decrease) in Due to Other Funds	-	(2,000.00)
Increase (Decrease) in Unearned Revenue	(1,074,928.30)	1,551,454.38
Increase (Decrease) in Compensable Leave	44,532.34	13,007.60
Increase (Decrease) in Benefits Payable	(229,259.92)	-
Increase (Decrease) in Other Liabilities	(11,701.66)	(57,493.69)
Net Cash Used for Operating Activities	(36,544,477.57)	(35,643,179.40)
<b>Non-Cash Transactions</b>		
Donation of Capital Assets	\$ 77,500.00	\$ 13,000.00
Net Change in Fair Value of Investments	524,729.56	(230,376.55)
Disposal of Plant Facilities	(524,663.22)	(205,807.13)
Capitalization Adjustment	45,000.00	
Trade In	6,800.00	

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

**NOTE 1: Summary of Significant Accounting Policies**

**ENTITY**

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

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

**FUND STRUCTURE**

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

**Proprietary Funds**

**Business Type Activity**

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

**Component Units**

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

**Basis of Accounting**

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

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

**BUDGETS AND BUDGETARY ACCOUNTING**

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

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

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

**Assets**

**Cash and Cash Equivalents**

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

**Investments**

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

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

**Restricted Assets**

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

**Inventories**

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

**Capital Assets**

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

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

**Other Receivables**

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

**Liabilities**

**Accounts Payable**

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

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

**Other Payables**

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

**Employees' Compensable Leave Balances**

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

**Capital Lease Obligations**

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

**Bonds Payable - General Obligation Bonds**

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

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

**Bonds Payable - Revenue Bonds**

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

**Fund Balance/Net Assets**

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

**Reservation of Fund Balance**

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

**Reserve for Encumbrances**

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

**Reserve for Consumable Inventories**

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

**Unreserved/Undesignated**

This represents the unappropriated balance at year-end.

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

**Invested in Capital Assets, Net of Related Debt**

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

**Restricted Net Assets**

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

**Unrestricted Net Assets**

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

**Interfund Transactions and Balances**

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

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

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

**NOTE 2: Capital Assets**

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

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

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



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

**NOTE 3: Deposits, Investments, and Repurchase Agreements**

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

**Deposits of Cash in Bank**

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

<b>Business-Type Activities</b>	<b><u>FY 2013</u></b>	<b><u>FY 2012</u></b>
CASH IN BANK - CARRYING VALUE	\$ 2,695,489.13	\$ 3,209,018.83
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>\$ 2,695,489.13</u>	<u>\$ 3,209,018.83</u>
Current Assets Cash in Bank	\$ 4,773,618.65	\$ 5,949,612.23
Current Assets Restricted Cash in Bank	<u>(2,078,129.52)</u>	<u>(2,740,593.40)</u>
Cash in Bank per AFR	<u>\$ 2,695,489.13</u>	<u>\$ 3,209,018.83</u>

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

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

Business-Type Activities \$6,624,790.21

<b>Business-Type Activities</b>	<b><u>Discrete Component Unit</u></b>	
	<b><u>FY 2013</u></b>	<b><u>FY 2012</u></b>
CASH IN BANK - CARRYING VALUE	\$ 762,566.11	\$ 567,065.53
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>\$ 762,566.11</u>	<u>\$ 567,065.53</u>
Current Assets Cash in Bank	\$ 526,287.41	\$ 304,114.64
Current Assets Restricted Cash in Bank	<u>236,278.70</u>	<u>262,950.89</u>
Cash in Bank per AFR	<u>\$ 762,566.11</u>	<u>\$ 567,065.53</u>

As of August 31, 2013, the total **bank balance** for Business-Type Activities for the Carr Foundation was \$762,928.95. At August 31, 2012, this balance was \$552,912.05.

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

**Investments**

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

<b>Business-Type Activities</b>	<b>Fair Value</b>	
	<b>FY 2013</b>	<b>FY 2012</b>
Corporate Asset and Mortgage Backed Securities	\$ 860.53	\$ 1,123.92
Equity	1,015,465.89	905,441.53
International Obligations (Govt and Corp)	47,664.29	230,026.89
Fixed Income Money Market and Bond Mutual Fund	1,030,284.01	763,493.65
Mutual Funds	518,369.19	715,209.54
Other Commingled Funds	3,120,626.37	3,385,124.75
Other Commingled Funds (Texpool)	26,727,905.17	28,589,020.32
International Other Commingled Funds	2,085,702.50	1,793,864.93
Real Estate	529,948.99	634,741.44
Domestic	7,565,645.88	8,297,062.57
International	218,138.11	132,107.88
Total	<u>\$ 42,860,610.93</u>	<u>\$ 45,447,217.42</u>

