

ANNUAL FINANCIAL REPORT

OF

ANGELO STATE UNIVERSITY

FOR THE YEAR ENDED AUGUST 31, 2008

SAN ANGELO, TEXAS

A MEMBER OF THE TEXAS TECH UNIVERSITY SYSTEM

**ANGELO STATE UNIVERSITY
FY 2008 FINANCIAL REPORT**

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ANGELO STATE UNIVERSITY

Office of the President

November 20, 2008

The Honorable Rick Perry
Governor of Texas

Mr. John O'Brien
Deputy Director, Legislative Budget Board

The Honorable Susan Combs
Texas Comptroller

Mr. John Keel, CPA
State Auditor

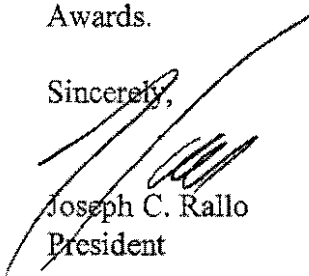
Lady and Gentlemen:

We are pleased to submit the Annual Financial Report of Angelo State University for the year ended August 31, 2008, in compliance with TEXAS GOVERNMENT CODE ANNOTATED § 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,



Joseph C. Rallo
President



November 20, 2008

ANGELO STATE UNIVERSITY

Office of the Vice President for Finance and Administration

Dr. Joseph C. Rallo
 President
 Angelo State University
 2601 West Avenue N
 San Angelo, Texas 76909

Dear Dr. Rallo:

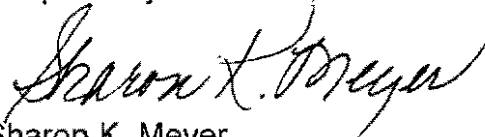
Submitted herein is the Annual Financial Report of Angelo State University for the fiscal year ended August 31, 2008.


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,


 Sharon K. Meyer
 Vice President for
 Finance and Administration


 Denise Brodnax
 Controller


 Janet Coleman
 Director of Accounting


 Christina Chavez
 Accountant

**ANGELO STATE UNIVERSITY
ORGANIZATIONAL DATA
For the Fiscal Year 2007 - 2008**

**BOARD OF REGENTS
TEXAS TECH UNIVERSITY SYSTEM**

OFFICERS

F. Scott Dueser
Kent Hance

Chairman
Chancellor

MEMBERS

<u>Name</u>	<u>Residence</u>	<u>Term Expires February 1</u>
F. Scott Dueser	Abilene, Tx	1 /31/2009
Bob L. Stafford	Amarillo, Tx	1 /31/2009
Windy Sitton	Lubbock, Tx	1 /31/2009
Larry K. Anders	Dallas, Tx	1 /31/2011
Mark Griffin	Lubbock, Tx	1 /31/2011
Daniel 'Dan' T. Serna	Arlington, Tx	1 /31/2011
L. Frederick 'Rick' Francis	El Paso, Tx	1 /31/2013
John F. Scovell	Dallas, Tx	1 /31/2013
Jerry E. Turner	Blanco, Tx	1 /31/2013

PRESIDENT

Dr. Joseph C. Rallo

OFFICE OF FINANCE AND ADMINISTRATION

Sharon K. Meyer
Denise Brodnax

Vice President for Finance and Administration
Controller

ADMISSIONS & REGISTRAR

Frederic Dietz

Dean of Admissions

**ANGELO STATE UNIVERSITY
ENROLLMENT DATA
For the Fiscal Year 2007-2008**

<u>Type of Student</u>	NUMBER OF STUDENTS BY SEMESTER			
	<u>FALL</u>	<u>SPRING</u>	<u>SUMMER TERMS 2008</u>	
	2007	2008	<u>First</u>	<u>Second</u>
Texas Resident	6,104	5,480	1,799	1,510
Out-of State	33	30	6	5
Foreign	5	3	0	1
High School Honor Scholarship	28	24	0	0
Hazelwood Act	55	46	21	19
State Commission for the Blind	15	13	7	3
	<u>6,240</u>	<u>5,596</u>	<u>1,833</u>	<u>1,538</u>

ENROLLMENT TREND DATA

(Fall Semester)

<u>FISCAL YEAR</u>	<u>STUDENTS</u>	<u>SEMESTER HOURS</u>
2008	6,240	79,255
2007	6,267	79,860
2006	6,156	78,137
2005	6,137	77,184
2004	6,043	75,269
2003	6,268	78,076
2002	6,262	78,342
2001	6,309	78,455
2000	6,220	77,135
1999	6,315	77,109
1998	6,234	75,953

* Furnished by the Office of the Registrar.

Angelo State University
Statement of Net Assets (Unaudited)
August 31, 2008

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ASSETS

Current Assets:

Cash and Cash Equivalents (Note 1)	\$ 42,030,076.03
Restricted:	
Cash and Cash Equivalents (Note 1)	7,817,053.54
Legislative Appropriations	7,442,047.52
Receivables from:	
Federal Receivables	171,775.16
Interest and Dividends	26,459.46
Student Receivables	6,111,318.20
Accounts Receivables	1,188,656.23
Prepaid Expenses	16,811,782.13
Consumable Inventories	225,203.70
Loans and Notes Receivable, net	1,154,743.74
Total Current Assets	<u><u>82,979,115.71</u></u>

Noncurrent Assets:

