

ANNUAL FINANCIAL REPORT

OF

ANGELO STATE UNIVERSITY

FOR THE YEAR ENDED AUGUST 31, 2012

SAN ANGELO, TEXAS

A MEMBER OF THE TEXAS TECH UNIVERSITY SYSTEM



ANGELO STATE UNIVERSITY
FY 2012 FINANCIAL REPORT

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ANGELO STATE UNIVERSITY

Office of the President

November 20, 2012

The Honorable Rick Perry
Governor of Texas

Ms. Ursula Parks
Acting Director, Legislative Budget Board

The Honorable Susan Combs
Texas Comptroller

Mr. John Keel, CPA
State Auditor

Lady and Gentlemen:

We are pleased to submit the Annual Financial Report of Angelo State University for the year ended August 31, 2012, in compliance with TEXAS GOVERNMENT CODE ANN §2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts.

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

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

Sincerely,

A handwritten signature in black ink that reads "Brian J. May". The signature is written in a cursive, flowing style.

Brian J. May
President





November 20, 2012

ANGELO STATE UNIVERSITY

Office of the Vice President for Finance and Administration

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

Dear Dr. May:

Submitted herein is the Annual Financial Report of Angelo State University for the fiscal year ended August 31, 2012.

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,

Michael Reid
Vice President for
Finance and Administration

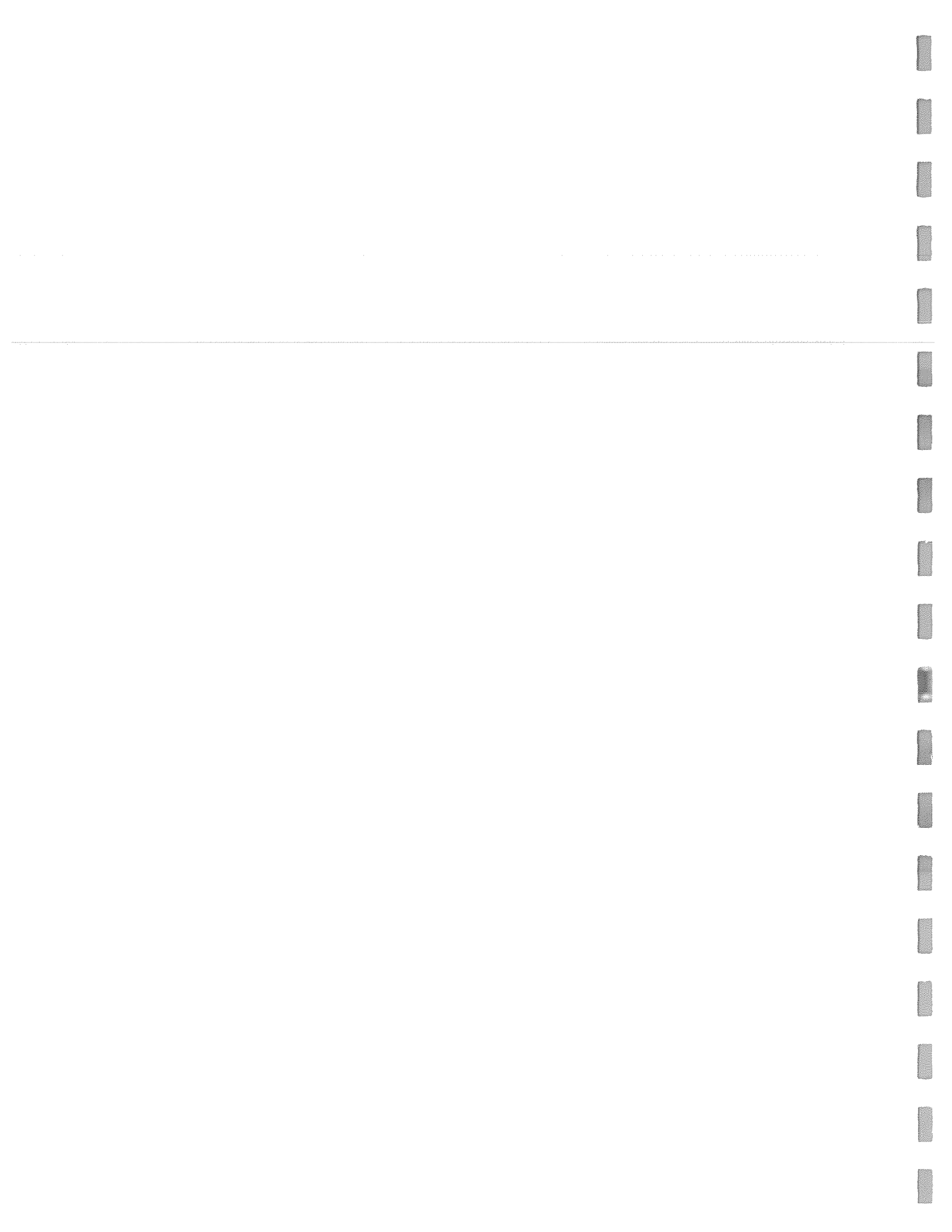
Denise Brodnax
Controller

Janet Coleman
Director of Accounting

Carrie Whitesell
Accountant

Jackie Baxter
Accountant

Peggy Castro
Accountant



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

**BOARD OF REGENTS
TEXAS TECH UNIVERSITY SYSTEM**

OFFICERS

Jerry E. Turner
Kent Hance

Chairman
Chancellor

MEMBERS

<u>Name</u>	<u>Residence</u>	<u>Term Expires February 1</u>
Mr. L. Frederick 'Rick' Francis	El Paso, Tx	2013
Mr. John F. Scovell	Dallas, Tx	2013
Mr. Jerry E. Turner	Blanco, Tx	2013
Mr. Mickey L. Long	Midland, Tx	2015
Mrs. Nancy R. Neal	Lubbock, Tx	2015
Mr. John Walker	Houston, Tx	2015
Mr. Larry K. Anders	Dallas, Tx	2017
Mrs. Debbie Montford	San Antonio, Tx	2017
Mr. John D. Steinmetz	Lubbock, Tx	2017