<b>Business-Type Activities</b>	<b>Fair Value-Discrete Component Unit</b>	
	<b>FY 2013</b>	<b>FY 2012</b>
Corporate Asset and Mortgage Backed Securities	\$	\$
Equity	6,821,037.25	5,664,486.66
International Obligations (Govt and Corp)	320,168.24	1,439,059.54
Fixed Income Money Market and Bond Mutual Fund	6,932,723.70	4,787,649.47
Mutual Funds	3,481,963.91	4,474,385.99
Other Commingled Funds	19,282,429.29	11,793,432.97
Other Commingled Funds (Texpool)	14,009,977.68	11,222,507.08
International Other Commingled Funds	10,397,580.89	10,808,807.36
Real Estate	50,819,582.35	51,906,830.70
Domestic	1,465,266.55	826,473.31
International	<u>\$ 113,530,729.86</u>	<u>\$ 102,923,633.08</u>
Total		

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

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

<b>Fund Type</b>	<b>GAAP Fund</b>	<b>Foreign Currency</b>	<b>International Obligation</b>	<b>International Equity</b>	<b>International Alternative Investments</b>
01	0001	Argentine peso	\$	\$	17,481.90
01	0001	Australian dollar			7,533.21
01	0001	Bermudan dollar			3.06
01	0001	Brazilian real	7,435.06		149,448.29
01	0001	Bulgarian lev			
01	0001	Canadian dollar			3,747.49
01	0001	Cayman dollar			
01	0001	Chilean Peso	5,019.72		13,466.52
01	0001	Chinese yuan			159,248.03
01	0001	Colombian peso	10,286.86		6.11
01	0001	Czech koruna			16,916.44
01	0001	Danish krone			5,916.20
01	0001	Dominican Peso			
01	0001	Egyptian pound			9,424.20
01	0001	Euro	4,919.02		292,516.29
01	0001	Hong Kong dollar			65,460.74
01	0001	Hungarian forint			
01	0001	Indian rupee			69,862.02
01	0001	Indonesian rupiah			41,161.05
01	0001	Iraqi dinar			
01	0001	Israel shekel			
01	0001	Japanese yen			240,939.25
01	0001	Jordanian dinar			
01	0001	Kazakhstan tenge			6,463.93
01	0001	Latvian lats			
01	0001	Lithuanian litas			
01	0001	Malaysian ringgit			13,868.25
01	0001	Mexican peso			94,701.14
01	0001	Moroccan dirham			
01	0001	New Zealand dollar			
01	0001	Nigerian naira	5,642.50		
01	0001	Norwegian krone			8,134.78
01	0001	Pakistani rupee			
01	0001	Panamanian balboa			8,145.05
01	0001	Peruvian nuevo sol	3,440.03		15,621.16
01	0001	Phillippino peso			20,349.66
01	0001	Polish zloty			
01	0001	Pound sterling			218,148.46
01	0001	Qatari riyal			
01	0001	Romanian leu			
01	0001	Russian ruble	6,443.66		25,335.47
01	0001	Singapore dollar			25,883.38
01	0001	South African rand	4,477.44		74,602.81
01	0001	South Korean won			157,155.01
01	0001	Swedish krona			7,395.25
01	0001	Swiss franc			133,334.50
01	0001	Taiwan dollar			92,680.10
01	0001	Thai baht			31,857.82
01	0001	Turkish lira			46,935.36
01	0001	UAE dirham			11,968.74
01	0001	Uruguay peso			
01	0001	Venezuelan bolivar			
		<b>Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
			<b>47,664.29</b>	<b>2,085,702.50</b>	<b>218,138.11</b>