Investments (Note 3)	95,963,318.67
Capital Assets (Note 2)	
Non-Depreciable:	25,096,435.99
Depreciable:	159,774,329.26
Accumulated Depreciation	<u>(85,026,607.77)</u>
Total Non-Current Assets	<u><u>195,807,476.15</u></u>

Total Assets **\$ 278,786,591.86**

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 4,322,057.39
Payroll Payable	3,544,017.57
Deferred Revenues	22,720,519.92
Employees' Compensable Leave (Note 5)	311,576.46
Commercial Paper Payable (Note 5)	22,252,000.00
Funds Held for Others	9,940,299.56
Other Current Liabilities	418,216.46
Total Current Liabilities	<u><u>63,508,687.36</u></u>

Non-current Liabilities:

Employees Compensable Leave (Note 5)	1,341,671.72
Other Non-Current Liabilities (Note 5)	531,070.51
Total Non-Current Liabilities	<u><u>1,872,742.23</u></u>

Total Liabilities **\$ 65,381,429.59**

NET ASSETS

invested in Capital Assets, Net of Related Debt	76,468,214.73
Restricted:	
Non-Expendable:	
Endowments	96,873,980.79
Expendable:	
Higher Education Assistance Fund	1,895,073.25
Other	7,894,831.17
Unrestricted (Note 1)	30,273,062.33
Total Net Assets	<u><u>213,405,162.27</u></u>

Total Liabilities and Net Assets **\$ 278,786,591.86**

See Accompanying Notes to the Financial Statements

Angelo State University
Statement of Revenues, Expenses, and Changes in Net Assets (Unaudited)
For the Fiscal Year Ended August 31, 2008

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OPERATING REVENUES

Tuition and Fees	\$ 30,667,757.28
Discounts and Allowances	(4,675,679.86)
Auxiliary Enterprises	10,889,888.11
Discounts and Allowances	(2,105,542.45)
Other Sales of Goods and Services	1,470,756.54
Federal Revenue-Operating (Sch 1A)	7,297,020.41
Federal Pass Through Revenue (Sch 1A)	144,430.08
State Grant Revenue	33,480.11
State Grant Pass Through Revenue (Sch 1B)	3,010,919.12
Other Grants and Contracts	<u>696,432.86</u>
Total Operating Revenues	<u>47,429,462.20</u>

OPERATING EXPENSES:

Instruction	32,784,853.73
Research	752,845.29
Public Service	1,838,278.88
Academic Support	4,087,982.58
Student Services	3,532,649.45
Institutional Support	12,566,313.38
Operation and Maintenance of Plant	7,221,535.94
Scholarship and Fellowships	5,051,055.03
Auxiliary Enterprise Expenditures	12,732,738.34
Depreciation and Amortization	<u>5,346,032.61</u>
Total Operating Expenses	<u>85,914,285.23</u>
Operating Income (Loss)	<u>(38,484,823.03)</u>

NONOPERATING REVENUES (EXPENSES)

Legislative Revenue	31,312,026.28
Gifts	2,031,571.92
Investment Income (Expense)	4,279,901.93
Interest Expense on Capital Asset Financing	(86,046.46)
Gain (Loss) on Disposal of Capital Assets	(1,457,306.46)
Net Increase (Decrease) in Fair Value of Investments	(1,379,187.67)
Other Nonoperating Revenues (Expenses)	<u>4,747,041.06</u>
Total Nonoperating Revenues (Expenses)	39,448,000.60

Income (Loss) before Other Revenues, Expenses, Gains/Losses and Transfers 963,177.57

OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS

Capital Appropriations (HEAF)	3,585,802.00
Transfers-Out (Note 8)	(2,581,851.18)
Legislative Transfers-Out (Note 8)	(4,125,474.93)
Legislative Appropriations Lapsed	<u>(18,824.86)</u>
Total Other Revenues, Expenses, Gains, Losses, and Transfers	<u>(3,140,348.97)</u>
Total Changes in Net Assets	\$ <u>(2,177,171.40)</u>

 Beginning Net Assets (September 1, 2007) 215,582,333.67

Ending Net Assets (August 31, 2008) **\$ 213,405,162.27**

See Accompanying Notes to the Financial Statements

Angelo State University
Matrix of Operating Expenses by Natural Classification
For the Fiscal Year Ended August 31, 2008

Function	Salaries and Wages	Payroll Related Costs	Professional Fees and Services	Travel
Instruction	\$ 18,489,737.09	\$ 4,984,878.30	\$ 425,511.40	\$ 432,835.69
Research	402,437.10	105,073.31	8,285.00	27,590.90
Public Service	793,458.35	179,408.35	54,707.12	18,268.54
Academic Support	2,211,620.14	618,593.73	96,837.54	76,100.38
Student Services	2,214,331.92	522,543.17	91,887.24	101,747.15
Institutional Support	7,945,325.25	1,597,264.36	1,257,108.51	153,634.11
Operation and Maintenance of Plant	2,285,292.12	691,268.29	137,249.06	12,629.02
Scholarships and Fellowships				
Auxiliary Enterprises	3,721,187.29	656,128.58	406,799.83	319,274.41
Depreciation and Amortization				
Total Operating Expenses	\$ <u>38,063,389.26</u>	\$ <u>9,355,158.09</u>	\$ <u>2,478,385.70</u>	\$ <u>1,142,080.20</u>

