

**ANNUAL FINANCIAL REPORT**

**OF**

**ANGELO STATE UNIVERSITY**

FOR THE YEAR ENDED AUGUST 31, 2020

**SAN ANGELO, TEXAS**

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

**ANGELO STATE UNIVERSITY  
FY 2020 FINANCIAL REPORT**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
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 FUNCTIONAL CLASSIFICATION	6
STATEMENT OF CASH FLOWS	8
NOTES TO THE FINANCIAL STATEMENTS	9
SUPPLEMENTAL SUPPORTING INFORMATION	
SCHEDULES:	
1A - Schedule of Expenditures of Federal Awards	23
1B - Schedule of State Grant Pass-Throughs To/From State Agencies	26
2A - Miscellaneous Bond Information	27
2B - Changes in Bonded Indebtedness	28
2C - Debt Service Requirements	29
2D - Analysis of Funds Available for Debt Service	30
2E - Defeased Bonds Outstanding	31
2F - Early Extinguishment and Refunding	32
3 - Reconciliation of Cash in State Treasury	33
DISCRETELY PRESENTED COMPONENT UNIT	
STATEMENT OF NET POSITION	35
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	36



ANGELO STATE UNIVERSITY

Office of the President

November 20, 2020

The Honorable Greg Abbott  
Governor of Texas

Ms. Sarah Keyton  
Assistant Director, Legislative Budget Board

The Honorable Glenn Hegar  
Texas Comptroller

Ms. Lisa Collier  
First Assistant State Auditor

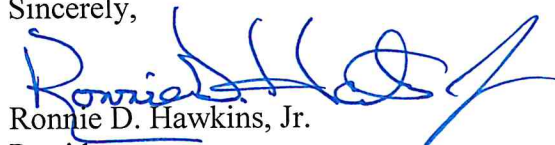
Ladies and Gentlemen:

We are pleased to submit the Annual Financial Report of Angelo State University for the year ended August 31, 2020, in compliance with TEX. GOV'T CODE ANN §2101.011 and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board 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 Janet Coleman at (325) 942-2014. Ms. Coleman may also be contacted for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

  
Ronnie D. Hawkins, Jr.  
President

November 20, 2020



ANGELO STATE UNIVERSITY

Controller's Office

Ronnie D. Hawkins, Jr.  
President  
Angelo State University  
2601 West Avenue N  
San Angelo, Texas 76909

Dear President Hawkins:

Submitted herein is the Annual Financial Report of Angelo State University for the fiscal year ended August 31, 2020.

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 Janet Coleman at (325) 942-2014. She may also be contacted for questions related to the Schedule of Expenditures of Federal Awards.

Respectfully submitted,

Angie Wright  
Vice President for  
Finance and Administration

Janet Coleman  
Controller

Jackie Baxter  
Director of Accounting

Carrie Whitesell  
Senior Financial Accountant

Danielle Spencer  
Accountant

**ANGELO STATE UNIVERSITY  
ORGANIZATIONAL DATA  
For the Fiscal Year 2019 - 2020**

**BOARD OF REGENTS  
TEXAS TECH UNIVERSITY SYSTEM**

**OFFICERS**

Tedd L. Mitchell, M.D.  
Christopher Huckabee  
J. Michael Lewis

Chancellor  
Chairman  
Vice Chairman

**MEMBERS**

<b><u>Name</u></b>	<b><u>Residence</u></b>	<b><u>Term Expires January 31</u></b>
Mr. Mickey L. Long	Lubbock, TX	2021
Mr. Ron Hammonds	Houston, TX	2021
Mr. Christopher M. Huckabee	Ft. Worth, TX	2021
Mr. J. Michael Lewis	Dallas, TX	2023
Mr. John Steinmetz	Dallas, TX	2023
Mr. John Walker	Houston, TX	2023
Ms. Ginger Kerrick	Webster, TX	2025
Mr. Mark Griffin	Lubbock, TX	2025
Mr. Dusty Womble	Lubbock, TX	2025

**PRESIDENT**

Mr. Ronnie D. Hawkins, Jr

**OFFICE OF FINANCE AND ADMINISTRATION**

Angie Wright  
Janet Coleman

Vice President for Finance and Administration  
Controller

**ADMISSIONS & REGISTRAR**

Sharla Adam  
Rosalinda Castro

Director of Admissions  
Registrar

Angelo State University  
Statement of Net Position (Unaudited)  
August 31, 2020 and 2019

4

	FY 2020	FY 2019
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 58,368,051.93	\$ 42,346,154.11
Restricted:		
Cash and Cash Equivalents	1,558,119.86	723,730.99
Legislative Appropriations	6,463,112.80	5,530,028.14
Accounts Receivable, net:		
Federal Receivables	604,302.03	1,039,600.57
Student Receivables	11,089,562.30	12,337,155.39
Gift Receivables	705,228.53	824,820.54
Interest Receivable	43,539.94	52,997.39
Accounts Receivables	394,412.15	741,656.38
Due From Other Agencies (Note 12)	21,697.30	22,999.37
Prepaid Items	9,405,525.53	9,423,777.90
Inventories	214,585.39	269,979.15
Loans and Notes Receivable, net	201,276.59	316,638.43
Total Current Assets	<u>89,069,414.35</u>	<u>73,629,538.36</u>
Non-current Assets:		
Investments (Note 3)	18,322,982.55	19,970,458.22
Restricted:		
Cash and Cash Equivalents	2,011.26	30,428.11
Investments (Note 3)	43,784,673.84	42,547,727.31
Gift Receivables	2,809,408.42	3,378,206.18
Capital Assets (Note 2)		
Non-Depreciable or Non-Amortizable	19,033,761.60	5,645,626.35
Depreciable or Amortizable	304,306,294.37	300,962,277.63
Accumulated Depreciation and Amortization	<u>(169,303,332.53)</u>	<u>(158,884,938.14)</u>
Total Non-Current Assets	<u>218,955,799.51</u>	<u>213,649,785.66</u>
Total Assets	<u>\$ 308,025,213.86</u>	<u>\$ 287,279,324.02</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 7,009,993.52	\$ 7,278,320.75
Payroll Payable	5,379,607.73	3,745,330.74
Unearned Revenues	40,280,700.96	41,264,116.36
Employees' Compensable Leave (Note 5)	684,424.12	214,266.66
Capital Lease Agreement Obligation (Note 5)	35,302.70	33,255.11
Funds Held for Others	2,143,204.51	2,071,091.80
Other Current Liabilities	180.00	320.00
Total Current Liabilities	<u>55,533,413.54</u>	<u>54,606,701.42</u>
Non-current Liabilities:		
Employees Compensable Leave (Note 5)	2,709,408.16	2,495,141.50
Capital Lease Agreement Payable (Note 5)	-	35,302.70
Other Non-Current Liabilities	81,553.19	111,538.19
Total Non-Current Liabilities	<u>2,790,961.35</u>	<u>2,641,982.39</u>
Total Liabilities	<u>\$ 58,324,374.89</u>	<u>\$ 57,248,683.81</u>
<b>NET POSITION</b>		
Invested in Capital Assets, Net of Related Debt	\$ 154,001,420.74	\$ 147,654,408.03
Restricted:		
Non-Expendable:		
Endowments	33,255,363.04	32,220,366.78
Expendable:		
Endowments	-	-
Debt Service	4,996,921.00	4,767,678.24
Other	29,254,103.23	28,377,165.66
Unrestricted	28,193,030.96	17,011,021.50
Total Net Position	<u>\$ 249,700,838.97</u>	<u>\$ 230,030,640.21</u>