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

Discrete Component Unit

<b>Fund Type</b>	<b>GAAP Fund</b>	<b>Foreign Currency</b>	<b>International Obligation</b>	<b>International Equity</b>	<b>International Alternative Investments</b>	
01	0001	Argentine peso	\$	\$ 117,428.53	\$	
01	0001	Australian dollar		50,601.72	20.54	
01	0001	Bermudan dollar				
01	0001	Brazilian real	49,942.42	1,003,866.64		
01	0001	Bulgarian lev				
01	0001	Canadian dollar		25,172.42		
01	0001	Cayman dollar				
01	0001	Chilean Peso	33,718.21	90,456.66		
01	0001	Chinese yuan		1,069,692.97	41.08	
01	0001	Colombian peso	69,098.42			
01	0001	Czech koruna		113,630.31		
01	0001	Danish krone		39,740.01		
01	0001	Dominican Peso				
01	0001	Egyptian pound		63,303.79		
01	0001	Euro	33,041.87	1,964,876.03	1,403,132.01	
01	0001	Hong Kong dollar		439,709.67		
01	0001	Hungarian forint				
01	0001	Indian rupee		469,273.73	62,072.92	
01	0001	Indonesian rupiah		276,484.99		
01	0001	Iraqi dinar				
01	0001	Israel shekel				
01	0001	Japanese yen		1,618,425.22		
01	0001	Jordanian dinar				
01	0001	Kazakhstani tenge		43,419.19		
01	0001	Latvian lats				
01	0001	Lithuanian litas				
01	0001	Malaysian ringgit		93,155.12		
01	0001	Mexican peso		636,121.78		
01	0001	Moroccan dirham				
01	0001	New Zealand dollar				
01	0001	Nigerian naira	37,901.50			
01	0001	Norwegian krone		54,642.51		
01	0001	Pakistani rupee				
01	0001	Panamanian balboa		54,711.50		
01	0001	Peruvian nuevo sol	23,107.21	104,929.72		
01	0001	Phillippino peso		136,691.72		
01	0001	Polish zloty				
01	0001	Pound sterling		1,465,336.06		
01	0001	Qatari riyal				
01	0001	Romanian leu				
01	0001	Russian ruble	43,283.01	170,182.14		
01	0001	Singapore dollar		173,862.55		
01	0001	South African rand	30,075.60	501,118.30		
01	0001	South Korean won		1,055,633.89		
01	0001	Swedish krona		49,675.01		
01	0001	Swiss franc		895,627.89		
01	0001	Taiwan dollar		622,546.15		
01	0001	Thai baht		213,993.75		
01	0001	Turkish lira		315,271.90		
01	0001	UAE dirham		80,395.81		
01	0001	Uruguay peso				
01	0001	Venezuelan bolivar				
		<b>Total</b>	<b>\$</b>	<b>\$ 320,168.24</b>	<b>\$ 14,009,977.68</b>	<b>\$ 1,465,266.55</b>

At August 31, 2012, the exposures to foreign currency risk balances for the Carr Foundation were: International Obligations - \$1,439,059.54; International Other Commingled Funds - \$11,222,507.08; and International Externally Managed Investments - \$826,473.31.

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

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

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

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

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

*Standard & Poor's*

Fund Type	GAAP Fund	Investment Type	AAA	AA	A	BBB	BB	Unrated
		CMO's	\$ 860.53					
		International Obligations		\$ 1,224.98	\$ 4,046.70	\$ 26,139.10	\$ 5,700.65	\$ 10,552.86
		Fixed Income Money Market and Bond Mutual Funds						\$ 1,030,284.01

## Discrete Component Unit

*Standard & Poor's*

Fund Type	GAAP Fund	Investment Type	AAA	AA	A	BBB	BB	Unrated
		CMO's						
		International Obligations		\$ 8,228.32	\$ 27,182.28	\$ 175,580.26	\$ 38,292.12	\$ 70,885.26
		Fixed Income Money Market and Bond Mutual Funds						\$ 6,932,723.70

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

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

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

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

*Standard & Poor's*

Fund Type	GAAP Fund	Investment Type	AAA	AA	A	BBB	BB	Unrated
		CMO's	\$ 1,123.92					
		International Obligations		\$ 12,191.43	\$ 24,382.85	\$ 101,441.86	\$ 40,944.79	\$ 51,065.96
		Market and Bond Mutual Fund						774,906.74

## Discrete Component Unit

*Standard & Poor's*

Fund Type	GAAP Fund	Investment Type	AAA	AA	A	BBB	BB	Unrated
		CMO's						
		International Obligations		\$ 76,270.15	\$ 152,540.31	\$ 634,625.26	\$ 256,152.59	\$ 319,471.23
		Market and Bond Mutual Fund						4,787,649.47

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

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

**Securities Lending**

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

**NOTE 4: Short-Term Debt**

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

**NOTE 5: Long Term Liabilities****Employees Compensable Leave**

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

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

**Changes in Long-Term Liabilities**

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

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

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

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

**Bonds Payable**

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

**Notes and Loan Payable**

The TTUSA's Revenue Financing System commercial paper program is comprised of variable rate demand notes with a maximum maturity of 270 days. For FY13, commercial paper rate tax-exempt and taxable rates ranged from .09% to .20% and .13% to .17%. The issuance of commercial paper notes may not exceed, in aggregate, the principal amount of \$150,000,000. In practice, the System rolls, pays off, and/or issues new commercial paper at each maturity. Commercial paper assists as interim funding until long term bonds are approved and issued or revenues and gifts are received to retire the debt.