Function	Materials and Supplies	Communication and Utilities	Repairs and Maintenance	Rentals and Leases
Instruction	\$ 525,106.97	\$ 76,530.49	\$ 32,729.83	\$ 69,447.76
Research	96,572.89	1,592.77	1,202.74	-
Public Service	72,228.27	197,457.94	13,919.55	3,221.88
Academic Support	101,389.12	402,042.62	35,072.91	9,211.15
Student Services	179,364.27	20,551.97	117,851.33	41,170.23
Institutional Support	393,228.14	149,762.87	409,574.52	50,310.46
Operation and Maintenance of Plant	456,491.89	2,782,676.93	604,824.14	57,597.35
Scholarships and Fellowships				
Auxiliary Enterprises	2,779,107.40	2,225,205.84	761,783.78	453,477.21
Depreciation and Amortization				
Total Operating Expenses	\$ <u>4,603,488.95</u>	\$ <u>5,855,821.43</u>	\$ <u>1,976,958.80</u>	\$ <u>684,436.04</u>

Function	Printing and Reproduction	Depreciation and Amortization	Interest	Scholarships
Instruction	\$ 51,201.29	\$	\$	\$
Research	1,156.47			
Public Service	12,439.31			
Academic Support	33,440.97			
Student Services	58,416.05			
Institutional Support	405,353.96		450.29	
Operation and Maintenance of Plant	3,132.42			
Scholarships and Fellowships				5,051,055.03
Auxiliary Enterprises	66,341.17			
Depreciation and Amortization		5,346,032.61		
Total Operating Expenses	\$ <u>631,481.64</u>	\$ <u>5,346,032.61</u>	\$ <u>450.29</u>	\$ <u>5,051,055.03</u>

Function	Other Operating	Grand Total
Instruction	\$ 7,696,874.91	\$ 32,784,853.73
Research	108,934.11	752,845.29
Public Service	493,169.57	1,838,278.88
Academic Support	503,674.02	4,087,982.58
Student Services	184,786.12	3,532,649.45
Institutional Support	204,300.91	12,566,313.38
Operation and Maintenance of Plant	190,374.72	7,221,535.94
Scholarships and Fellowships		5,051,055.03
Auxiliary Enterprises	1,343,432.83	12,732,738.34
Depreciation and Amortization		5,346,032.61
Total Operating Expenses	\$ <u>10,725,547.19</u>	\$ <u>85,914,285.23</u>

Angelo State University
Statement of Cash Flows (Unaudited)
For the Year Ended August 31, 2008

8

Cash Flows from Operating Activities

Tuition and Fees	\$ 28,070,364.96
Grants and Contracts	11,174,792.14
Sales and Services of Auxiliary Enterprises	10,329,477.58
Other Sales and Services	(721,222.31)
Collections (payments) for Loans Issued to Students	2,295,227.90
Payments to Employees	(47,418,547.35)
Payments for Other Operating Activities	(33,920,520.09)
Net Cash Provided (Used) by Operating Activities	<u>(30,190,427.17)</u>

Cash Flows from Noncapital Financing Activities

State Appropriations	29,502,561.05
Noncapital Gifts and Grants	2,677,465.45
Transfers Out to Other State Agencies	(797,969.10)
Other Noncapital Financing Activities	(4,747,106.21)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>26,634,951.19</u>

Cash Flows from Capital and Related Financing Activities

Capital Appropriations	3,585,802.00
Purchases of Capital Assets	(19,264,475.01)
Proceeds from Capital Debt Issuance	22,252,000.00
Payments of Principal on Debt Issuance	(5,909,357.01)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>663,969.98</u>

Cash Flows from Investing Activities

Proceeds from Investment Sales and Maturities	7,520,824.98
Interest and Dividends Received	4,308,931.74
Purchases of Investments	(10,231,363.33)
Net Cash Provided by Investing Activities	<u>1,598,393.39</u>

TOTAL NET CASH FLOWS \$ (1,293,112.61)

Beginning Cash and Cash Equivalents, September 1, 2007 51,140,242.18

Ending Cash and Cash Equivalents, August 31, 2008 \$ 49,847,129.57

Reconciliation of Operating Income (Loss) to

Net Cash Provided (Used) by Operating Activities

Operating Income (Loss)	(38,484,823.03)
Adjustments:	
Depreciation Expense	5,346,032.61
(Increase) Decrease in Accounts Receivables	(2,240,430.04)
(Increase) Decrease in Loans and Notes Receivable	75,799.51
(Increase) Decrease in Inventory	53,963.87
(Increase) Decrease in Prepaid Expenses	(1,821,262.64)
(Increase) Decrease in Other Assets	1,102,516.83
Increase (Decrease) in Accounts Payable	1,596,293.86
Increase (Decrease) in Payrolls Payable	114,106.86
Increase (Decrease) in Due to Other Funds	(41,304.98)
Increase (Decrease) in Deferred Revenue	3,700,008.62
Increase (Decrease) in Compensable Leave	242,291.92
Increase (Decrease) in Other Liabilities	166,399.44
Net Cash Used for Operating Activities	<u>(30,190,427.17)</u>

ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2008

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 significant changes related to 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 be in compliance with generally accepted accounting principles (GAAP). 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 FundsBusiness 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 18.

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, 2008

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.

Cash and Cash Equivalents as reported on the Statement of Net Assets.