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

**Angelo State University Foundation**  
**Statement of Revenues, Expenses, and Changes in Net Position (Unaudited)**  
**For the Fiscal Years Ended August 31, 2020 and 2019**

5

	FY 2020	FY 2019
<b>OPERATING REVENUES</b>		
Sales of Goods and Services		
Tuition and Fees - Pledged	\$ 63,470,497.06	\$ 63,356,536.04
Tuition and Fees - Unpledged	3,978,212.47	3,834,029.37
Discounts and Allowances	(18,749,867.09)	(17,664,641.27)
Auxiliary Enterprises - Pledged	16,330,759.49	20,818,010.19
Discounts and Allowances	(5,348,164.93)	(6,242,600.03)
Other Sales of Goods and Services - Pledged	826,293.44	1,138,277.29
Federal Revenue-Operating (Sch 1A)	1,137,465.17	1,715,738.89
Federal Pass Through Revenue (Sch 1A)	176,012.62	178,737.16
State Grant Pass Through Revenue (Sch 1B)	6,857,807.20	6,962,461.26
Nongovernmental Grants and Contracts	557,155.29	468,280.98
Total Operating Revenues	<u>69,236,170.72</u>	<u>74,564,829.88</u>
<b>OPERATING EXPENSES</b>		
Salaries and Wages	58,107,295.57	55,857,202.90
Payroll Related Costs	19,227,743.94	18,040,145.49
Professional Fees and Services	940,997.74	803,474.11
Travel	1,282,369.40	1,699,944.43
Materials and Supplies	8,550,217.45	8,644,305.90
Communications and Utilities	3,495,471.62	3,433,049.45
Repairs and Maintenance	2,783,430.64	2,822,025.51
Rentals and Leases	614,180.91	780,918.83
Printing and Reproduction	286,910.73	395,750.35
Depreciation and Amortization	11,575,030.85	10,306,518.91
Bad Debt Expense	459,264.22	746,290.14
Interest	459.76	274.57
Scholarships	21,062,750.60	19,217,320.23
Other Operating Expenses	10,733,532.73	12,771,924.92
Total Operating Expenses	<u>139,119,656.16</u>	<u>135,519,145.74</u>
Operating Income (Loss)	<u>(69,883,485.44)</u>	<u>(60,954,315.86)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Legislative Revenue	37,952,764.32	34,043,956.37
Federal Revenue-Non-operating (Sch 1A)	19,299,372.66	13,747,180.73
Gifts	7,398,892.31	10,945,898.15
Investment Income	12,065,621.94	12,009,038.51
Interest Expense on Capital Asset Financing	(4,221.26)	(526.66)
Gain (Loss) on Sale and Disposal of Capital Assets	-	-
Net Increase (Decrease) in Fair Value of Investments	(2,107,082.13)	(2,438,593.58)
Other Non-operating Revenues/(Expenses) - Pledged	2,485,540.40	(4,524,970.14)
Total Non-operating Revenues (Expenses)	<u>77,090,888.24</u>	<u>63,781,983.38</u>
<b>Income (Loss) before Other Revenues, Expenses, Gains/Losses and Transfers</b>	<u>7,207,402.80</u>	<u>2,827,667.52</u>
<b>OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS</b>		
Capital Appropriations (HEAF)	5,320,102.00	5,320,102.00
Capital Contributions - Gifts	-	35,000.00
Transfers Out - TTU (Note 12)	(37,682.00)	(37,154.00)
Transfers In - TTU System Admin (Note 12)	17,909,434.19	4,203,398.64
Transfers Out - TTU System Admin (Note 12)	(7,559,168.96)	(8,389,218.42)
Transfers In - Other State Agencies (Note 12)	108,639.00	104,077.00
Transfers Out - Other State Agencies (Note 12)	(11,238.15)	(12,184.66)
Legislative Transfers-In (Note 12)	184,853.00	178,665.00
Legislative Transfers-Out (Note 12)	(3,452,142.81)	(3,375,426.94)
Legislative Appropriations Lapsed	(0.31)	(946.53)
Total Other Revenues, Expenses, Gains, Losses, and Transfers	<u>12,462,795.96</u>	<u>(1,973,687.91)</u>
<b>Total Changes in Net Position</b>	<u>\$ 19,670,198.76</u>	<u>\$ 853,979.61</u>
Beginning Net Position (September 1)	230,030,640.21	229,176,660.60
Restatement	-	-
<b>Ending Net Position (August 31)</b>	<u>\$ 249,700,838.97</u>	<u>\$ 230,030,640.21</u>

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

Angelo State University  
Matrix of Operating Expenses Reported by Function  
For the Fiscal Year Ended August 31, 2020