PRESIDENT

Dr. Brian J. May

OFFICE OF FINANCE AND ADMINISTRATION

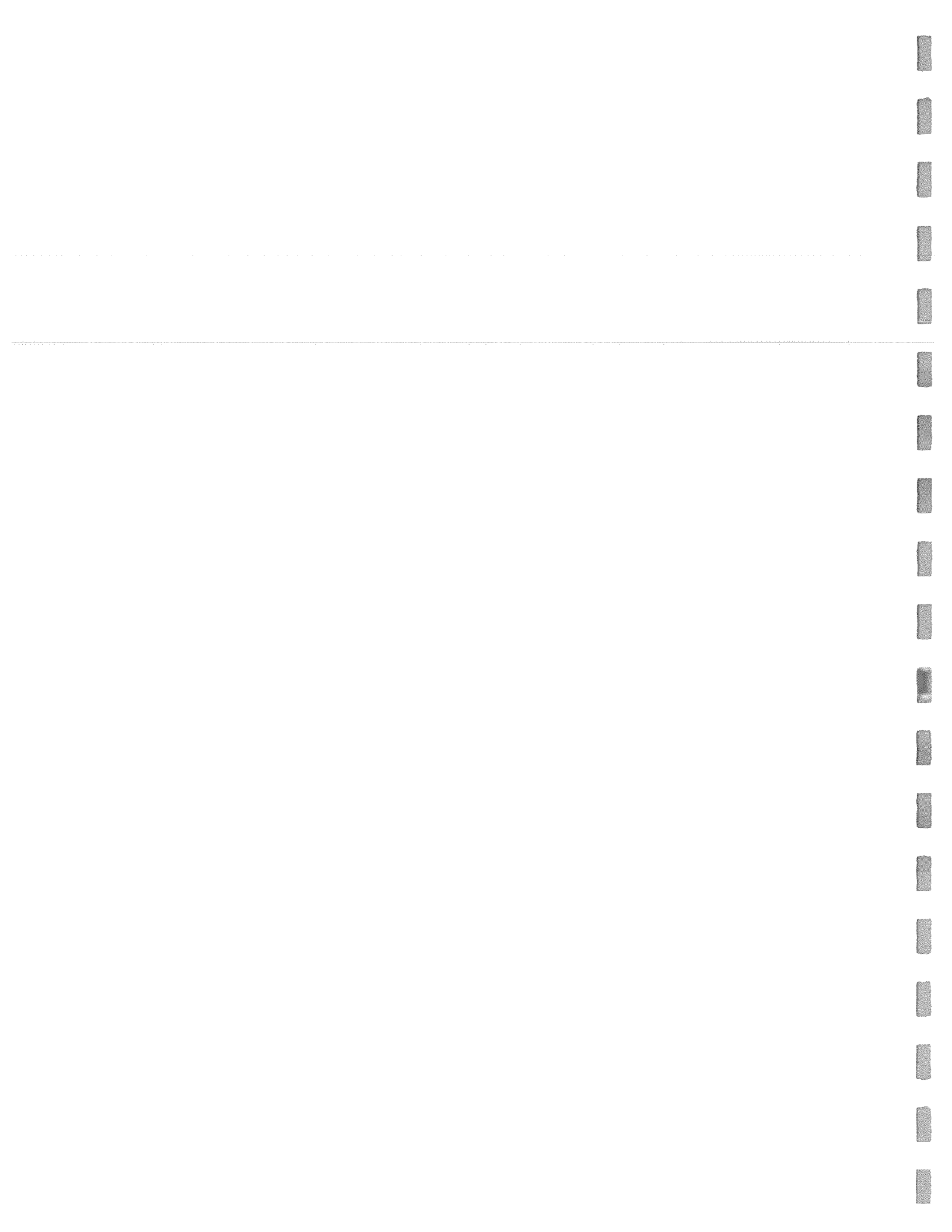
Michael Reid
Denise Brodnax

Vice President for Finance and Administration
Controller

ADMISSIONS & REGISTRAR

Michael Loehring
Cindy Weeaks

Director of Admissions
Registrar



Angelo State University
Statement of Net Assets (Unaudited)
August 31, 2012

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ASSETS

Current Assets:

Cash and Cash Equivalents (Note 1)	\$	38,752,067.77
Restricted:		
Cash and Cash Equivalents (Note 1)		(706,922.71)
Legislative Appropriations		4,690,734.93
Receivables from:		
Federal Receivables		20,929,779.68
Student Receivables		9,333,243.04
Gift Receivables		436,190.00
Accounts Receivables		1,053,822.59
Due From Other Agencies		143,184.66
Merchandise Inventories		3,660.12
Prepaid Expenses		5,933,817.07
Consumable Inventories		257,226.44
Loans and Notes Receivable, net		770,445.59
Total Current Assets		<u>81,597,249.18</u>

Noncurrent Assets:

Investments (Note 3)		118,281,830.18
Capital Assets (Note 2)		
Non-Depreciable		43,545,120.89
Depreciable		183,657,360.58
Accumulated Depreciation		(100,717,989.57)
Amortizable		1,418,446.29
Accumulated Amortization		(1,356,571.29)
Total Non-Current Assets		<u>244,828,197.08</u>

Total Assets \$ 326,425,446.26

LIABILITIES

Current Liabilities:

Accounts Payable	\$	2,110,634.96
Payroll Payable		3,066,084.33
Deferred Revenues		32,487,896.73
Revenue Bonds Payable (Note 5)		2,595,005.50
Employees' Compensable Leave (Note 5)		281,524.93
Commercial Paper Payable (Note 5)		3,946,433.28
Funds Held for Others		16,542,532.22
Other Current Liabilities		4,810.00
Total Current Liabilities		<u>61,034,921.95</u>

Non-current Liabilities:

Employees Compensable Leave (Note 5)		1,776,345.18
Revenue Bonds Payable (Note 5)		70,790,939.84
Other Non-Current Liabilities		466,874.87
Total Non-Current Liabilities		<u>73,034,159.89</u>