	<u>Current Unrestricted</u>	<u>Current Restricted</u>	<u>Total</u>
Cash on Hand	\$ 11,401.20	\$ 80.00	\$ 11,481.20
Cash in Bank	6,024,932.38	2,679,124.87	8,704,057.25
Cash in State Treasury	3,296,815.76		3,296,815.76
Reimbursement Due from Treasury	3,032,358.54		3,032,358.54
TexPool	29,664,568.15	5,137,848.67	34,802,416.82
Total Cash and Cash Equivalents	\$ 42,030,076.03	\$ 7,817,053.54	\$ 49,847,129.57

Securities Lending Collateral

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. Inventories for governmental fund types are the purchase method of accounting. The consumption method of accounting is used to account for inventories that appear in the proprietary fund types and the government-wide statements. The cost of these items is 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 basis. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2008

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.

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.

ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2008

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.

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.

Unrestricted Net Assets as reported on the Statement of Net Assets:

Reserved for:	
Encumbrances	\$ 10,530,764.88
State Appropriations to be Lapsed	146,761.97
Petty Cash	14,576.20
Accounts Receivable	8,243,101.38
Consumable Supplies Inventory	225,203.70
Prepaid Expenses	1,982,662.79
Communication Reserve	282,311.72
Future Operating Budgets	5,061,191.00
Fire and Extended Coverage Loss	100,000.00
Unreserved	<u>3,686,488.69</u>
Total Unrestricted Net Assets	<u>\$ 30,273,062.33</u>

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.

**ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2008**

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, 2008 is presented in Note 8.

NOTE 2: Capital Assets

	PRIMARY GOVERNMENT							
	Balance 9/1/2007	Adjustments	Reclassifications			Additions	Deletions	Balance 8/31/2008
			Completed CIP	Inc-Inf'agy Trans	Dec-Inf'agy Trans			
Governmental activities:								
Non-depreciable Assets								
Land and Land Improvements Infrastructure	\$ 2,754,755.97	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 2,754,755.97
Construction in Progress	4,252,488.13		(286,722.32)			18,223,172.92	(123,073.71)	22,065,875.02
Other Capital Assets	275,805.00							275,805.00
Total non-depreciable assets:	\$ 7,283,049.10	\$ 0.00	\$ (286,722.32)	\$ 0.00	\$ 0.00	\$ 18,223,172.92	\$ (123,073.71)	\$ 25,096,435.99
Depreciable Assets								
Building and Building Improvements Infrastructure	\$ 131,783,655.50		266,722.32			322,719.73	(520,431.04)	\$ 131,263,224.46
Facilities and Other Improvements	4,677,068.01							5,286,500.06
Furniture and Equipment	6,692,076.84					373,907.27	(669,296.21)	6,692,076.84
Vehicle, Boats, and Aircraft	9,104,636.13					75,842.00	(61,041.71)	8,609,247.19
Other Capital Assets	1,295,392.10					232,886.63	(21,703.86)	1,310,192.39
Total depreciable assets at historical cost:	\$ 159,954,724.15	\$ 0.00	\$ 266,722.32	\$ 0.00	\$ 0.00	\$ 1,005,355.63	\$ (1,472,472.84)	\$ 159,774,329.26
Less Accumulated Depreciation for:								
Buildings and Improvements Infrastructure	\$ 64,206,825.70					3,829,156.32	(520,431.04)	\$ 67,515,350.98
Facilities and Other Improvements	1,197,802.88					147,083.92		1,344,686.60
Furniture and Equipment	3,339,639.40					308,555.28		3,648,194.88
Vehicle, Boats, and Aircraft	6,436,547.37					764,124.04	(854,129.83)	6,346,541.58
Other Capital Assets	1,080,123.65					81,474.97	(61,041.71)	1,100,556.91
Total accumulated depreciation:	\$ 76,250,938.90	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 5,346,032.61	\$ (1,457,306.46)	\$ 85,026,607.77
Depreciable Assets Net	\$ 78,816,842.53	\$ 0.00	\$ 266,722.32	\$ 0.00	\$ 0.00	\$ (4,340,676.98)	\$ (15,166.38)	\$ 74,747,721.49
Governmental activities capital assets, net:	\$ 86,099,901.63	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 13,882,495.94	\$ (138,240.09)	\$ 99,844,157.48

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, 2008, the carrying amount of deposits was \$8,704,057.25 (including Restricted Assets) as presented below.

Governmental and Business-Type Activities

CASH IN BANK - CARRYING VALUE	\$8,704,057.25
Less: Certificates of Deposit included in carrying value and reported as Cash Equivalent	0.00
Less: Uninvested Securities Lending Cash Collateral included in carrying value and reported as Securities Lending Collateral	0.00
Less: Securities Lending CD Collateral included in carrying value and reported as Securities Lending Collateral	0.00
Cash in Bank per AFR	\$8,704,057.25
Governmental Funds Current Assets Cash in Bank	\$6,024,932.38
Governmental Funds Current Assets Restricted Cash in Bank	2,679,124.87
Cash in Bank per AFR	\$8,704,057.25

**ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2008**

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, 2008, the total bank balance was as follows:

Governmental and Business-Type Activities \$8,588,089.69

Investments

As of August 31, 2008, the fair value of investments are as presented below.