<u>Operating Expenses</u>	<u>Instruction</u>	<u>Research</u>	<u>Public Service</u>	<u>Academic Support</u>	<u>Student Services</u>
Salaries and Wages	\$ 29,796,171.27	\$ 368,088.57	\$ 659,184.02	\$ 4,346,627.84	\$ 5,645,627.82
Payroll Related Costs	9,771,206.88	71,632.58	219,131.33	1,309,576.47	2,005,197.23
Professional Fees and Services	317,757.33	49.00	12,992.62	845.00	51,316.60
Travel	563,599.29	22,708.02	22,567.91	35,439.84	64,776.74
Materials and Supplies	1,146,543.16	165,309.45	122,761.62	634,513.35	113,785.48
Communication and Utilities	371,059.90	3,957.79	3,110.70	26,468.14	27,375.34
Repairs and Maintenance	222,302.49	1,423.17	828.92	139,916.76	108,995.45
Rentals and Leases	99,339.11	13,292.68	5,492.94	11,734.10	51,518.19
Printing and Reproduction	36,370.05	1,194.45	11,072.35	4,572.62	26,724.30
Depreciation and Amortization	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-
Interest	5.40	-	-	19.70	-
Scholarships	-	-	-	-	-
Other Operating Expenses	<u>2,556,160.27</u>	<u>110,065.75</u>	<u>218,874.52</u>	<u>1,359,876.96</u>	<u>1,071,093.98</u>
Total Operating Expenses	\$ <u>44,880,515.15</u>	\$ <u>757,721.46</u>	\$ <u>1,276,016.93</u>	\$ <u>7,869,590.78</u>	\$ <u>9,166,411.13</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>FY 2019</u>
\$ 8,967,181.61	\$ 2,381,800.16	\$ -	\$ 5,942,614.28	\$ -	\$ 58,107,295.57	\$ 55,857,202.90
3,224,698.53	945,261.87	-	1,681,039.05	-	19,227,743.94	18,040,145.49
234,493.47	8,290.99	-	315,252.73	-	940,997.74	803,474.11
86,825.13	1,818.48	-	484,633.99	-	1,282,369.40	1,699,944.43
878,121.77	519,856.69	-	4,969,325.93	-	8,550,217.45	8,644,305.90
116,590.02	1,569,783.36	-	1,377,126.37	-	3,495,471.62	3,433,049.45
637,956.05	649,169.00	-	1,022,838.80	-	2,783,430.64	2,822,025.51
119,627.27	125,079.24	-	188,097.38	-	614,180.91	780,918.83
181,954.25	3,380.02	-	21,642.69	-	286,910.73	395,750.35
-	-	-	-	11,575,030.85	11,575,030.85	10,306,518.91
196,650.95	-	-	262,613.27	-	459,264.22	746,290.14
425.75	-	-	8.91	-	459.76	274.57
-	-	21,062,750.60	-	-	21,062,750.60	19,217,320.23
<u>3,041,917.49</u>	<u>830,118.85</u>	<u>-</u>	<u>1,545,424.91</u>	<u>-</u>	<u>10,733,532.73</u>	<u>12,771,924.92</u>
\$ <u><u>17,686,442.29</u></u>	\$ <u><u>7,034,558.66</u></u>	\$ <u><u>21,062,750.60</u></u>	\$ <u><u>17,810,618.31</u></u>	\$ <u><u>11,575,030.85</u></u>	\$ <u><u>139,119,656.16</u></u>	\$ <u><u>135,519,145.74</u></u>

**Angelo State University**  
**Statement of Cash Flows (Unaudited)**  
**For the Years Ended August 31, 2020 and 2019**

8

	FY 2020	Restated FY 2019
<b>Cash Flows from Operating Activities</b>		
Tuition and Fees	\$ 49,040,769.37	\$ 48,431,179.94
Grants and Contracts	8,713,960.89	9,673,834.32
Sales and Services of Auxiliary Enterprises	10,522,808.45	14,452,173.50
Other Sales and Services	827,343.54	1,137,886.17
Collections for Loans Issued to Students	193,780.06	256,643.21
Proceeds from Fiduciary Activities	35,796,076.39	38,216,337.15
Payments to Suppliers for Goods and Services	(18,241,379.60)	(19,008,324.67)
Payments for Loans Issued to Students	(100,790.40)	(138,647.14)
Payments to Employees - Salaries	(57,821,557.98)	(55,860,570.31)
Payments to Employees - Benefits	(17,194,882.92)	(17,820,626.21)
Payments for Fiduciary Activities	(35,723,963.68)	(38,237,818.39)
Payments for Other Operating Activities	(30,752,733.34)	(30,728,205.84)
Net Cash Provided (Used) by Operating Activities	<u>(54,740,569.22)</u>	<u>(49,626,138.27)</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
State Appropriations	37,019,679.66	35,493,874.51
Noncapital Gifts	7,398,892.31	10,945,898.15
Noncapital Grants	19,299,372.66	13,747,180.73
Proceeds from Other Financing Activities	6,358,647.22	2,509,242.42
Transfers to/from Other State Agencies:		
TTU System Admin	(261,925.00)	(355,672.00)
TTU System Admin - Legislative Transfer	(218,283.00)	(146,126.00)
TTU Transfers Out	(37,682.00)	(37,154.00)
Texas Veterans Commission - Legislative Transfer	184,853.00	178,665.00
Comptroller of Public Accounts	108,639.00	104,077.00
Texas State University System	(238.15)	(184.66)
Payments for Other Financing Activities	(3,451,851.30)	(4,333,456.26)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>66,400,104.40</u>	<u>58,106,344.89</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Capital Appropriations	5,320,102.00	5,320,102.00
Transfers to/from Other State Agencies:		
TTU System Admin - proceeds	17,909,434.19	4,203,398.64
TTU System Admin - debt service payments	(10,531,103.77)	(11,262,847.36)
Texas State University System	(11,000.00)	(12,000.00)
Purchases of Capital Assets	(17,850,690.34)	(10,245,276.11)
Payments for Capital Leases	(37,476.37)	(37,476.37)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(5,200,734.29)</u>	<u>(12,034,099.20)</u>
<b>Cash Flows from Investing Activities</b>		
Interest and Dividends Received	12,065,621.94	12,009,038.51
Purchases of Investments	(1,696,552.99)	(9,573,003.94)
Net Cash Provided by Investing Activities	<u>10,369,068.95</u>	<u>2,436,034.57</u>
<b>TOTAL NET CASH FLOWS</b>	<u>\$ 16,827,869.84</u>	<u>\$ (1,117,858.01)</u>
Beginning Cash and Cash Equivalents, September 1	43,100,313.21	44,218,171.22
Restatements to Beginning Cash and Cash Equivalents	-	-
Cash and Cash Equivalents, September 1, 20xx - Restated	<u>43,100,313.21</u>	<u>44,218,171.22</u>
Ending Cash and Cash Equivalents, August 31	<u>\$ 59,928,183.05</u>	<u>\$ 43,100,313.21</u>
<b>Reconciliation of Operating Income (Loss) to</b>		
<b>Net Cash Provided (Used) by Operating Activities</b>		
Operating Income (Loss)	\$ (69,883,485.44)	\$ (60,954,315.86)
Adjustments:		
Depreciation Expense	11,575,030.85	10,306,518.91
Bad Debt Expense	459,264.22	746,290.14
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivables	1,817,641.33	(546,360.06)
Increase (Decrease) in Due from Other Agency	1,302.07	28,145.82
(Increase) Decrease in Loans and Notes Receivable	115,361.84	111,008.86
(Increase) Decrease in Inventory	55,393.76	(13,189.43)
(Increase) Decrease in Prepaid Items	(25,297.30)	440,191.38
Increase (Decrease) in Accounts Payable	(232,951.47)	(164,969.36)
Increase (Decrease) in Payrolls Payable	285,737.59	(3,367.41)
Increase (Decrease) in Unearned Revenue	(983,415.40)	224,386.19
Increase (Decrease) in Compensable Leave	684,424.12	186,679.19
Increase (Decrease) in Benefits Payable	1,348,436.90	32,840.09
Increase (Decrease) in Fiduciary Funds Held 3 months or less	72,112.71	(21,481.24)
Increase (Decrease) in Other Liabilities	(30,125.00)	1,484.51
Net Cash Used for Operating Activities	<u>(54,740,569.22)</u>	<u>(49,626,138.27)</u>
<b>Non-Cash Transactions</b>		
Donation of Capital Assets	\$ -	\$ 35,000.00
Net Change in Fair Value of Investments	(2,107,082.13)	(2,438,593.58)
Disposal of Plant Facilities	(1,156,636.46)	(69,281.51)
Trade In	4,843.00	5,745.00