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

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

Fiscal Year	Principal	Interest	Total
2013	\$3,132,720.00	\$10,964.52	\$3,143,684.52
2014			
2015			
2016			
2017			
All Other Years			
Total Requirements	<u>\$3,132,720.00</u>	<u>\$10,964.52</u>	<u>\$3,143,684.52</u>



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

**NOTE 6: Bonded Indebtedness**

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

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

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

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

**Revenue Financing System Refunding and Improvement Bonds, 12th Series 2009**

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

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

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

(2008)", dated September 15, 2008 securing the remaining TSUS debt attributable to Angelo State University. On April 24, 2009 Tech called \$7,215,000 of TSUS debt reducing the TSUS debt balance attributable to the institution by \$7,211,264.87.

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

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

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

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

**Pledged Future Revenues**

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

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

**NOTE 7: Derivative Instruments**

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

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

**NOTE 8: Leases**

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

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

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

**NOTE 9: Pension Plans**

Section not applicable

**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**  
**Year Ended August 31, 2013**

**NOTE 12: Interfund Activity and Transactions**

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

	<u>FY 2013</u>		<u>FY 2012</u>	
	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
Institutional Funds (7999) Appd Fund 7999, D23 Fund 7999 (Agy 733, D23 Fund 7999) Texas Tech Univ Found, Inc.	\$ 11,261.57	\$	\$	\$ (1,666.98)
Institutional Funds (7999) Appd Fund 7999, D23 Fund 7999 (Agy 758, D23 Fund 7999) Texas State Univ System		(1,816,676.75)		(2,184,733.67)
Institutional Funds (7999) Appd Fund 7999, D23 Fund 7999 (Agy 768, D23 Fund 7999) Texas Tech Univ System Admin		(42,103.85)		(255,931.00)
Institutional Funds (7999) Appd Fund 7999, D23 Fund 7999 (Agy 768, D23 Fund 7999) Texas Tech Univ Sys Admin Found, Inc	29,765.00		20,625.00	
General Revenue (5103) Appd Fund 5103, D23 Fund 5103 (Agency 781, D23 Fund 5103) THECB		(526,833.48)		(525,091.59)
Institutional Funds (7999) Appd Fund 7999, D23 Fund 7999 (Agy 347, D23 Fund 7999) Texas Pub Fin Auth		(531,379.86)		(515,819.20)
	<u>\$ 41,026.57</u>	<u>\$ (2,916,993.94)</u>	<u>\$ 20,625.00</u>	<u>\$ (3,483,242.44)</u>
	<b>Legislative</b>	<b>Legislative</b>	<b>Legislative</b>	<b>Legislative</b>
	<b>TRANSFERS IN</b>	<b>TRANSFERS OUT</b>	<b>TRANSFERS IN</b>	<b>TRANSFERS OUT</b>
General Revenue (001) Appd Fund 0001, D23 Fund 0001 (Agency 758, D23 Fund 0001) Texas State Univ System	\$	\$ (2,706,875.77)	\$	\$ (2,919,683.08)
General Revenue (001) Appd Fund 0001, D23 Fund 0001 (Agency 768, D23 Fund 7999) Texas Tech Univ System		(120,628.00)		(120,628.00)
<b>Total Legislative Transfers</b>	<u>\$ 0.00</u>	<u>\$ (2,827,503.77)</u>	<u>\$ 0.00</u>	<u>\$ (3,040,311.08)</u>
	<b>Due From</b>	<b>Due From</b>	<b>Due From</b>	<b>Due From</b>
	<b>Other Agencies</b>	<b>Other Component</b>	<b>Other Agencies</b>	<b>Other Component</b>
Institutional Funds (7999) Appd Fund 7999, D23 Fund 7999 (Agy 320, D23 Fund 5026) TWC	\$ 5,032.29	\$	\$	\$
Institutional Funds (7999) Appd Fund 7999, D23 Fund 7999 (Agy 542, D23 Fund 7639) CPRIT	66,448.81		52,193.05	
Institutional Funds (7999) Appd Fund 7999, D23 Fund 7999 (Agy 733, D23 Fund 9999) Texas Tech University		10,436.72		7,082.72
Institutional Funds (7999) Appd Fund 7999, D23 Fund 7999 (Agy 781, D23 Fund 0001) THECB	62,299.30		83,908.89	
<b>Total Due From/To Other Agencies</b>	<u>\$ 133,780.40</u>	<u>\$ 10,436.72</u>	<u>\$ 136,101.94</u>	<u>\$ 7,082.72</u>

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

**NOTE 13: Continuance Subject To Review**

Section not applicable

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

Due to the determination that the Robert G. and Nona K. Carr Scholarship Foundation financial transactions should be reported as a discretely presented component unit rather than as a blended component unit as previously reported, ASU had a restatement of beginning net position for the years ended August 31, 2013, and August 31, 2012. Cash and Cash Equivalents were also restated as presented below:

<u>Statement of Revenues, Expenses and Changes in Net Position</u>	<u>FY13</u>	<u>FY12</u>
Beginning Net Position, September 1	192,356,364.42	191,618,854.97
Restatements	<u>(103,709,733.20)</u>	<u>(98,125,156.92)</u>
Beginning Net Position, September 1 as Restated	88,646,631.22	93,493,698.05
Changes in Net Position	<u>1,265,899.37</u>	<u>(4,847,066.83)</u>
Ending Net Position, August 31	<u><u>89,912,530.59</u></u>	<u><u>88,646,631.22</u></u>
<u>Statement of Cash Flows</u>		
Beginning Cash & Cash Equivalents, September 1	38,045,145.06	31,817,569.58
Restatements	<u>(567,065.53)</u>	<u>(830,926.10)</u>
Beginning Cash & Cash Equivalents, September 1 as Restated	37,478,079.53	30,986,643.48
Total Net Cash Flows	<u>(4,355,708.23)</u>	<u>6,491,436.05</u>
Ending Cash & Cash Equivalents, August 31	<u><u>33,122,371.30</u></u>	<u><u>37,478,079.53</u></u>

There were several changes in classifications of some items on the financial statements for the year ended August 31, 2012. These items were restated to provide more consistency in reporting and are summarized below. None of these transactions resulted in any restatement of fund balances or net position. Also included in this table are the transactions removing the Carr Foundation from the balances for FY12.

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

<u>Statement of Net Position</u>	FY12 as reported	Correction	FY12 Discretely Presented Component Unit	FY12 restated
<b>Current Assets:</b>				
Unrestricted Cash and Cash Equivalents	38,752,067.77		(304,114.64)	38,447,953.13
Restricted Cash and Cash Equivalents	(706,922.71)		(262,950.89)	(969,873.60)
Gift Receivables	436,190.00	(357,600.00)		78,590.00
Accounts Receivables	1,053,822.59		(237,007.16)	816,815.43
<b>Non-current Assets:</b>				
Restricted Investments	118,281,830.18		(102,923,633.08)	15,358,197.10
Gift Receivables	-	357,600.00		357,600.00
<b>Current Liabilities:</b>				
Accounts Payable	2,110,634.96		(269.86)	2,110,365.10
Payroll Payable	3,066,084.33		(17,702.71)	3,048,381.62
<b>Net Position:</b>				
Nonexpendable Endowments	119,076,427.84		(104,010,061.30)	15,066,366.54
Expendable Other	8,894,499.05		300,328.10	9,194,827.15

**Statement of Revenues, Expenses, & Changes in Net Position**

<b>Operating Expenses:</b>				
Instruction	44,978,260.81	(11,792,500.41)		33,185,760.40
Research	860,158.48	(3,000.00)		857,158.48
Public Service	1,859,235.60	(1,200.00)		1,858,035.60
Academic Support	6,150,873.95	(1,260.00)		6,149,613.95
Institutional Support	14,469,645.41	(3,800.00)	(342,808.66)	14,123,036.75
Scholarships and Fellowships	5,836,892.03	13,744,385.92		19,581,277.95
Auxiliary Enterprise Expenditures	15,489,186.51	(1,942,625.51)		13,546,561.00
<b>Non-Operating Expenses:</b>				
Investment Income (Expense)	10,723,926.51		(7,710,682.23)	3,013,244.28
Net Increase (Decrease) in Fair Value of Investments	(2,013,673.82)		1,783,297.29	(230,376.53)

**Matrix of Operating Expenses**

Salaries and Wages	46,375,600.46		(222,521.86)	46,153,078.60
Payroll Related Costs	12,220,772.09		(46,167.66)	12,174,604.43
Professional Fees and Services	578,192.85		(35,852.67)	542,340.18
Travel	1,529,680.50		(7,829.48)	1,521,851.02
Materials and Supplies	7,323,059.20		(19,905.96)	7,303,153.24
Communication and Utilities	4,766,869.60		(119.51)	4,766,750.09
Rentals and Leases	606,473.33		(1,438.88)	605,034.45
Printing and Reproduction	365,836.63		(163.44)	365,673.19
Scholarships and Fellowships	5,836,892.03	13,744,385.92		19,581,277.95
Other Operating Expenses	18,645,203.91	(13,744,385.92)	(8,809.20)	4,892,008.79