Governmental and Business-Type Activities	Fair Value
U. S. Government	\$
U. S. Treasury Securities	
U. S. Treasury Strips	
U. S. Treasury TIPS	
U. S. Government Agency Obligations (Ginnie Mae, Fannie Mae, Freddie Mac, Sallie Mae, etc.)	150,234.00
U. S. Government Agency Obligations (Texas Treasury Safekeeping Trust Co)	
Corporate Obligations	2,245,433.30
Corporate Asset and Mortgage Backed Securities	2,412.44
Equity	5,206,335.75
International Obligations (Govt and Corp)	
International Equity	
Repurchase Agreement	
Repurchase Agreement (Texas Treasury Safekeeping Trust Co)	
Long Term Investment Fund	52,211,990.60
Fixed Income Money Market and Bond Mutual Fund	28,372,303.65
Other Commingled Funds	936,775.21
Other Commingled Funds (Texpool)	34,802,416.82
Commercial Paper	
Securities Lending Collateral Investment Pool	
Real Estate	
Misc (alternative investments, limited partnerships, guaranteed investment contract, Political subdivision, bankers' acceptance, negotiable CD)	6,837,833.72
Total	\$130,765,735.49

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, 2008, 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	
		Corporate Obligations	110,019.80	2,019,152.50	116,261.00	
		CMO's	2,412.44			
		Municipal Bonds & Other	5,337.25			

Standard & Poor's

Fund Type	GAAP Fund	Investment Type	BBB	BB	B	CCC
		None				

Concentration of credit risk is the risk of loss attributable to the magnitude of investment in a single issuer. As of August 31, 2008 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, 2008

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, 2008.

Derivative Investing

Derivatives are financial instruments (securities or contracts) whose value is linked to, or 'derived' from, changes in interest rates, currency rates, and stock and commodity prices. Derivatives cover a broad range of financial instruments, such as forwards, futures, options, swaps, and mortgage derivatives. These mortgage derivatives are influenced by changes in interest rates, the current economic climate, and the geographic make-up of underlying mortgage loans. There are varying degrees of risk associated with mortgage derivatives. For example, Planned Amortization Class (PACS) with narrow collars would be considered moderate to high risks. In contrast, principal only (PO) and interest only (IO) strips are considered higher risk Collateralized Mortgage Obligations (CMO's).

Angelo State University's investments in derivatives comprise less than 1% of total investments as of August 31, 2008, with a reported value of \$2,412.44.

The majority of these investments were purchased prior to fiscal year 1995. In 1995, the Texas Legislature took steps to limit state entities 'and local governments', ability to invest in high risk derivatives by amending the Public Funds Investment Act. These statutory limitations do not apply to certain funds institutions of higher education having total endowments of at least \$95 million. Angelo State University is in compliance with the Public Funds Investment Act.

NOTE 4: Short-Term Debt

Angelo State University had no short-term debt as of August 31, 2008.

NOTE 5: Summary of 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, 2008

Changes in Long-Term Liabilities

During the year ended August 31, 2008, the following changes occurred in liabilities:

Governmental Activities	Balance 9/1/2007	Additions	Reductions	Balance 8/31/2008	Amounts Due Within One Year
Compensable Leave	\$ 1,410,956.26	\$ 311,576.46	\$ 69,284.54	\$ 1,653,248.18	\$ 311,576.46
Commercial Paper Payable		22,252,000.00		22,252,000.00	22,252,000.00
U.S. Government Grants Refundable	548,224.05	35,379.97	52,533.51	531,070.51	
Total Governmental Activities	\$ 1,959,180.31	\$ 22,598,956.43	\$ 121,818.05	\$ 24,436,318.69	\$ 22,563,576.46

Notes and Loan Payable

Commercial paper was issued during the fiscal year to finance various construction and equipment projects. Debt service for the obligation is provided in general appropriation for tuition revenue bonds and revenue from various projects. All commercial paper outstanding at 8/31/08 will mature in fiscal year 2009.

Commercial paper has short maturities up to 270 days with interest rates ranging from 1.10% to 3.95% in fiscal year 2008.

Summary of Debt Service Requirements to Maturity Year Ending August 31, 2009

2009	2010	2011	2012	2013	All Other Years	Total Requirements
\$ 22,338,046.46	\$	\$	\$	\$	\$	\$ 22,338,046.46

NOTE 6: Capital Leases

Section not applicable.

NOTE 7: Operating Lease Obligations

Section not applicable.

NOTE 8: Interfund Balances/Activity

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.

**ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2008**

<u>Current Portion</u>	<u>Current Interfund Receivable</u>	<u>Current Interfund Payable</u>
General Revenue (001)	\$ _____	\$ _____
Total Interfund Receivable/Payable	\$ <u>0.00</u>	\$ <u>0.00</u>

<u>Non-Current Portion</u>	<u>Current Interfund Receivable</u>	<u>Current Interfund Payable</u>
General Revenue (001)	\$ _____	\$ _____
Total Interfund Receivable/Payable	\$ <u>0.00</u>	\$ <u>0.00</u>

	TRANSFERS IN	TRANSFERS OUT
Institutional Funds (7999) Appd Fund 7999, D23 Fund 7999 (Agency 758, D23 Fund 7999)	\$ _____	\$ (1,783,882.08)
Institutional Funds (7999) Appd Fund 7999, D23 Fund 7999 (Agency 768, D23 Fund 7999)		(236,000.00)
General Revenue (5103) Appd Fund 5103, D23 Fund 5103 (Agency 781, D23 Fund 5103)		(216,986.70)
Institutional Funds (7999) Appd Fund 7999, D23 Fund 7999 (Agency 347, D23 Fund 7999)	\$ _____	(344,982.40)
	\$ <u>0.00</u>	\$ <u>(2,581,851.18)</u>

	Legislative TRANSFERS IN	Legislative TRANSFERS OUT
General Revenue (001) Appd Fund 0001, D23 Fund 0001 (Agency 758, D23 Fund 0001)	\$ _____	\$ (4,125,474.93)
Total Legislative Transfers	\$ <u>0.00</u>	\$ <u>(4,125,474.93)</u>

	Due From Other Agencies	Due To Other Agencies
Institutional Funds (7999) Appd Fund 7999, D23 Fund 7999 (Agency 758, D23 Fund 7999)	\$ _____	\$ _____
Total Due From/To Other Agencies	\$ <u>0.00</u>	\$ <u>0.00</u>

NOTE 9: Contingent Liabilities

As of August 31, 2008, there were no lawsuits or claims pending against the University.
The University has deferred federal revenue in the amount of \$120,883.39.