**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2020**

**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, 2020**

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

**Assets**

**Cash and Cash Equivalents**

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

**Investments**

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

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

**Restricted Assets**

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

**Inventories**

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

**Capital Assets**

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

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

**Other Receivables**

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

**Liabilities**

**Accounts Payable**

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

**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2020**

**Other Payables**

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

**Employees' Compensable Leave Balances**

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

**Capital Lease Obligations**

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

**Bonds Payable - General Obligation Bonds**

The unmatured principal of general obligations bonds are accounted for in the Long-term Liabilities column. Payables are reported separately as either current or noncurrent in the statement of net position. Bonds payable are recorded at par. The bond proceeds are accounted for as an "Other Financing Source" in the governmental funds when received, and expenditures for payment of principal and interest are recorded in the Debt Service funds when paid. These amounts are adjusted in the Long-term Liabilities column.

**Bonds Payable - Revenue Bonds**

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

**Fund Balance/Net Position**

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

**Reservation of Fund Balance**

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

**Reserve for Encumbrances**

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

**Reserve for Consumable Inventories**

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

**Unreserved/Undesignated**

This represents the unappropriated balance at year-end.

**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2020**

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

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

**Restricted Net Position**

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

**Unrestricted Net Assets**

Unrestricted net position results when there are no externally imposed stipulations. Unrestricted net position may involve constraints on resources, which are imposed by management, but can be removed or modified.

**Interfund Transactions and Balances**

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

1. Transfers: Legally required transfers that are reported when incurred as 'Transfers In' by the recipient fund and as 'Transfers Out' by the disbursing fund.
2. Reimbursements: Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures, made by one fund for another, are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund. Reimbursements are not displayed in the financial statements.
3. Interfund receivables and payables: Interfund loans are reported as interfund receivables and payables. If repayment is due during the current year or soon thereafter, it is classified as 'Current', repayment for two (or more) years is classified as 'Non-Current'.
4. Interfund Sales and Purchases: Charges or collections for services rendered by one fund to another are recorded as revenues of the recipient fund and expenditures or expenses of the disbursing fund. The composition of Angelo State University's Interfund receivables and payables at August 31, 2020 is presented in Note 12.

**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2020**

**NOTE 2: Capital Assets**

	Balance 9/1/2019	Adjustments	Completed CIP	Inc-Int'gy Trans	Dec-Int'gy Trans	Additions	Deletions	Balance 8/31/2020
<b>Business-type activities:</b>								
<b>Non-depreciable/Non-amortizable Assets</b>								
Land and Land Improvements	\$2,685,815.77							\$2,685,815.77
Construction in Progress	1,521,635.61		(1,876,112.48)			15,264,247.73		14,909,770.86
Other Tangible Capital Assets	1,438,174.97							1,438,174.97
Total Non-depreciable assets	\$5,645,626.35	\$0.00	(\$1,876,112.48)	\$0.00	\$0.00	\$15,264,247.73	\$0.00	\$19,033,761.60
<b>Depreciable Assets</b>								
Building and Building Improvements	\$248,156,275.59		\$1,876,112.48			\$1,452,617.34	(\$714,255.69)	\$250,770,749.72
Infrastructure	5,286,500.06							5,286,500.06
Facilities and Other Improvements	22,445,333.73							22,445,333.73
Furniture and Equipment	14,654,863.31					922,349.18	(329,485.79)	15,247,726.70
Vehicle, Boats, and Aircraft	2,470,207.01					248,399.71	(100,304.12)	2,618,302.60
Other Capital Assets	6,824,675.62					1,174.49	(12,590.86)	6,813,259.25
Total Depreciable Assets	\$299,837,855.32	\$0.00	\$1,876,112.48	\$0.00	\$0.00	\$2,624,540.72	(\$1,156,636.46)	\$303,181,872.06
<b>Less Accumulated Depreciation for:</b>								
Accum Dep Buildings and Building Improvements	(\$127,121,699.18)					(\$9,133,292.98)	\$714,255.69	(\$135,540,736.47)
Accum Dep Infrastructure	(3,200,797.83)					(80,477.16)		(3,281,274.99)
Accum Dep Facilities and Other Improvements	(8,449,131.57)					(613,775.52)		(9,062,907.09)
Accum Dep Furniture and Equipment	(10,745,432.43)					(1,320,405.96)	329,485.79	(11,736,352.60)
Accum Dep Vehicle, Boats, and Aircraft	(1,727,621.19)					(292,326.50)	100,304.12	(1,919,643.57)
Accum Dep Other Capital Assets	(6,609,031.93)					(113,651.21)	12,590.86	(6,710,092.28)
Total Accumulated Depreciation	(\$157,853,714.13)	\$0.00	\$0.00	\$0.00	\$0.00	(\$11,553,929.33)	\$1,156,636.46	(\$168,251,007.00)
<b>Depreciable Assets, Net</b>	<b>\$141,984,141.19</b>	<b>\$0.00</b>	<b>\$1,876,112.48</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>(\$8,929,388.61)</b>	<b>\$0.00</b>	<b>\$134,930,865.06</b>
<b>Intangible Capital Assets-Amortizable</b>								
Computer Software - Intangible	\$1,124,422.31							\$1,124,422.31
Other Intangible Capital Assets - Term	\$0.00							\$0.00
Total Intangible Assets at Historical Cost	\$1,124,422.31	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,124,422.31
<b>Less Accumulated Amortization for:</b>								
Accum Amort Computer Software - Intangible	(\$1,031,224.01)					(\$21,101.52)		(\$1,052,325.53)
Accum Amort Other Intangible Capital Assets - Term	\$0.00							\$0.00
Total Accumulated Amortization	(\$1,031,224.01)	\$0.00	\$0.00	\$0.00	\$0.00	(\$21,101.52)	\$0.00	(\$1,052,325.53)
<b>Amortizable Assets - Intangible, Net</b>	<b>\$93,198.30</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>-\$21,101.52</b>	<b>\$0.00</b>	<b>\$72,096.78</b>
<b>Business Type Activities Capital Assets, Net</b>	<b>\$147,722,965.84</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$6,313,757.60</b>	<b>\$0.00</b>	<b>\$154,036,723.44</b>

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

Angelo State University investments balances consist primarily of amounts invested in the portfolio that is managed at the consolidated level by TTUSA. The portfolio is invested pursuant to the parameters of applicable Texas law and the governing board's Investment Policies. Under Texas law, investments may be "any kind of investment that persons of ordinary prudence, discretion, and intelligence, exercising the judgment and care under the circumstances then prevailing, acquire or retain for their own account in the management of their affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital." Under Texas law, TTUSA is required to invest its institutional funds according to written investment policies adopted by the Board of Regents. No person may invest TTUSA funds without express written authority from the governing board.