**Statement of Cash Flows:**

<b>Cash Flows from Operating Activities:</b>				
Payments for Auxiliaries	(813,021.37)	813,021.37		-
Payments to Suppliers for Goods & Services	-	(18,000,008.17)	65,278.81	(17,934,729.36)
Payments to Employees for Salaries	(46,375,600.46)		228,157.84	(46,147,442.62)
Payments to Employees for Benefits	(12,220,772.09)		46,167.66	(12,174,604.43)
Payment for Other Operating Activities	(42,531,303.34)	17,186,986.80	8,719.20	(25,335,597.34)
<b>Cash Flows from Non-capital Financing Activities</b>				
Noncapital Gifts	1,726,725.29		196,974.59	1,923,699.88
Proceeds from Agency Transactions	-	39,145,952.32		39,145,952.32
Other Non-capital Financing Activities	(11,152,559.17)	(39,145,952.32)		(50,298,511.49)
<b>Cash Flows from Investing Activities</b>				
Proceeds from Investment Sales and Maturities	7,385,381.61		(7,385,381.61)	-
Interest and Dividends Received	10,723,926.51		(325,300.60)	10,398,625.91
Purchases of Investments	(7,428,999.37)		7,429,244.68	245.31

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

**NOTE 15: Contingencies and Commitments****Unpaid Claims and Lawsuits**

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

**NOTE 16: Subsequent Events**

Section not applicable

**NOTE 17: Risk Management**

The State provides coverage for unemployment compensation benefits from appropriations made to other State agencies for Angelo State University employees. The current General Appropriations Act provides that Angelo State University must reimburse General Revenue Fund-Consolidated, from Angelo State University appropriations, one-half of the unemployment benefits paid for former and current employees. The Comptroller of Public Accounts determines the proportionate amount to be reimbursed from each appropriated fund type. Angelo State University must reimburse the General Revenue Fund one hundred percent of the cost for workers' compensation and for any employees paid from funds held in local bank accounts. The unemployment plan is on a pay-as-you-go basis, in which no assets are set aside to be accumulated for the payment of claims. No material outstanding claims are pending at August 31, 2013.

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

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

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

**NOTE 18: Management Discussion and Analysis**

Section not applicable

**NOTE 19: The Financial Reporting Entity**

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

The Robert G. Carr and Nona K. Carr Scholarship Foundation, Box 11007C, ASU Station, San

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

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

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

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

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

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

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



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

**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 following table:

<u>Donor-Restricted Endowments</u>	<u>Amount of Net Appreciation</u>		<u>Reported in Net Assets</u>
	<u>FY 2013</u>	<u>FY 2012</u>	
True Endowments	<u>(\$803,934.09)</u>	<u>(\$1,038,288.47)</u>	Restricted Expendable

  

<u>Donor-Restricted Endowments</u>	<u>Discrete Component Unit Amount of Net Appreciation</u>		<u>Reported in Net Assets</u>
	<u>FY 2013</u>	<u>FY 2012</u>	
True Endowments	<u>\$3,407,286.14</u>	<u>(\$545,306.42)</u>	Restricted Expendable

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

**NOTE 23: Extraordinary and Special Items**

Section not applicable

**NOTE 24: Disaggregation of Receivable and Payable Balances**

Section not applicable

**NOTE 25: Termination Benefits**

Section not applicable

**NOTE 26: Segment Information**

Section not applicable

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

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

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

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

**Note 2: Reconciliation:**

Federal Revenues - per Statement of Combined Revenues, Expenses and Net Assets:	
Federal Revenue-Operating	\$ 4,144,949.16
Federal Revenue-Non-Operating	9,400,287.40
Federal Pass-Through - Operating	475,221.51
Federal Pass-Through - Non-Operating	<u>                                </u>
Subtotal	14,020,458.07
ADD:	
New Loans Processed:	
Federal Perkins Loan Program	59,637.00
Federal Direct Student Loan	34,444,177.00
Total Pass-Through & Expenditures Per Federal Schedule	\$ <u><u>48,524,272.07</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	59,637.00		59,637.00	
84.268 Federal Direct Student Loans	34,444,177.00		34,444,177.00	
93.264 Nurse Faculty Loan Program	-		-	
Total Department of Education	\$ <u><u>34,503,814.00</u></u>	\$ <u><u>0.00</u></u>	\$ <u><u>34,503,814.00</u></u>	\$ <u><u>-</u></u>

Perkins loans are outsourced to ECSI.