NOTE 10: Continuance Subject To Review

Section not applicable.

ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2008

NOTE 11: Risk Financing and Related Insurance

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, 2008.

The administration of the State's employees' workers' compensation program is vested with the State Office of Risk Management (SORM). In accordance with H.B. No. 1203, 77th Legislature, SORM developed and imposed a formula driven charge for workers' compensation costs upon participating agencies, which included System Administration. Prior year costs to State agencies were predicated upon actual losses sustained for workers' compensation, a refunding model. The SORM developed formula, a prepaid model, included factors in addition to actual losses that caused the cost of workers' compensation to increase for most participating agencies. Workers' compensation cost imposed upon agencies are paid through transfers to SORM from appropriations and or funds in the same proportion from which salaries are paid. SORM does reimburse an agency for a portion of its workers' compensation costs paid from the agency's General Revenue Fund appropriations.

Angelo State University incurred a \$ 0.00 loss during the fiscal year ended August 31, 2008 and \$ 0.00 in claims pending at that date.

- a. 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.
- b.
 - The auxiliary buildings and contents are insured for replacement value. Each loss incident is subject to a \$100,000 deductible.
 - University automobiles are insured for liability only. Leased vehicles have liability and collision coverage.
 - Each loss incident is subject to a \$1,000 deductible.

NOTE 12: Segment Information

Section not applicable.

NOTE 13: Bonded Indebtedness

Prior to September 1, 2007, all bonded indebtedness for Angelo State University was issued through the Texas State University System (TSUS) Revenue Financing System, of which the Texas State University System Administration and each of their components were members. The TSUS Board of Regents cross-pledged all lawfully available funds (revenues) and balances attributable to any TSUS RFS member against the bonded indebtedness of all other TSUS RFS members for payment on the Parity Debt. Effective September 1, 2007, *House Bill 3564 (80th Legislature, Regular Session)* transferred governance of Angelo State University to the Texas Tech University System. For the debt issued by the TSUS, the bonds payable are reported by TSUS. ASU will repay the debt that was issued on its behalf; consequently, the following debt amortization schedule is presented below for informational purposes only.

ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2008

**DEBT SERVICE REQUIREMENTS ATTRIBUTABLE
TO ANGELO STATE UNIVERSITY**

DESCRIPTION	YEAR	PRINCIPAL	INTEREST	TOTAL
All Issues	2009	\$ 3,267,072.71	\$ 2,618,416.76	\$ 5,885,489.47
	2010	3,466,050.25	2,463,353.72	5,929,403.97
	2011	3,662,035.10	2,297,639.18	5,959,674.28
	2012-2016	18,650,861.62	8,696,356.20	27,347,217.82
	2017-2021	12,280,990.15	4,459,016.56	16,740,006.71
	2022-2026	4,846,261.90	2,331,347.44	7,177,609.34
	2027-2031	4,640,000.00	1,266,750.00	5,906,750.00
	2032-2034	2,195,000.00	166,000.00	2,361,000.00
TOTALS		\$ 53,008,271.73	\$ 24,298,879.86	\$ 77,307,151.59

A portion of the debt represents Tuition Revenue Bonds historically funded by the Texas Legislature through General Revenue Appropriations. The institution was appropriated \$4,105,744 during the current fiscal year for Tuition Revenue Bond debt service. The institution expects future Legislative appropriations to meet debt service requirements for Tuition Revenue Bonds.

NOTE 14: Subsequent Events

Angelo State University intends to issue revenue financing system bonds during fiscal year 2009 in the amount of approximately \$28 million, of which \$22 million of this amount has already been issued as commercial paper as of August 31, 2008.

NOTE 15: Related Parties

Section not applicable.

NOTE 16: Stewardship, Compliance, and Accountability

Section not applicable.

NOTE 17: The Financial Reporting Entity

Houston Harte Foundation Available

The Houston Harte Foundation Available is a non-profit organization with the sole purpose of supporting educational and other activities of the University. The assets of the foundation are managed under a Fiduciary Agreement by the Wells Fargo Bank, San Angelo, Texas. The Foundation remitted unrestricted gifts of \$60,000.00 to the University during the year ended August 31, 2008. Since the assets are managed externally, the Foundation does not have any employees. The only services provided by the University are the keeping of the minutes.

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

ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2008

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 2008 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 \$70,728,829.06 and realized an appreciation on investments of \$1,279,417.15. During the 2008 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 \$7,520,495.50.

All principal fund cash that is received by the Foundation is transferred to Wells Fargo Bank, San Angelo as master custodian for investment with Vaughan, Nelson, Scarborough & McCullough, L. P. and Fountain Capital Management, L.L.C. as investment managers for the Foundation.