The governing investment policy is Regents' Rules Chapter 09, "Investment and Endowments." The majority of the System assets are invested in three investment pool; the Long Term Investment Fund (LTIF), the Intermediate Term Investment Fund (ITIF) and the Short Term Investment (STIF), each having their own stand-alone investment policies. Endowment funds and certain eligible long-term institutional funds are invested in the LTIF, which invests in equity and fixed income securities, as well as

**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2020**

alternative investments such as hedge funds and private equity, and is operated using a total return philosophy. Other institutional funds not in the LTIF are invested in either the ITIF or STIF.

Required information related to consolidated TTUS deposits and investments is included in Note 3 of the consolidated TTUS *Annual Financial Report*.

**NOTE 4: Short-Term Debt**

Angelo State University had no short-term debt outstanding as of August 31, 2020. Beginning with fiscal year 2016, the University's share of commercial paper activity was recorded on the TTU System Administration books with interagency transfers between the University and TTU System Administration to transfer cash for the University's share of new debt proceeds and debt service payments.

**NOTE 5: Long Term Liabilities**

**Changes in Long-Term Liabilities**

During the year ended August 31, 2020, the following changes occurred in liabilities:

Business Type Activities	Balance 9/1/2019	Additions	Reductions	Restatement/ Adjustment	Balance 8/31/2020	Amounts Due Within One Year	Amounts Due Thereafter
Capital Lease Obligations	\$ 68,557.81	\$ 0.00	\$ 33,255.11	\$ -	\$ 35,302.70	\$ 35,302.70	\$ -
Employee's Compensable Leave	2,709,408.16	684,424.12	-	-	3,393,832.28	684,424.12	2,709,408.16
<b>Total Business-Type Activities</b>	<b>\$ 2,777,965.97</b>	<b>\$ 684,424.12</b>	<b>\$ 33,255.11</b>	<b>\$ -</b>	<b>\$ 3,429,134.98</b>	<b>\$ 719,726.82</b>	<b>\$ 2,709,408.16</b>

Discrete Component Unit							
Business Type Activities	Balance 9/1/2019	Additions	Reductions	Restatement/ Adjustment	Balance 8/31/2020	Amounts Due Within One Year	Amounts Due Thereafter
Employees' Compensable Leave	\$ 9,601.38	\$ 9,843.47	\$ -	\$ -	\$ 19,444.85	\$ 9,843.47	\$ 9,601.38
<b>Total Business-Type Activities</b>	<b>\$ 9,601.38</b>	<b>\$ 9,843.47</b>	<b>\$ 0.00</b>	<b>\$ -</b>	<b>\$ 19,444.85</b>	<b>\$ 9,843.47</b>	<b>\$ 9,601.38</b>

**Employees Compensable Leave**

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

**Bonds Payable**

Beginning with fiscal year 2016, the University's share of revenue bond debt activity was recorded on the TTU System Administration books with interagency transfers being recorded between the University and TTU System Administration to transfer cash for the University's share of new debt proceeds and debt service payments.



**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2020**

**NOTE 6: Bonded Indebtedness**

TTUSA oversees the central administration of the Texas Tech University System's Revenue Financing System revenue bonded indebtedness for all TTUS components. Required information related to consolidated TTUS bonded indebtedness is included in Note 6 and in Supporting Schedules 2A through 2F of the consolidated TTUS *Annual Financial Report*.

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 ("TTUS"); however, the Institution's revenues remain pledged to the RFS until TSUS can secure, from the new governing body (TTUS), a legally acceptable agreement, assuming the Institution's obligations. On April 24, 2008, as authorized by *House Bill 3564*, the Texas Higher Education Coordinating Board, on the advice of the Texas Attorney General, issued a ruling and endorsed an Agreement obligation to honor the Institution's bonded indebtedness. TTUS signed and returned the agreement January 14, 2009. On January 23, 2009 TTUS delivered to TSUS a \$53,015,628 "Board of Regents of Texas Tech University System Revenue Financing System Refund Note, Thirteenth Series (2008)", dated September 15, 2008 securing the remaining TSUS debt attributable to Angelo State University. On April 24, 2009 TTUS called \$7,215,000 of TSUS debt reducing the TSUS debt balance attributable to the institution by \$7,211,264.87.

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

A portion of the debt represents Tuition Revenue Bonds historically funded by the Texas Legislature through General Revenue Appropriations. The institution was appropriated \$2,879,547.00 during the current fiscal year for Tuition Revenue Bond debt service. The institution expects future Legislative appropriations to meet debt service requirements for Tuition Revenue Bonds.

**NOTE 7: Derivative Instruments**

Required information related to consolidated TTUS derivative investing is included in Note 3 and Note 7 of the consolidated TTUS *Annual Financial Report*.

**NOTE 8: Leases**

Section not applicable

**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2020**

**NOTE 9: Pension Plans**

The State has established an Optional Retirement Program (ORP) for institutions of higher education. Participation in ORP is in lieu of participation in the Teacher Retirement System of Texas and is available to certain eligible employees. The contributions made by plan members and the employer for the fiscal year ended August 31, 2020 and August 31, 2019 are:

Description	FY 2020	FY 2019
Member Contributions	\$ 1,250,541.02	\$ 1,223,210.46
Employer Contributions	1,346,220.32	1,322,811.41
Total	\$ 2,596,761.34	\$ 2,546,021.87

**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, 2020

Unaudited 17

**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 balances and activity at August 31, 2020 follow:

	<b>FY 20</b>	
	<b>TRANSFERS IN</b>	<b>TRANSFERS OUT</b>
Institutional Funds (7999)	\$	\$
Appd Fund 7999, D23 Fund 7999		
(Agy 733, D23 Fund 7999) Texas Tech Univ		(37,682.00)
 Institutional Funds(7999)		
Appd Fund 7999, D23 Fund 7999		
(Agy 758, D23 Fund 7999) Texas State Univ System		(11,000.00)
 Institutional Funds (7999)		
Appd Fund 7999, D23 Fund 7999		
(Agy 768, D23 Fund 7999)Texas Tech Univ System Admin	17,909,434.19	(7,559,168.96)
 General Revenue (0210)		
Appd Fund 0210, D23 Fund 0210		
(Agy 902, D23 Fund 0210) Comptroller	108,639.00	
 Institutional Funds (0802)		
Appd Fund 0802, D23 Fund 0802		
(Agy 608, D23 Fund 0802) Department of Motor Vehicles		(238.15)
	18,018,073.19	(7,608,089.11)
	<b>Legislative</b>	<b>Legislative</b>
	<b>TRANSFERS IN</b>	<b>TRANSFERS OUT</b>
 General Revenue (001)		
Appd Fund 0001, D23 Fund 0001		
(Agency 403, D23 Fund 0001) Texas Veterans Commission	184,853.00	
 General Revenue (001)		
Appd Fund 001, D23 Fund 001		
(Agency 768, D23 Fund 0001) Texas Tech Univ System Admin		3,452,142.81
<b>Total Legislative Transfers</b>	\$ 184,853.00	\$ 3,452,142.81
	<b>Due From</b>	<b>Due From</b>
	<b>Other Agencies</b>	<b>Other Component</b>
 Institutional Funds (7999)		
Appd Fund 7999, D23 Fund 7999		
(Agy 743, D23 Fund 7999) UTSA	\$ 21,697.30	\$
 <b>Total Due From/To Other Agencies</b>	\$ 21,697.30	\$ 0.00