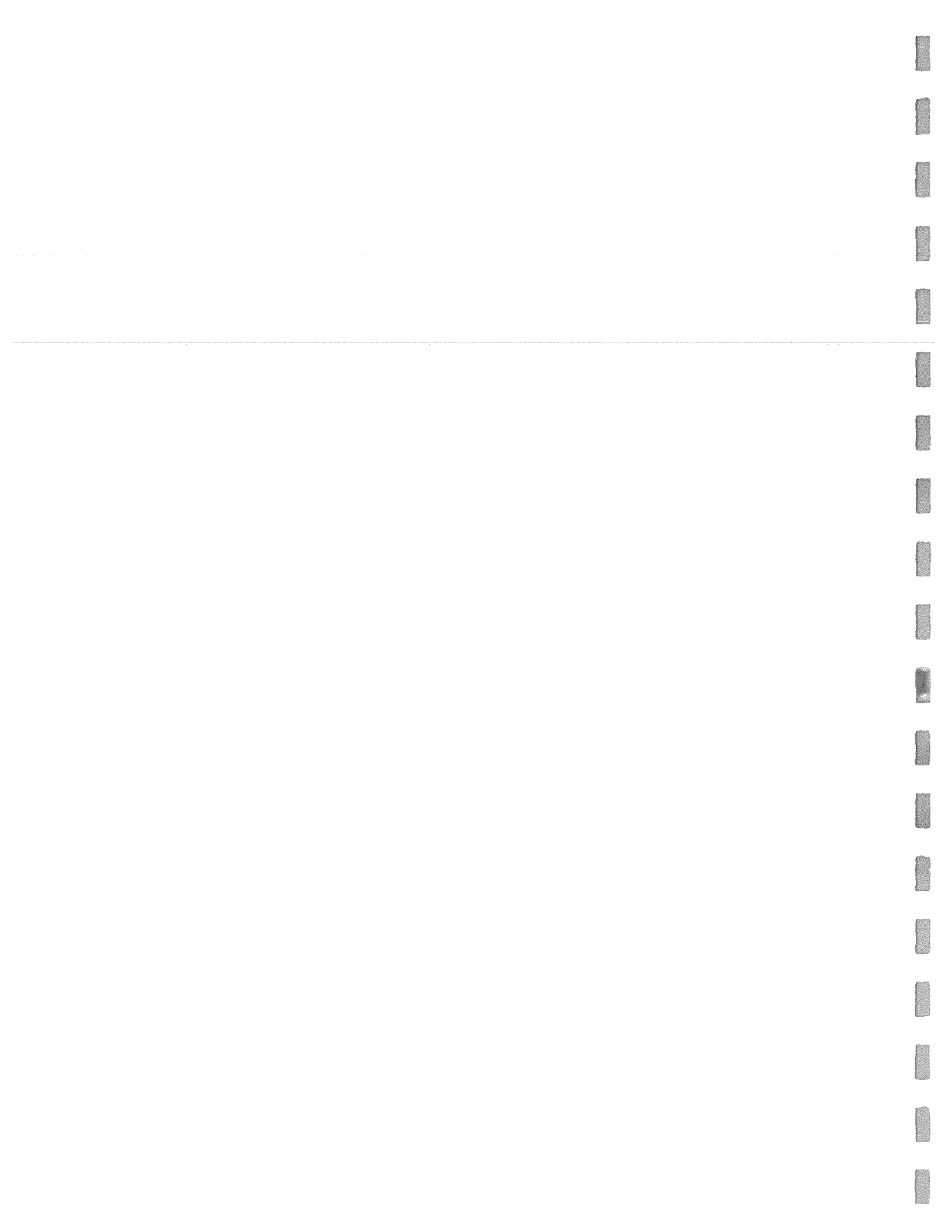
Total Liabilities \$ 134,069,081.84

NET ASSETS

Invested in Capital Assets, Net of Related Debt	\$	52,267,431.70
Restricted:		
Non-Expendable:		
Endowments		119,076,427.84
Expendable:		
Higher Education Assistance Fund		2,796,257.57
Other		8,894,499.05
Unrestricted (Note 1)		9,321,748.26
Total Net Assets		<u>192,356,364.42</u>

Total Liabilities and Net Assets \$ 326,425,446.26

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, 2012

OPERATING REVENUES

Sales of Goods and Services	
Tuition and Fees - Pledged	\$ 49,741,129.20
Discounts and Allowances	(9,154,550.76)
Auxiliary Enterprises - Pledged	15,603,264.89
Discounts and Allowances	(2,871,409.72)
Other Sales of Goods and Services - Pledged	1,052,868.03
Federal Revenue-Operating (Sch 1A)	3,491,988.03
Federal Pass Through Revenue (Sch 1A)	474,573.59
State Grant Pass Through Revenue (Sch 1B)	4,999,469.72
Nongovernmental Grants and Contracts	<u>680,625.05</u>
Total Operating Revenues	<u>64,017,958.03</u>

OPERATING EXPENSES:

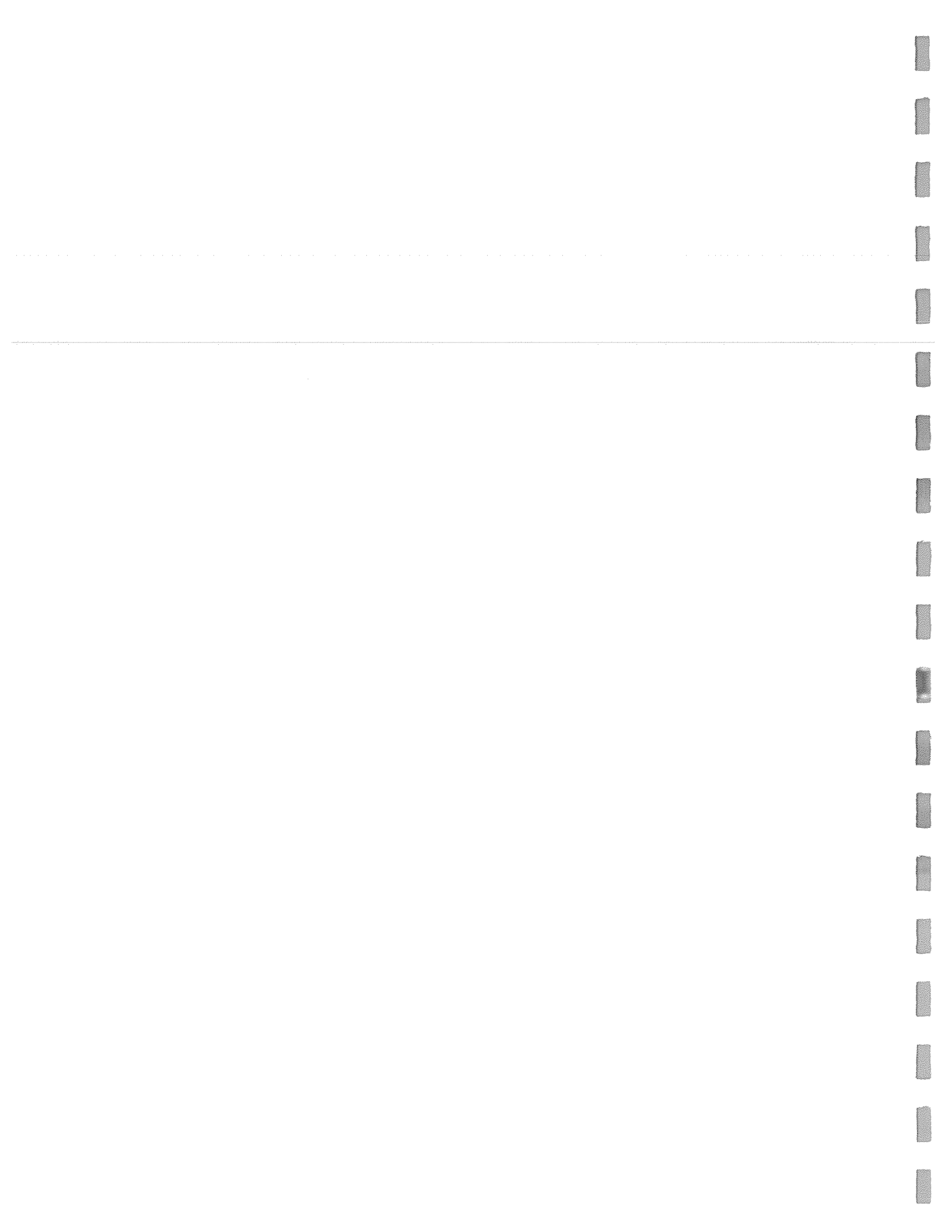
Instruction	44,978,260.81
Research	860,158.48
Public Service	1,859,235.60
Academic Support	6,150,873.95
Student Services	4,433,620.29
Institutional Support	14,469,645.41
Operation and Maintenance of Plant	7,250,321.18
Scholarship and Fellowships	5,836,892.03
Auxiliary Enterprise Expenditures	15,489,186.51
Depreciation and Amortization	<u>6,564,714.30</u>
Total Operating Expenses	<u>107,892,908.56</u>
Operating Income (Loss)	<u>(43,874,950.53)</u>