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 interest income earned on the Trust is transferred to the Angelo State University Robert G. Carr and Nona K. Carr Scholarship and expense funds. During the 2008 fiscal year, the investment income received from the investment agent totaled \$4,744,686.76. Of this amount, \$1,924,729.89 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 2008 fiscal year totaled \$581,795.18. \$2,811,168.70 was transferred to the Angelo State University Robert G. Carr and Nona K. Carr Scholarship Foundation Account. Depository interest of \$8,788.17 was transferred. There was also a prior year correction of \$34,829.18. During the 2008 fiscal year, the scholarship account earned interest totaling \$150,993.72.

Total scholarships awarded prior to the 2008 fiscal year amounted to \$52,648,677.44. During the 2008 fiscal year, scholarship awards amounted to \$3,388,886.14. It is estimated that the amount of annual scholarship awards from the scholarship fund will total \$3,200,000.00 in fiscal year 2009.

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

Other Organizations

The ASU Alumni Association contributed \$80,863.97 to the University during the 2008 fiscal year for operation of the Alumni office. The University paid \$65,768.00 above the contributed amount for maintaining the records on the students who have graduated from the University.

The ASU Foundation is a non-profit organization with the sole purpose of supporting educational and other activities of the University. The Foundation solicits donations and acts as Coordinator of Gifts made by other parties. The association expended \$330,086.79 on behalf of the University during the year ended August 31, 2008. During the year the University furnished limited staff assistance to the association.

NOTE 18: Restatement of Fund Balance/Net Assets

Section not applicable.

NOTE 19: Employees Retirement Plans

Section not applicable.

ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2008

NOTE 20: Deferred Compensation

Section not applicable.

NOTE 21: Donor Restricted Endowments

Section not applicable.

NOTE 22: Management Discussion & Analysis

Section not applicable.

NOTE 23: Post Employment Health Care and Life Insurance Benefits

Section not applicable.

NOTE 24: Special and Extraordinary Items

Section not applicable.

NOTE 25: Disaggregation of Receivable and Payable Balances

A. Federal Receivable

<u>Federal Receivable Program</u>	<u>Amount</u>
Other Instructional & Departmental	\$ 66,051.55
Research	54,055.23
Public Services	51,668.38
Total Net Federal Receivable	\$ <u>171,775.16</u>

As Reported on the Financial Statements

<u>Current Federal Receivable</u>	\$ 171,775.16
Noncurrent Federal Receivable	
Total Net Federal Receivable	\$ <u>171,775.16</u>

B. Other Liabilities - Current

<u>Type</u>	
Deposits from Students	\$ 332,170.00
	\$ <u>332,170.00</u>

C. Other Liabilities - Non-Current

<u>Type</u>	
U.S. Government Grants Refundable	\$ 531,070.51
	\$ <u>531,070.51</u>

NOTE 26: Termination Benefits

Section not applicable.

Angelo State University
Schedule 1A - Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2008

Federal Grantor/Pass-Through Grantor/ Program Title	CFDA Number	Identifying #	Pass-Through From			Direct Program Amount	Total Pass- Thru From & Direct Program	Pass-Through To			Expenditures Amount	Total PT to and Expenditures
			Agy/Univ #	Agy/Univ Amount	Non-State Entity Amount			Agy # Univ.#	State Agy. or Univ. Amount	Non-State Entities Amt.		
U. S. Department of Agriculture												
Pass-Through From:												
Sul Ross State University :												
USDA Rio Grande Valley Aerial Videography	10.200		768	\$ 2,500	\$	\$	2,600				\$ 2,600	\$ 2,600
USDA Rio Grande Valley Mamma's 2	10.200		768	509			509				509	509
USDA Rio Grande Valley Water Use of Landscapa	10.200		768	253			253				253	253
Total U.S. Department of Agriculture				<u>3,262</u>			<u>3,562</u>				<u>3,562</u>	<u>3,562</u>
U. S. Department of the Interior												
Direct Programs:												
Fish and Wildlife Study	15.808					608	608				608	608
Total U.S. Department of the Interior						<u>608</u>	<u>608</u>				<u>608</u>	<u>608</u>
Department of Transportation, Research and Innovative Technology Administration												
Pass-Through From:												
Texas AgriLife Research												
Evaluation of Ethanol	20.761		556	3,486			3,486				3,486	3,486
Total Dept. of Transportation, Research				<u>3,486</u>			<u>3,486</u>				<u>3,486</u>	<u>3,486</u>
National Science Foundation												
Direct Programs:												
TEES/NSF Prime Grant	47.049					33,264	33,264				33,264	33,264
TEES-PTEP CCLI Program	47.078					13,289	13,289				13,289	13,289
TEES-CC R2S2 Step	47.076					1,500	1,500				1,500	1,500
TEES-CC Faculty Development	47.076					1,500	1,500				1,500	1,500
TxCETP General	47.076					462	462				462	462
Pass-Through From:												
Texas Tech University												
REU Site: Micro and Nano Device Engineering	47.041		733	22,753			22,753				22,753	22,753
Total National Science Foundation				<u>22,753</u>		<u>50,016</u>	<u>72,768</u>				<u>72,768</u>	<u>72,768</u>
U. S. Small Business Administration												
Pass-Through From:												
University of Texas San Antonio												
Small Business Development Center	59.037		743	71,527			71,527				71,527	71,527
Total U. S. Small Business Administration				<u>71,527</u>			<u>71,527</u>				<u>71,527</u>	<u>71,527</u>
U. S. Department of Education												
Direct Programs:												
SHW Evaluation (CATCH in Motion)	84.215	43-2038769				20,294	20,294				20,294	20,294
Pearl of the Concho Winding	84.928					41,191	41,191				41,191	41,191
Pass-Through From:												
Texas Higher Education Coordinating Board												
Teacher Quality	84.367		781	43,302			43,302				43,302	43,302
Total U.S. Department of Education				<u>43,302</u>		<u>61,485</u>	<u>104,787</u>				<u>104,787</u>	<u>104,787</u>
Dept. of Health & Human Services												
Direct Programs:												
Nurse Faculty Loan Program	93.264					20,149	20,149				20,149	20,149
Nurse Traineeships	93.358					25,450	25,450				25,450	25,450
Total Dept. of Health & Human Services						<u>45,599</u>	<u>45,599</u>				<u>45,599</u>	<u>45,599</u>
Student Financial Assistance Cluster												
Direct Programs:												
Federal Supplemental Educational Opportunity	84.007					102,130	102,130				102,130	102,130
Federal Family Education Loan	84.032											
New Loans Processed						18,725,285	18,725,285				18,725,285	18,725,285
Administrative Costs Recovered												
Federal Work-Study Program	84.033					229,708	229,708				229,708	229,708
Federal Perkins Loan Program	84.036											
New Loans Processed						63,316	63,316				63,316	63,316
Administrative Costs Recovered												
Federal Pell Grant Program	84.083					6,388,853	6,388,853				6,388,853	6,388,853
Academic Competitiveness Grants	84.375					85,372	85,372				85,372	85,372
SMART Grant	84.376					353,401	353,401				353,401	353,401
Total Student Financial Assistance Cluster Programs						<u>25,948,063</u>	<u>25,948,063</u>				<u>25,948,063</u>	<u>25,948,063</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE				<u>\$ 144,430</u>	<u>\$</u>	<u>\$ 26,105,770</u>	<u>\$ 26,250,200</u>	<u>\$</u>	<u>0.00</u>	<u>\$ 0.00</u>	<u>\$ 26,250,200</u>	<u>\$ 26,250,200</u>