**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2020**

**NOTE 13: Continuance Subject To Review**

Section not applicable

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

Section not applicable

**NOTE 15: Contingencies and Commitments**

**Unpaid Claims and Lawsuit**

At August 31, 2020, certain lawsuits and claims were pending against Angelo State University. The liability with respect to litigation and other claims asserted against the University are not likely to have a material effect on the 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, 2020.

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 2020 totaled \$97,702.19. 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.

**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2020**

**NOTE 18: Management Discussion and Analysis**

Section not applicable

**NOTE 19: The Financial Reporting Entity**

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

The condensed financial statements for ASUF as of August 31, 2020 are presented below:

<b>Condensed Statement of Net Position</b>	<b>FY20</b>
Total Assets	\$ 33,790,951.64
Total Liabilities and Deferred Inflows of Resources	
Net Position:	
Restricted Nonexpendable Endowments	21,222,410.12
Restricted Expendable Other	12,568,541.52
Unrestricted	\$ -
Total Net Position	\$ 33,790,951.64

**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2020**

<b>Condensed Statement of Revenues, Expenses and Changes in Net Position</b>		<b>FY20</b>
Operating Revenues	\$	-
Other Sales and Services		
Professional Fees		
Federal Grants and Contracts		
Nongovernmental Grants and Contracts		
Total Operating Revenues		-
Operating Expenses		
Professional Fees and Services		27,475.00
Travel		8,849.23
Materials and Supplies		180,968.97
Communications and Utilities		1,046.96
Repairs and Maintenance		-
Rentals and Leases		1,950.00
Printing and Reproduction		1,136.67
Other Operating Expenses		1,366,316.41
Total Operating Expenses		1,587,743.24
Operating Income (Loss)		(1,587,743.24)
Non-Operating Revenues (Expenses)		
Private Gifts		7,332,977.31
Investment Income (Expense)		(435,946.73)
Other Non-Operating Revenues (Expense)		802,895.80
Total Non-Operating Revenues and Expenses		7,699,926.38
Other Revenues, Expenses, Gains, Losses and Transfers		
Capital Contributions		-
Contribution to Permanent and Term Endowments		-
Transfers to Components/Other Funds		(4,254,747.10)
Total Other Revenues, Expenses, Gains, Losses and Transfers		(4,254,747.10)
Total Change in Net Position		1,857,436.04
Beginning Net Position September 1		31,933,515.60
Restatement		-
Beginning Net Position September 1 as Restated		31,933,515.60
Ending Net Position (August 31)	\$	33,790,951.64

<b>Condensed Statement of Cash Flows</b>		<b>FY20</b>
Net Cash Provided (Used) by Operating Activities	\$	(1,594,761.67)
Net Cash Provided (Used) by Non-capital Financing Activities		3,881,126.01
Net Cash Provided (Used) by Capital and Related Financing Activities		-
Net Cash Provided (Used) by Investing Activities		(2,005,958.64)
Total Net Cash flows		280,405.70
Beginning Cash and Cash Equivalents September 1		3,041,676.41
Restatement		-
Beginning Cash and Cash Equivalents September 1 as Restated		3,041,676.41
Ending Cash and Cash Equivalents August 31	\$	3,322,082.11

**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2020**

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

The Angelo State University Robert G. Carr and Nona K. Carr Scholarship Foundation, Box 11007C, ASU Station, San Angelo, TX 76909 is presented in these statements as a discretely presented component unit. The Foundation is a separate legal nonprofit organization that was established solely for the benefit of providing scholarships to the students of Angelo State University (ASU). The Foundation has a fiscal year end of August 31, and the financial records of the Foundation are audited annually by an independent accounting firm. These statements may be found at the end of the Annual Financial Report.

**Robert G. Carr and Nona K. Carr Scholarship Foundation**

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

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

Prior to the 2020 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 \$141,228,345.49 and realized a loss on investments of \$5,325,472.43. During the 2020 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 \$3,752,496.62.

All principal is invested in the Long Term Investment Fund (LTIF) which is managed by the Texas Tech University System.

Included in Noncurrent Assets in the accompanying Statements of Financial Position are oil, gas and other mineral properties (Mineral Interests). Under FASB ASC 830, Mineral Interests are classified as "other investments", as defined, and as such, fall under the same fair value measurement criteria applicable to the investments held by the Foundation. Prior to fiscal year ended August 31, 2016, the mineral interests had not been subjected to a fair value measurement valuation technique because estimating their fair value utilizing engineering reserve studies was not practicable for the Foundation without incurring excessive costs. In fiscal years prior to August 31, 2016, mineral interests were recorded at 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 in 1978 and the Estate of Nona K. Carr in 1987. However, in fiscal year ended August 31, 2016, management determined that it was feasible to estimate the fair value utilizing a market approach, which is an established acceptable practice in the industry.

The LTIF spending distribution is transferred to the Angelo State University Robert G. Carr and Nona K. Carr Scholarship and expense funds. During the 2020 fiscal year, the spending distribution received from the investment agent totaled \$9,343,259.06. Of this amount, \$265,000.00 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.

**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2020**

Total scholarships awarded prior to the 2020 fiscal year amounted to \$132,986,400.75. During the 2020 fiscal year, scholarship awards amounted to \$8,794,907.00. It is estimated that the amount of annual scholarship awards from the scholarship fund will total \$9,000,000.00 in fiscal year 2021.

The records of the Foundation are audited annually.

**NOTE 20: Stewardship, Compliance and Accountability**

Section not applicable

**NOTE 21: N/A**

**NOTE 22: Donor Restricted Endowments**

Required information is included in the consolidated TTUS *Annual Financial Report*.