NONOPERATING REVENUES (EXPENSES)

Federal Revenue-Nonoperating (Sch 1A)	10,485,567.52
Legislative Revenue	28,438,916.07
Gifts	1,923,699.88
Investment Income	10,723,926.51
Interest Expense on Capital Asset Financing	(2,736,483.26)
Gain (Loss) on Disposal of Capital Assets	(53,138.72)
Net Increase (Decrease) in Fair Value of Investments	(2,013,673.82)
Other Nonoperating Revenues/(Expenses) - Pledged	<u>591,828.16</u>
Total Nonoperating Revenues (Expenses)	47,360,642.34
Income (Loss) before Other Revenues, Expenses, Gains/Losses and Transfers	3,485,691.81

OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS

Capital Appropriations (HEAF)	3,743,027.00
Capital Contributions - Gifts	13,000.00
Transfers Out - TTU System Admin (Note 12)	(255,931.00)
Transfers In - Texas Tech Foundation, Inc. (Note 12)	20,625.00
Transfers Out - Texas Tech University (Note 12)	(1,666.98)
Transfers Out - Other State Agencies (Note 12)	(3,225,644.46)
Legislative Transfers-Out (Note 12)	(3,040,311.08)
Legislative Appropriations Lapsed	<u>(1,280.84)</u>
Total Other Revenues, Expenses, Gains, Losses, and Transfers	<u>(2,748,182.36)</u>
Total Changes in Net Assets	\$ 737,509.45
Beginning Net Assets (September 1, 2011)	191,618,854.97
Ending Net Assets (August 31, 2012)	\$ 192,356,364.42



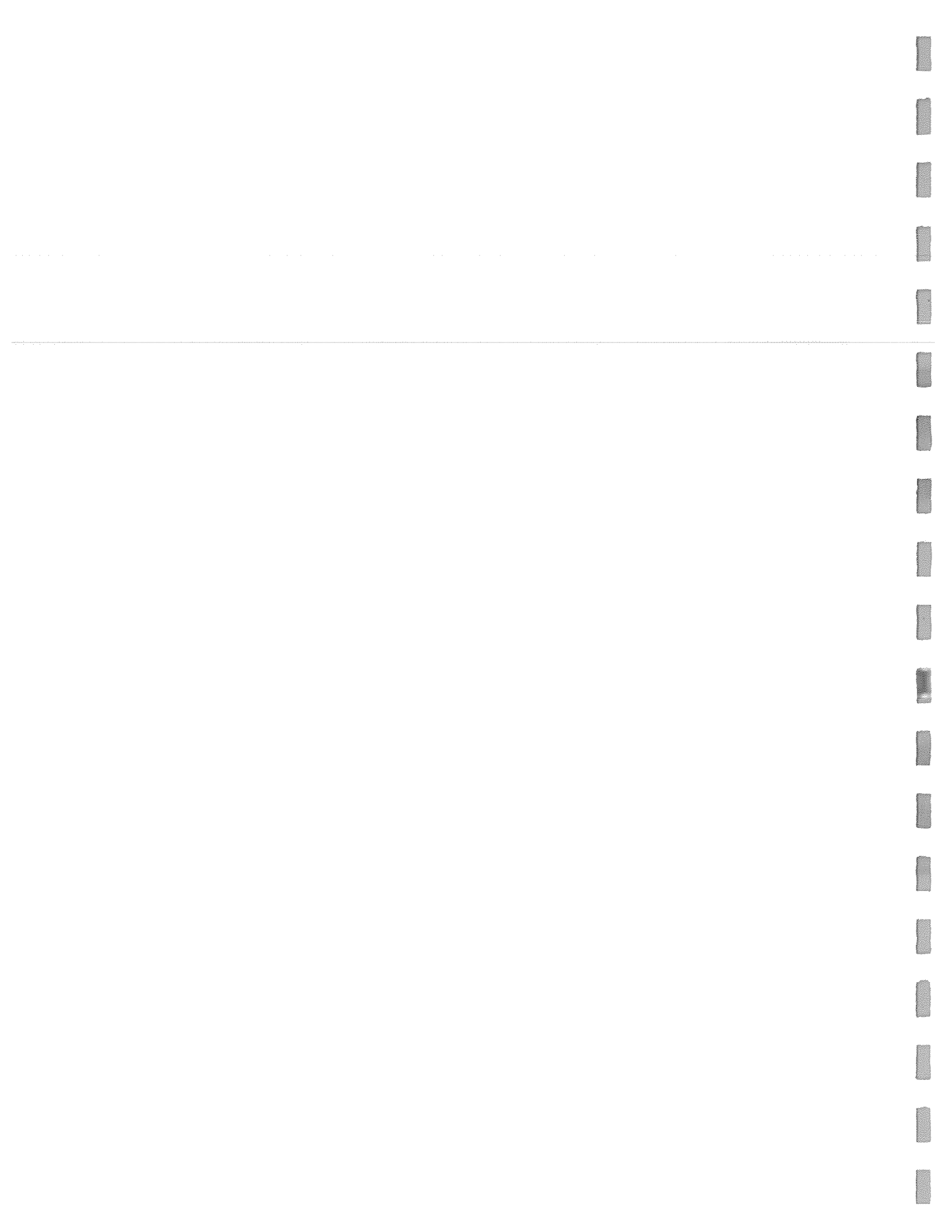
Angelo State University
Matrix of Operating Expenses by Natural Classification
For the Fiscal Year Ended August 31, 2012