**Note 4: Government Publications**

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

**Note 7: Federal Deferred Revenue**

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

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

## UNAUDITED

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

**Pass Through From:**

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

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

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

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

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

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

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

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



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

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

NOTE:

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

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

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

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

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

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

<u>Cash in State Treasury</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Current Year Total</u>
Local Revenue Fund 0227	\$ <u>1,362,302.54</u>	\$ <u>                    </u>	\$ <u>1,362,302.54</u>
<b>Total Cash in State Treasury (Stmt of Net Assets)</b>	\$ <u><u>1,362,302.54</u></u>	\$ <u><u>          0.00</u></u>	\$ <u><u>1,362,302.54</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, 2013 and 2012**

	<b>FY 2013</b>	<b>FY 2012</b>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 526,287.41	\$ 304,114.64
Restricted:		
Cash and Cash Equivalents	236,278.70	262,950.89
Legislative Appropriations		
Accounts Receivable, net:		
Federal Receivables		
Student Receivables		
Gift Receivables		
Accounts Receivables	315,096.09	237,007.16
Due From Other Agencies (Note 12)		
Prepaid Items		
Inventories		
Loans and Notes Receivable, net		
Total Current Assets	1,077,662.20	804,072.69
Non-current Assets:		
Restricted:		
Cash and Cash Equivalents		
Investments (Note 3)	113,530,729.86	102,923,633.08
Gift Receivables		
Loans and Notes Receivable, net		
Investments (Note 3)		
Capital Assets (Note 2)		
Non-Depreciable or Non-Amortizable		
Depreciable or Amortizable		
Accumulated Depreciation and Amortization		
Total Non-Current Assets	113,530,729.86	102,923,633.08
Total Assets	\$ 114,608,392.06	\$ 103,727,705.77
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 14,760.89	\$ 269.86
Payroll Payable	23,288.20	17,702.71
Due to Other Agencies		
Unearned Revenues		
Bonds Payable (Note 5)		
Employees' Compensable Leave (Note 5)		
Notes and Loans Payable (Note 5)		
Funds Held for Others		
Other Current Liabilities		
Total Current Liabilities	38,049.09	17,972.57
Non-current Liabilities:		
Employees Compensable Leave (Note 5)		
Bonds Payable (Note 5)		
Other Non-Current Liabilities		
Total Non-Current Liabilities	0.00	0.00
Total Liabilities	\$ 38,049.09	\$ 17,972.57
<b>NET POSITION</b>		
Invested in Capital Assets, Net of Related Debt	\$	\$
Restricted:		
Non-Expendable:		
Endowments	110,964,827.22	104,010,061.30
Expendable:		
Higher Education Assistance Fund		
Other	3,605,515.75	(300,328.10)
Unrestricted		
Total Net Position	114,570,342.97	103,709,733.20
Total Liabilities and Net Position	\$ 114,608,392.06	\$ 103,727,705.77

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

**Discretely Presented Component Unit - Robert G. and Nona K. Carr Scholarship Foundation**  
**Statement of Revenues, Expenses, and Changes in Net Position (Unaudited)**  
**For the Fiscal Years Ended August 31, 2013 and 2012**

<b>OPERATING REVENUES</b>	<u><b>FY 2013</b></u>	<u><b>FY 2012</b></u>
Sales of Goods and Services		
Tuition and Fees - Pledged	\$	\$
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	<u>0.00</u>	<u>0.00</u>
 <b>OPERATING EXPENSES:</b>		
Salaries and Wages	218,998.85	222,521.86
Payroll Related Costs	44,209.88	46,167.66
Professional Fees and Services	50,440.82	35,852.67
Travel	9,354.49	7,829.48
Materials and Supplies	27,989.36	19,905.96
Communication and Utilities	1,438.28	119.51
Rentals and Leases	2,175.02	1,438.88
Printing and Reproduction	746.45	163.44
Other Operating Expenses	<u>16,972.61</u>	<u>8,809.20</u>
Total Operating Expenses	<u>372,325.76</u>	<u>342,808.66</u>
Operating Income (Loss)	<u>(372,325.76)</u>	<u>(342,808.66)</u>
 <b>NON-OPERATING REVENUES (EXPENSES)</b>		
Legislative Revenue		
Federal Revenue-Non-operating (Sch 1A)		
Gifts		
Investment Income	7,280,342.97	7,710,682.23
Interest Expense on Capital Asset Financing		
Gain (Loss) on Sale and Disposal of Capital Assets		
Net Increase (Decrease) in Fair Value of Investments	3,952,592.56	(1,783,297.29)
Other Non-operating Revenues/(Expenses) - Pledged		
Total Non-operating Revenues (Expenses)	<u>11,232,935.53</u>	<u>5,927,384.94</u>
<b>Income (Loss) before Other Revenues, Expenses, Gains/Losses and Transfers</b>	<u>10,860,609.77</u>	<u>5,584,576.28</u>
 <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	<u>0.00</u>	<u>0.00</u>
<b>Total Changes in Net Position</b>	<u>\$ 10,860,609.77</u>	<u>\$ 5,584,576.28</u>
Beginning Net Position (September 1, 2012)	103,709,733.20	98,125,156.92
<b>Ending Net Position (August 31, 2013)</b>	<u>\$ 114,570,342.97</u>	<u>\$ 103,709,733.20</u>