**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

**NOTE 27: Service Concession Arrangements**

Section not applicable

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

Section not applicable

**NOTE 29: Trouble Debt Restructuring**

Section not applicable

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

Section not applicable



Angelo State University #737  
 Schedule 1A - Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended August 31, 2020

Federal Grantor/Pass-Through Grantor/ Program Title	CFDA Number	Identifying #	Pass-Through From			Direct Program Amount	Total Pass- Thru From & Direct Program
			Agy/Univ #	Agy/Univ Amount	Non-State Entity Amount		
Corporation for National & Community Service							
<u>Direct Program:</u>							
CNCS - Forbes - 2019	94.013	16VSWTX005				25,661.04	25,661.04
Total Corporation for National & Community Service						25,661.04	25,661.04
Institute of Museum and Library Services							
<u>Pass-Through From:</u>							
Texas State Library and Archives Commission							
Texas State Library and Archives Grant	45.310	LS-00-17-0044-17	306	1,098.00			1,098.00
Total Institute of Museum and Library Services				1,098.00		-	1,098.00
U. S. Small Business Administration							
<u>Pass-Through From:</u>							
University of Texas San Antonio							
Small Business Development Center	59.037	5-603001-Z-0049-29-ASU	743	110,045.10			110,045.10
Small Business Development Center (FY17 CF)	59.037	5-603001-Z-0049-29-ASU	743	47,132.69			47,132.69
<u>Pass-Through From:</u>							
University of Texas San Antonio							
CARES Act - SBDC Portion	59.037	OSBDC-COVID-2020-1-ASU	743	9,633.83			9,633.83
Total U. S. Small Business Administration				166,811.62		-	166,811.62
U. S. Department of Education							
<u>Direct Program:</u>							
Title V - CREEME	84.031	P031S170066				520,248.65	520,248.65
STEP West Texas	84.031S	P031S140160				12,831.89	12,831.89
CARES Act - Student Portion	84.425	P425E200004				3,179,781.00	3,179,781.00
CARES Act - Institutional Portion	84.425	P425F200299				2,725,415.39	2,725,415.39
CARES Act - MSI Portion	84.425	P425L200058				186,984.00	186,984.00
Total U.S. Department of Education						6,625,260.93	6,625,260.93
U.S. Department of Homeland Security							
<u>Pass-Through From:</u>							
Office of the Governor							
DHS-OOG-Spooner-2020	97.067	3728401	300	8,103.00			8,103.00
Total Department of Homeland Security				8,103.00		-	8,103.00
<u>Student Financial Assistance Cluster</u>							
U. S. Department of Education							
<u>Direct Program:</u>							
Federal Supplemental Educational Opportunity	84.007					246,722.00	246,722.00
Federal Work-Study Program	84.033					326,377.59	326,377.59
Federal Pell Grant Program	84.063					13,207,192.27	13,207,192.27
Federal Direct Student Loans	84.268					31,359,037.00	31,359,037.00
Federal TEACH Grant	84.379					5,624.00	5,624.00
Total U. S. Department of Education						45,144,952.86	45,144,952.86
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 176,012.62	\$ 0.00	\$ 51,795,874.83	\$ 51,971,887.45

Agy #/ Univ.#	Pass-Through To		Expenditures Amount	Total PT to and Expenditures
	State Agy. or Univ. Amount	Non-State Entities Amt.		
			25,661.04	25,661.04
			25,661.04	25,661.04
			1,098.00	1,098.00
			1,098.00	1,098.00
			110,045.10	110,045.10
			47,132.69	47,132.69
			9,633.83	9,633.83
			166,811.62	166,811.62
			520,248.65	520,248.65
			12,831.89	12,831.89
			3,179,781.00	3,179,781.00
			2,725,415.39	2,725,415.39
			186,984.00	186,984.00
			6,625,260.93	6,625,260.93
			8,103.00	8,103.00
			8,103.00	8,103.00
			246,722.00	246,722.00
			326,377.59	326,377.59
			13,207,192.27	13,207,192.27
			31,359,037.00	31,359,037.00
			5,624.00	5,624.00
			45,144,952.86	45,144,952.86
\$	0.00	\$ 0.00	\$ 51,971,887.45	\$ 51,971,887.45

Angelo State University  
Schedule 1A - Schedule of Expenditures and Federal Awards  
For the Year Ended August 31, 2020

**Note 1: Non-Monetary Assistance**

Angelo State University is not the recipient of a federal financial assistance program that does not result in cash receipts or disbursements.

**Note 2: Reconciliation:**

Federal Grants and Contracts (SRECNP)	\$	1,137,465.17
Non-Operating Federal Grants and Contracts (SRECNP)		19,299,372.66
Federal Grants and Contracts Pass-Throughs (SRECNP)		176,012.62
Total Federal Revenues		<u>20,612,850.45</u>

**Reconciling Items:**

New Loans Processed:		
Federal Perkins Loan Program	84.038	-
Federal Direct Student Loan	84.268	<u>31,359,037.00</u>
Total Federal Financial Assistance	\$	<u>51,971,887.45</u>

**Note 3: Student Loans Processed & Administrative Costs Recovered**

Federal Grantor/ CFDA Number/Program Name	Beginning Balance of Outstanding Loans	New Loans Processed	PY Admin Costs Recovered	Total Loans Processed & Admin Costs Recovered	Repayment/ Adjustment Activity	Ending Balance of Outstanding Loans
<i>U.S. Department of Education</i>						
84.038 Federal Perkins Loan Program	\$ 113,819.26	\$ -	\$ -	\$ -	\$ 45,991.89	\$ 67,827.37
84.268 Federal Direct Student Loans		<u>31,359,037.00</u>	<u>-</u>	<u>31,359,037.00</u>	<u>31,359,037.00</u>	<u>-</u>
Total Department of Education	<u>\$ 113,819.26</u>	<u>\$ 31,359,037.00</u>	<u>\$ 0.00</u>	<u>\$ 31,359,037.00</u>	<u>\$ 31,405,028.89</u>	<u>\$ 67,827.37</u>

Perkins loans are outsourced to ECSI.

**Note 5: Unemployment Insurance Funds**

ASU did not receive any funding for FY 2020 from CFDA 17.225.

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

ASU did not receive any funding for FY 2020 from CFDA 10.557.