Function	Salaries and Wages	Payroll Related Costs	Professional Fees and Services	Travel	Materials and Supplies
Instruction	\$ 22,790,980.91	\$ 6,271,390.75	\$ 149,916.71	\$ 775,475.63	\$ 1,075,794.10
Research	509,144.01	131,561.92	2,909.00	13,034.77	115,124.42
Public Service	1,014,374.85	184,136.59	66,286.00	47,686.71	205,392.94
Academic Support	2,842,204.86	705,280.81	19,413.00	135,964.63	375,264.80
Student Services	2,800,742.15	730,932.73	3,185.12	99,379.69	246,845.04
Institutional Support	8,831,769.43	2,296,982.24	263,836.45	147,050.15	457,018.82
Operation and Maintenance of Plant Scholarships and Fellowships	2,037,049.35	652,340.55	4,585.97	11,420.60	615,902.57
Auxiliary Enterprises	5,549,334.90	1,248,146.50	68,060.60	299,668.32	4,231,716.51
Depreciation and Amortization					
Total Operating Expenses	\$ 46,375,600.46	\$ 12,220,772.09	\$ 578,192.85	\$ 1,529,680.50	\$ 7,323,059.20

Function	Communication and Utilities	Repairs and Maintenance	Rentals and Leases	Printing and Reproduction	Federal Pass Thru Expense
Instruction	\$ 113,634.26	\$ 238,543.74	\$ 61,629.47	\$ 54,701.96	\$ -
Research	-	-	1,800.00	622.39	-
Public Service	6,881.57	3,224.39	16,497.40	20,448.44	-
Academic Support	35,736.18	52,782.48	110,233.56	15,136.42	-
Student Services	14,266.81	45,081.68	23,539.24	33,033.68	-
Institutional Support	142,276.96	687,055.94	63,583.57	167,086.67	-
Operation and Maintenance of Plant Scholarships and Fellowships	2,590,739.03	817,887.01	113,587.28	403.13	-
Auxiliary Enterprises	1,863,334.79	985,320.82	215,602.81	74,403.94	-
Depreciation and Amortization					
Total Operating Expenses	\$ 4,766,869.60	\$ 2,829,896.06	\$ 606,473.33	\$ 365,836.63	\$ -

Function	State Pass Thru Expense	Depreciation and Amortization	Bad Debt	Interest	Scholarships
Instruction	\$ -	\$ -	\$ -	\$ 0.41	\$ -
Research	-	-	-	-	-
Public Service	-	-	-	-	-
Academic Support	-	-	-	-	-
Student Services	-	-	-	-	-
Institutional Support	-	-	114,136.39	-	-
Operation and Maintenance of Plant Scholarships and Fellowships	-	-	-	-	5,836,892.03
Auxiliary Enterprises	-	-	135,580.80	-	-
Depreciation and Amortization		6,564,714.30			
Total Operating Expenses	\$ -	\$ 6,564,714.30	\$ 249,717.19	\$ 0.41	\$ 5,836,892.03

Function	Other Operating	Grand Total
Instruction	\$ 13,446,192.87	\$ 44,978,260.81
Research	85,961.97	860,158.48
Public Service	294,306.71	1,859,235.60
Academic Support	1,858,857.21	6,150,873.95
Student Services	436,614.15	4,433,620.29
Institutional Support	1,298,848.79	14,469,645.41
Operation and Maintenance of Plant Scholarships and Fellowships	406,405.69	7,250,321.18
Auxiliary Enterprises	818,016.52	5,836,892.03
Depreciation and Amortization		15,489,186.51
Total Operating Expenses	\$ 18,645,203.91	\$ 107,892,908.56



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

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Cash Flows from Operating Activities

Tuition and Fees	\$ 41,774,277.24
Grants and Contracts	10,739,683.87
Sales and Services of Auxiliary Enterprises	12,735,055.36
Other Sales and Services	1,052,868.03
Payments - Other Sales and Services	(336,679.18)
Collections for Loans Issued to Students	370,992.09
Payments - Aux. Sales & Services	(813,021.37)
Payments for Loans Issued to Students	(387,003.06)
Payments to Employees - Salaries	(46,375,600.46)
Payments to Employees - Benefits	(12,220,772.09)
Payments for Other Operating Activities	(42,531,303.34)
Net Cash Provided (Used) by Operating Activities	<u>(35,991,502.91)</u>

Cash Flows from Noncapital Financing Activities

State Appropriations	28,651,067.41
Noncapital Gifts	1,726,725.29
Noncapital Grants	10,493,798.52
Transfers to/from Other State Agencies:	
TTUS System Office	(255,931.00)
TTUS System Office - Legislative Transfer	(120,628.00)
TTU	(1,666.98)
TT Foundation, Inc	20,625.00
Texas B-On-Time	(525,091.59)
TPFA	(515,819.20)
Other Noncapital Financing Activities	(11,152,559.17)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>28,320,520.28</u>

Cash Flows from Capital and Related Financing Activities

Proceeds from Capital Debt Issuance	57,258,177.56
Capital Appropriations	3,743,027.00
Purchases of Capital Assets	(10,714,933.06)
Principal Paid on Capital Debt	(44,331,538.88)
Payments for Bond Issue Cost	(272,581.58)
Payments of Interest on Debt Issuance	(2,463,901.68)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>3,218,249.36</u>