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

**Discretely Presented Component Unit - Robert G. and Nona K. Carr Scholarship Foundation**  
**Matrix of Operating Expenses Reported by Natural Classification (Unaudited)**  
**For the Fiscal Year Ended August 31, 2013**

<u>Natural Classification</u>	<u>Institutional Support</u>	
	<u>FY13</u>	<u>FY12</u>
Salaries and Wages	\$ 218,998.85	\$ 222,521.86
Payroll Related Costs	44,209.88	46,167.66
Professional Fees and Services	50,440.82	35,852.67
Travel	9,354.49	7,829.48
Materials and Supplies	27,989.36	19,905.96
Communication and Utilities	1,438.28	119.51
Repairs and Maintenance		
Rentals and Leases	2,175.02	1,438.88
Printing and Reproduction	746.45	163.44
Depreciation and Amortization		
Bad Debt Expense		
Interest		
Scholarships		
Other Operating Expenses	<u>16,972.61</u>	<u>8,809.20</u>
Total Operating Expenses	<u>\$ 372,325.76</u>	<u>\$ 342,808.66</u>



**Discretely Presented Component Unit - Robert G. and Nona K. Carr Scholarship Foundation**  
**Statement of Cash Flows (Unaudited)**  
**For the Years Ended August 31, 2013 and 2012**

<b>Cash Flows from Operating Activities</b>	FY 2013	FY 2012
Tuition and Fees	\$	\$
Grants and Contracts		
Sales and Services of Auxiliary Enterprises		
Other Sales and Services		
Payments - Other Sales and Services		
Collections for Loans Issued to Students		
Payments to Suppliers for Goods and Services	(92,144.42)	(65,278.81)
Payments for Loans Issued to Students		
Payments to Employees - Salaries	(213,413.36)	(228,157.84)
Payments to Employees - Benefits	(44,209.88)	(46,167.66)
Payments for Other Operating Activities	(2,481.58)	(8,719.20)
Net Cash Provided (Used) by Operating Activities	(352,249.24)	(348,323.51)
<b>Cash Flows from Noncapital Financing Activities</b>		
State Appropriations		
Noncapital Gifts	(78,088.93)	(196,974.59)
Noncapital Grants		
Proceeds from Agency Transactions		
Transfers to/from Other State Agencies:		
TTU System Admin		
TTU System Admin - Legislative Transfer		
TTU		
TTU System Admin Foundation, Inc		
Texas B-on-Time		
TPFA		
Other Noncapital Financing Activities		
Net Cash Provided (Used) by Noncapital Financing Activities	(78,088.93)	(196,974.59)
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from Capital Debt Issuance		
Capital Appropriations		
Purchases of Capital Assets		
Principal Paid on Capital Debt		
Payments for Bond Issue Cost		
Payments of Interest on Debt Issuance		
Net Cash Provided (Used) by Capital and Related Financing Activities	0.00	0.00
<b>Cash Flows from Investing Activities</b>		
Proceeds from Investment Sales and Maturities	6,954,573.04	7,385,381.61
Interest and Dividends Received	325,769.93	325,300.60
Purchases of Investments	(6,654,504.22)	(7,429,244.68)
Net Cash Provided by Investing Activities	625,838.75	281,437.53
<b>TOTAL NET CASH FLOWS</b>	\$ 195,500.58	\$ (263,860.57)
Beginning Cash and Cash Equivalents, September 1	567,065.53	830,926.10
Ending Cash and Cash Equivalents, August 31	\$ 762,566.11	\$ 567,065.53
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>		
Operating Income (Loss)	\$ (372,325.76)	\$ (342,808.66)
Adjustments:		
Depreciation Expense		
Bad Debt Expense		
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivables		
Increase (Decrease) in Due from Other Agency		
(Increase) Decrease in Loans and Notes Receivable		
(Increase) Decrease in Inventory		
(Increase) Decrease in Prepaid Items		
Increase (Decrease) in Accounts Payable	14,491.03	(5,514.85)
Increase (Decrease) in Payrolls Payable	5,585.49	
Increase (Decrease) in Deposits		
Increase (Decrease) in Due to Other Funds		
Increase (Decrease) in Unearned Revenue		
Increase (Decrease) in Compensable Leave		
Increase (Decrease) in Benefits Payable		
Increase (Decrease) in Other Liabilities		
Net Cash Used for Operating Activities	(352,249.24)	(348,323.51)
<b>Non-Cash Transactions</b>		
Donation of Capital Assets	\$	\$
Net Change in Fair Value of Investments	3,952,592.56	(1,783,297.27)