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

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

ASU did not receive any funding for FY 2020 from CFDA 97.036

**Note 9: Economic Adjustment Assistance**

ASU did not receive any funding for FY 2020 from CFDA 11.307

## UNAUDITED

Angelo State University #737  
 Schedule 1B - Schedule of State Grant Pass Throughs From/To State Agencies  
 For the Fiscal Year Ended August 31, 2020

Agency Number	Grant ID	Agency Name Grant Description	
<b>Pass Through From:</b>			
457		<b>State Board of Public Accountancy</b>	
	457.0001	5th Year Accounting Student Scholarship Program	\$ <u>9,401.00</u>
720		<b>University of Texas System</b>	
	720.0002	Joint Admissions Medical Program (JAMP)	<u>8,427.75</u>
781		<b>Texas Higher Education Coordinating Board</b>	
	781.0008	Texas Grants	6,759,001.00
	781.0013	Professional Nursing Shortage Reduction Program	44,175.53
	781.0023	College Work Study Program	24,606.92
	781.0075	Educational Aide Program	12,195.00
		<i>Total for Texas Higher Education Coordinating Board</i>	<u>6,839,978.45</u>
		<b>Total State Grant Pass-through Revenues From Other State Agencies</b>	\$ <u><u>6,857,807.20</u></u>

Angelo State University #737  
 Schedule 2A - Miscellaneous Bond Information  
 For the Fiscal Year Ended August 31, 2020

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

Schedule Not Applicable

Angelo State University #737  
Schedule 2B - Changes in Bonded Indebtedness  
For the Year Ended August 31, 2020

<u>Description of Issue</u>	<u>Bonds Outstanding 9-1-19</u>	<u>Bonds Issued</u>	<u>Bonds Matured or Retired</u>	<u>Bonds Refunded or Extinguished</u>	<u>Bonds Outstanding 8-31-20</u>
-----------------------------	---	-------------------------	---	---	--

Schedule Not Applicable

Angelo State University #737  
Schedule 2C - Debt Service Requirements  
For the Year Ended August 31, 2020

<u>Description of Issue</u>	<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
Schedule Not Applicable			

Angelo State University #737  
 Schedule 2D - Analysis of Funds Available for Debt Service  
 For the Year Ended August 31, 2020

Pledged and Other Sources and Related Expenditures for FY 2020				
Description of Issue	Net Available for Debt Service		Debt Service	
	Total Pledged and Other Sources	Operating Expenses/ Expenditures and Capital Outlay	Principal	Interest

Schedule Not Applicable



Angelo State University #737  
Schedule 2E - Defeased Bonds Outstanding  
For the Year Ended August 31, 2020

Description of Issues	Year Refunded	Par Value Outstanding
-----------------------	------------------	--------------------------

Schedule Not Applicable

Angelo State University #737  
Schedule 2F - Early Extinguishment and Refunding  
For the Year Ended August 31, 2020

<u>Description of Issue</u>	<u>Category</u>	<u>Amount Extinguished or Refunded</u>	<u>Refunding Issue Par Value</u>	<u>Cash Flow Increase (Decrease)</u>	<u>Economic Gain/ (Loss)</u>
-----------------------------	-----------------	--	--	--	--------------------------------------

Schedule Not Applicable

Angelo State University #737  
Schedule 3 - Reconciliation of Cash in State Treasury  
For the Year Ended August 31, 2020

<u>Cash in State Treasury</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Current Year Total</u>
Local Revenue Fund 0227	\$ <u>2,890,789.63</u>	\$ <u></u>	\$ <u>2,890,789.63</u>
<b>Total Cash in State Treasury</b>	\$ <u><u>2,890,789.63</u></u>	\$ <u><u>0.00</u></u>	\$ <u><u>2,890,789.63</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, 2020 and 2019**

	<u>FY 2020</u>	<u>FY 2019</u>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ -	\$ -
Restricted:		
Cash and Cash Equivalents	99,082.23	169,023.53
Accounts Receivable, net:		
Accounts Receivables	68,651.12	111,118.22
Total Current Assets	<u>167,733.35</u>	<u>280,141.75</u>
Non-current Assets:		
Restricted:		
Cash and Cash Equivalents	183,907.52	269,808.40
Investments (Note 3)	140,702,978.90	147,366,102.83
Total Non-Current Assets	<u>140,886,886.42</u>	<u>147,635,911.23</u>
Total Assets	<u>\$ 141,054,619.77</u>	<u>\$ 147,916,052.98</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 1,515.23	\$ 72.10
Payroll Payable	13,993.17	13,761.09
Employees' Compensable Leave (Note 5)	9,843.47	256.21
Total Current Liabilities	<u>25,351.87</u>	<u>14,089.40</u>
Non-current Liabilities:		
Employees Compensable Leave (Note 5)	9,601.38	9,345.17
Total Non-Current Liabilities	<u>9,601.38</u>	<u>9,345.17</u>
Total Liabilities	<u>\$ 34,953.25</u>	<u>\$ 23,434.57</u>
<b>NET POSITION</b>		
Invested in Capital Assets, Net of Related Debt	\$	\$
Restricted:		
Non-Expendable:		
Endowments	140,955,537.54	147,747,029.45
Expendable:		
Endowments		
Other	64,128.98	145,588.96
Unrestricted		
Total Net Position	<u>\$ 141,019,666.52</u>	<u>\$ 147,892,618.41</u>

The accompanying 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, 2020 and 2019

	FY 2020	FY 2019
<b>OPERATING REVENUES</b>		
Sales of Goods and Services		
Tuition and Fees - Pledged	\$	\$
Tuition and Fees - Unpledged		
Discounts and Allowances		
Auxiliary Enterprises - Pledged		
Discounts and Allowances		
Other Sales of Goods and Services - Pledged		
Federal Revenue-Operating (Sch 1A)		
Federal Pass Through Revenue (Sch 1A)		
State Grant Pass Through Revenue (Sch 1B)		
Nongovernmental Grants and Contracts		
Total Operating Revenues	<u>-</u>	<u>-</u>
<b>OPERATING EXPENSES:</b>		
Salaries and Wages	196,240.41	189,925.79
Payroll Related Costs	69,884.59	54,371.25
Professional Fees and Services	18,786.98	19,660.51
Travel	967.48	5,516.18
Materials and Supplies	44,122.08	48,944.98
Communication and Utilities	1,095.34	598.52
Repairs and Maintenance	-	0.00
Rentals and Leases	16.69	52.86
Printing and Reproduction	131.55	1,527.95
Other Operating Expenses	15,214.86	8,886.11
Total Operating Expenses	<u>346,459.98</u>	<u>329,484.15</u>
Operating Income (Loss)	<u>(346,459.98)</u>	<u>(329,484.15)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment Income	1,805,518.55	(4,839,524.15)
Net Increase (Decrease) in Fair Value of Investments	(2,474,297.77)	3,813,373.75
Other Non-operating Revenues/(Expenses) - Pledged	<u>(5,857,712.69)</u>	<u>(4,461,098.29)</u>
Total Non-operating Revenues (Expenses)	<u>(6,526,491.91)</u>	<u>(5,487,248.69)</u>
Income (Loss) before Other Revenues, Expenses, Gains/Losses and Transfers	(6,872,951.89)	(5,816,732.84)
<b>OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS</b>		
Total Other Revenues, Expenses, Gains, Losses, and Transfers	<u>-</u>	<u>-</u>
Total Changes in Net Position	<u>\$ (6,872,951.89)</u>	<u>\$ (5,816,732.84)</u>
Beginning Net Position (September 1)	147,892,618.41	153,709,351.25
Ending Net Position (August 31)	<u>\$ 141,019,666.52</u>	<u>\$ 147,892,618.41</u>

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