Angelo State University
 Schedule 1A - Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2008

Note 2: Reconciliation:

Federal Revenues - per Statement of Combined Revenues, Expenses and Net Assets:	
Federal Revenue-Operating	\$ 7,297,020
Federal Pass-Through Grants from Other State Agencies	144,430
Reconciling Items:	
	<hr/>
Subtotal	7,441,450
ADD:	
New Loans Processed:	
Federal Family Education Loan Program	18,725,285
Federal Perkins Loan Program	63,316
Nurse Faculty Loan Program	20,149
Total Pass-Through & Expenditures Per Federal Schedule	<u>\$ 26,250,200</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 Years' Loans
<i>U.S. Department of Education</i>				
84.032 Federal Family Education Loans	\$ 18,725,285	\$	\$ 18,725,285	\$
84.038 Federal Perkins Loan Program	63,316		63,316	436,394
93.284 Nurse Faculty Loan Program	20,149		20,149	
Total Department of Education	<u>\$ 18,808,750</u>	<u>\$ 0</u>	<u>\$ 18,808,750</u>	<u>\$ 436,394</u>

Perkins loans are outsourced to Panhandle Plains Student Loan Corp.

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 9-1-07	Net Change	Balance 8-31-08
10.200	29,449	(9,084)	20,365
15.808	919	(919)	-
20.761	-	10,264	10,264
47.041	6,713	(970)	5,743
84.215	-	2,006	2,006
84.387	36,827	(3,856)	32,971
84.928	15,590	1,809	17,399
93.358	25,507	6,628	32,135
	<u>115,005</u>	<u>5,878</u>	<u>120,883</u>

The deferred revenue consists of awards authorized for which funds have not been received nor expended.

UNAUDITED

Angelo State University
Schedule 1B - Schedule of State Grant Pass Throughs From/To State Agencies
For the Fiscal Year Ended August 31, 2008

Pass Through From:

University of Texas - San Antonio (Agy #743)		
Small Business Development Center	\$	102,701.53
Texas Higher Education Coordinating Board (Agy #781)		
Nursing Innovation Grant Hospital Partnerships		237,421.00
P-16 Special Advisors		30,000.00
Financial Aid-Professional Nursing		10,990.60
Texas Course Redesign Project		145,503.00
College Work Study		38,775.74
Texas Grants		2,440,240.00
5th Year Accounting		<u>5,287.25</u>
Total Pass Through From Other Agencies (Exh. II)	\$	<u><u>3,010,919.12</u></u>

Angelo State University
Schedule 2A - Miscellaneous Bond Information
For the Fiscal Year Ended August 31, 2008
(Amounts in Thousands)

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	

SCHEDULE NOT USED

Angelo State University
 Schedule 2E - Defeased Bonds Outstanding
 For the Year Ended August 31, 2008

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

Angelo State University
Schedule 3 - Reconciliation of Cash in State Treasury
For the Year Ended August 31, 2008

<u>Cash in State Treasury</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Current Year Total</u>
Local Revenue Fund 0227	\$ <u>3,296,815.76</u>	\$ <u> </u>	\$ <u>3,296,815.76</u>
Total Cash in State Treasury (Stmt of Net Assets)	\$ <u>3,296,815.76</u>	\$ <u>0.00</u>	\$ <u>3,296,815.76</u>