Cash Flows from Investing Activities

Proceeds from Investment Sales and Maturities	7,385,381.61
Interest and Dividends Received	10,723,926.51
Purchases of Investments	(7,428,999.37)
Net Cash Provided by Investing Activities	<u>10,680,308.75</u>

TOTAL NET CASH FLOWS **\$ 6,227,575.48**

Beginning Cash and Cash Equivalents, September 1, 2011 31,817,569.58

Ending Cash and Cash Equivalents, August 31, 2012 \$ 38,045,145.06

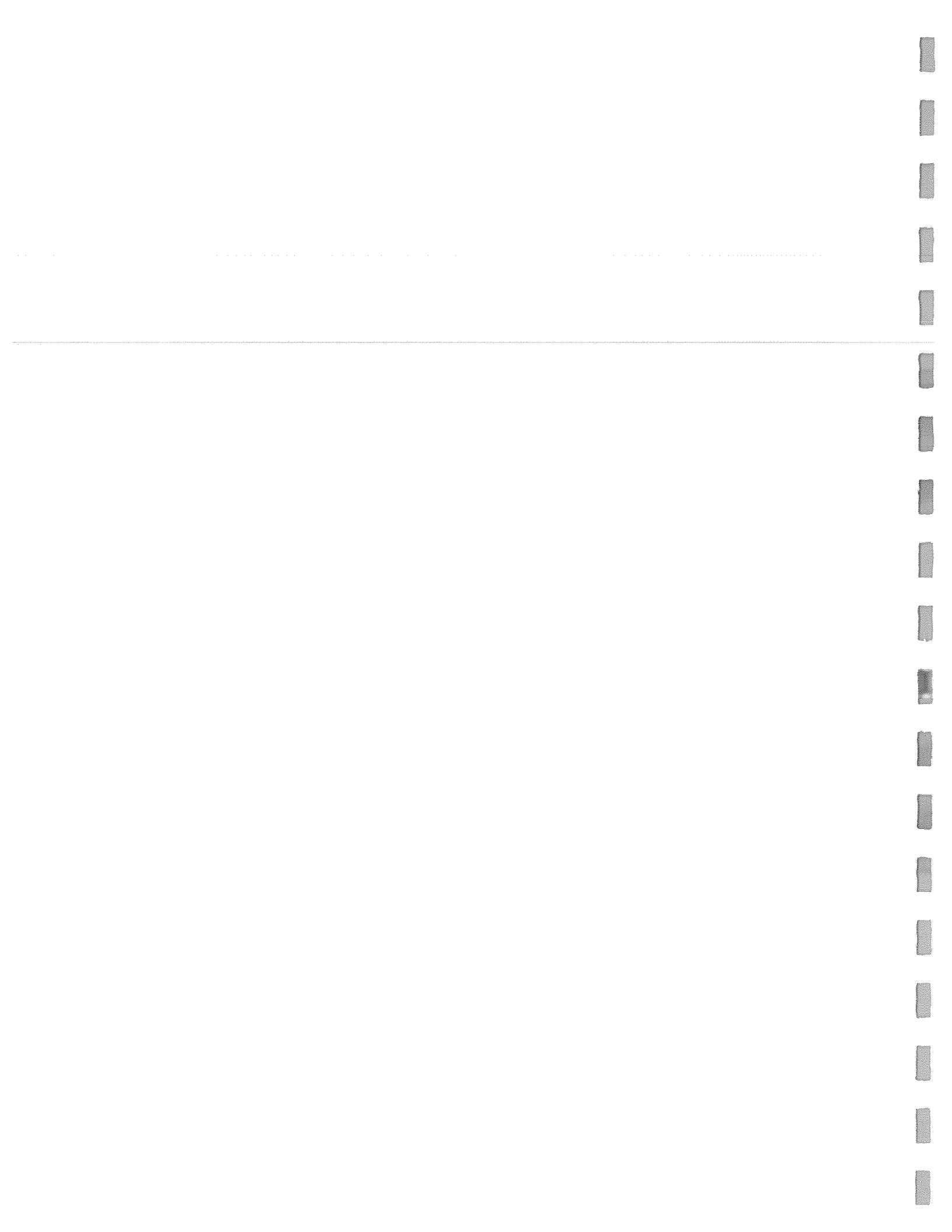
Reconciliation of Operating Income (Loss) to

Net Cash Provided (Used) by Operating Activities

Operating Income (Loss)	\$ (43,874,950.53)
Adjustments:	
Depreciation Expense	6,564,714.30
Bad Debt Expense	249,717.19
(Increase) Decrease in Accounts Receivables	(614,203.05)
Increase (Decrease) in Due from Other Agency	296,361.93
(Increase) Decrease in Loans and Notes Receivable	17,172.85
(Increase) Decrease in Inventory	42,196.48
(Increase) Decrease in Prepaid Expenses	453,335.77
Increase (Decrease) in Accounts Payable	(74,120.29)
Increase (Decrease) in Payrolls Payable	(556,695.85)
Increase (Decrease) in Due to Other Funds	(2,000.00)
Increase (Decrease) in Deferred Revenue	1,551,454.38
Increase (Decrease) in Compensable Leave	13,007.60
Increase (Decrease) in Other Liabilities	(57,493.69)
Net Cash Used for Operating Activities	<u>(35,991,502.91)</u>

Non-Cash Transactions

Donation of Capital Assets	\$ 13,000.00
Net Change in Fair Value of Investments	(2,013,673.82)
Disposal of Plant Facilities	(205,807.13)



ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2012

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.

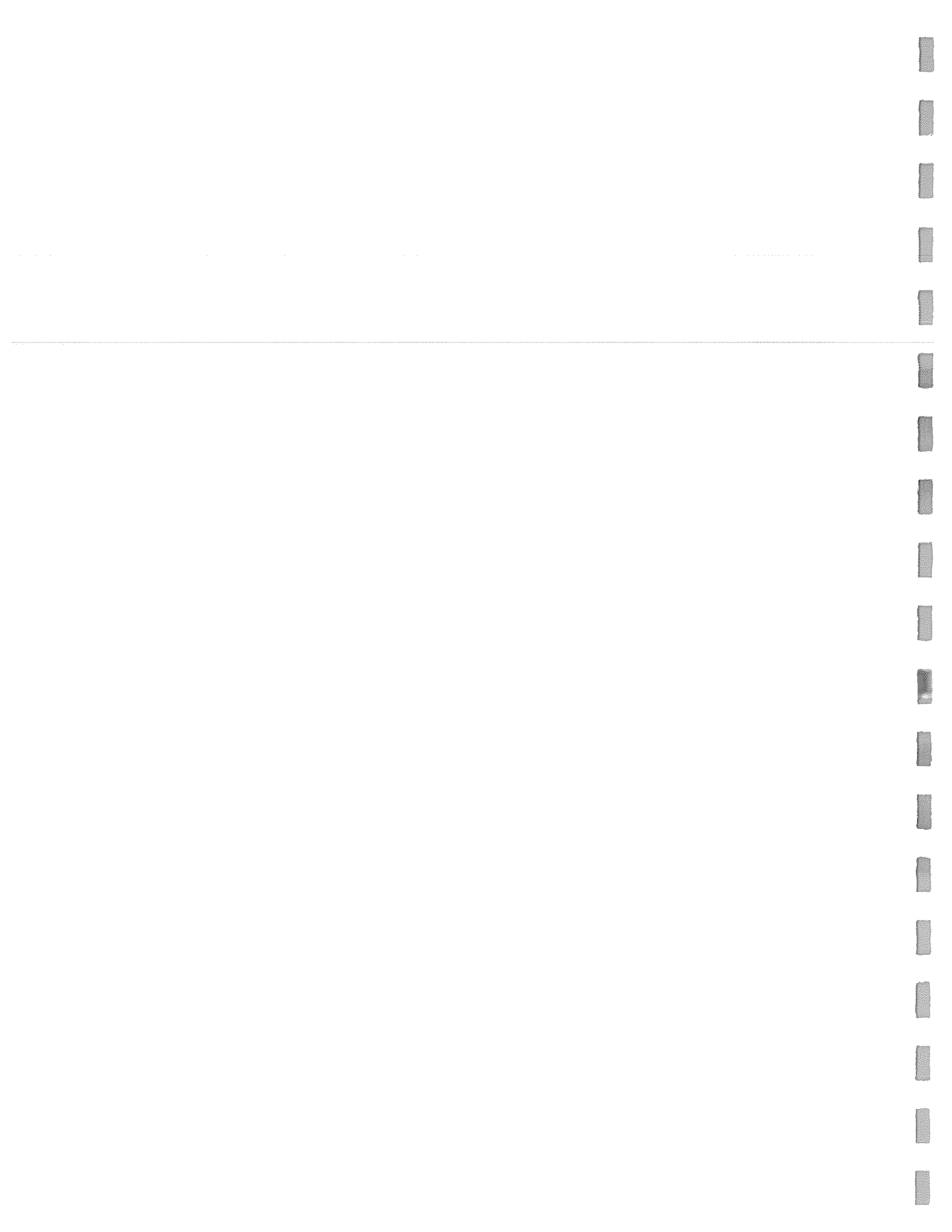
Basis of Accounting

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, 2012

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>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Cash on Hand	\$ 14,173.30	\$	\$ 14,173.30
Cash in Bank	6,253,726.87	(2,477,642.51)	3,776,084.36
Cash in State Treasury	879,129.71		879,129.71
Reimbursement Due from Treasury	3,286,737.37		3,286,737.37
TexPool	<u>28,318,300.52</u>	<u>1,770,719.80</u>	<u>30,089,020.32</u>
Total Cash and Cash Equivalents	\$ 38,752,067.77	\$ (706,922.71)	\$ 38,045,145.06

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.

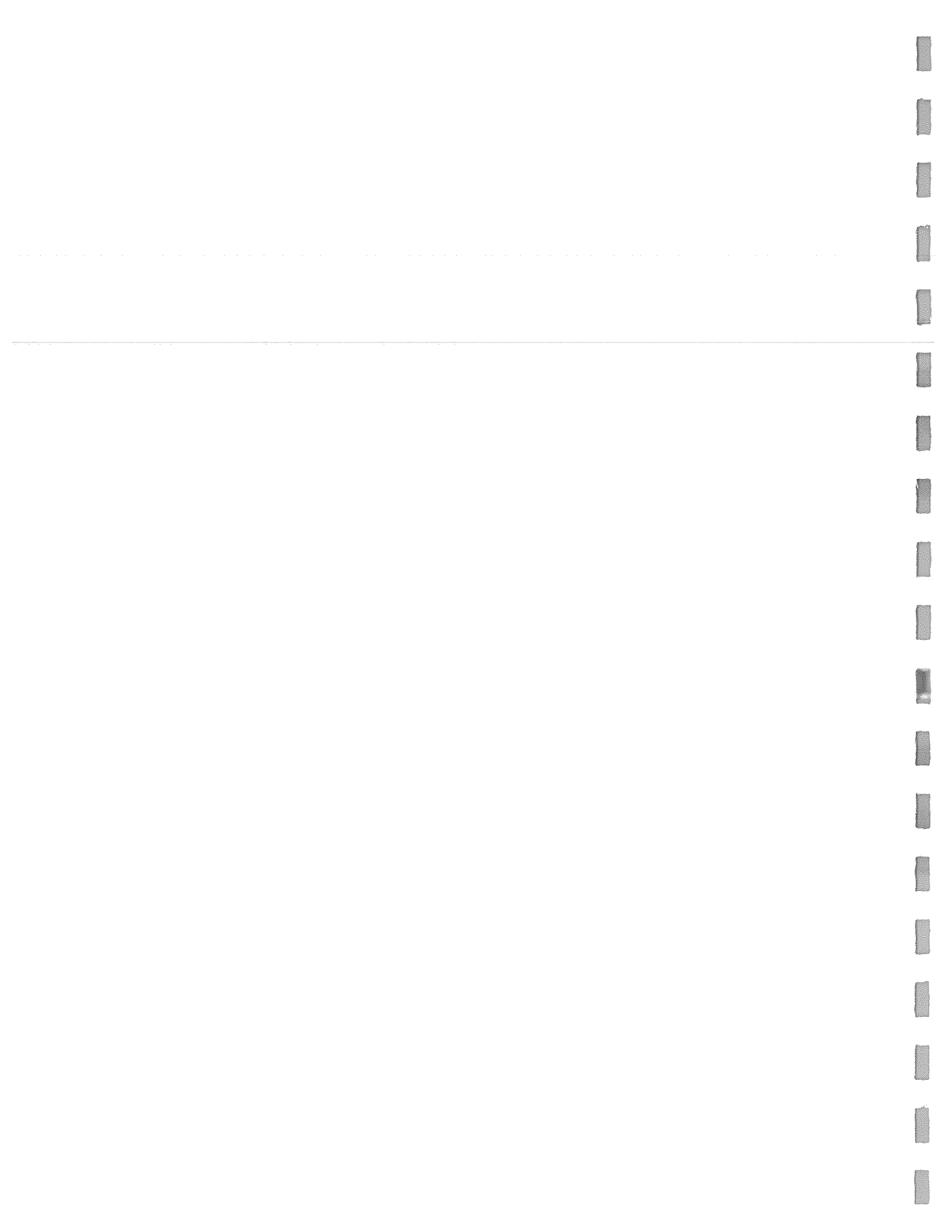
Inventories

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. 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.



ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2012

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.

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

ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2012

Bonds Payable

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

Notes and Loan Payable

The TTUSA's Revenue Financing System commercial paper program is comprised of variable rate demand notes with a maximum maturity of 270 days. The commercial paper rates ranged from .08% to .18%. The issuance of commercial paper notes may not exceed, in aggregate, the principal amount of \$150,000,000. In practice, the System rolls, pays off, and/or issues new commercial paper at each maturity. Commercial paper assists as interim funding until long term bonds are approved and issued or revenues and gifts are received to retire the debt.

Additional TTUSA Revenue Financing System Commercial Paper Notes, Series A in the amount \$13,744,299.00 were issued during the fiscal year to finance various Angelo State University capital projects and notes in the amount \$42,161,538.88 matured. The outstanding balance at August 31, 2012, is \$3,946,433.28 with an average interest rate of .12% for the outstanding issues. Fiscal year 2012 interest expense is based on an estimated rate of .30%; 2 year T Note. The Texas Tech University System will provide liquidity support for \$150,000,000 in commercial paper notes by utilizing available funds of the System in lieu of or in addition to bank liquidity support.

Summary of Debt Service Requirements to Maturity Year Ending August 31, 2012

2013	2014	2015	2016	2017	All Other Years	Total Requirements
\$ 3,946,433.28	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ 3,946,433.28

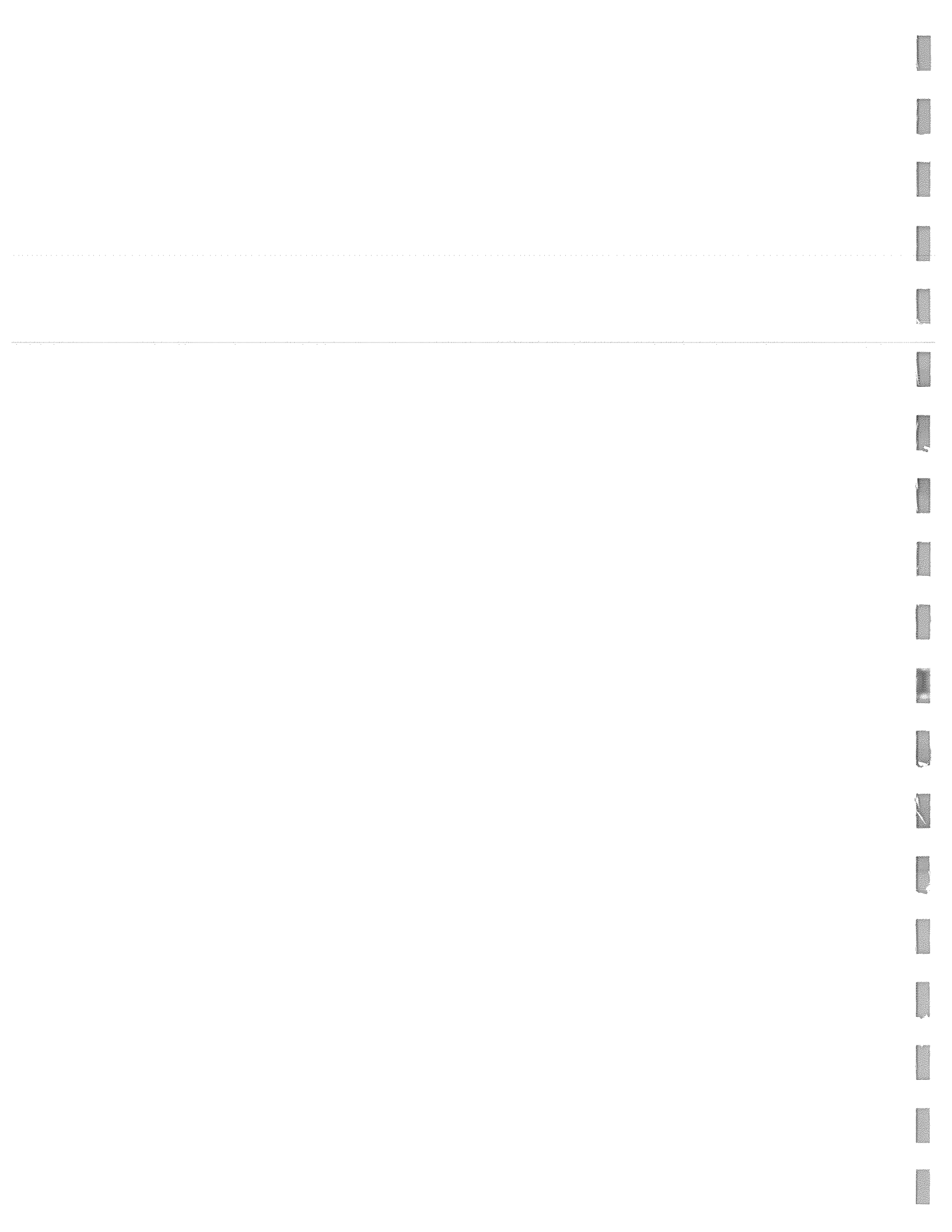
NOTE 6: Bonded Indebtedness

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

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

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

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



ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2012

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

Purpose:	For advanced refunding of ASU portion of Texas State University System TRB bonds and construction of Centennial Village.
Original Issue Amount:	\$35,630,000
Issue Date:	March 3, 2009
Interest Rates:	3.00% to 5.25% Maturity
Date Range:	2009 through 2038
Type of Bond:	Revenue
Changes in Debt:	\$0 issued, \$4,785,000 retired

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.

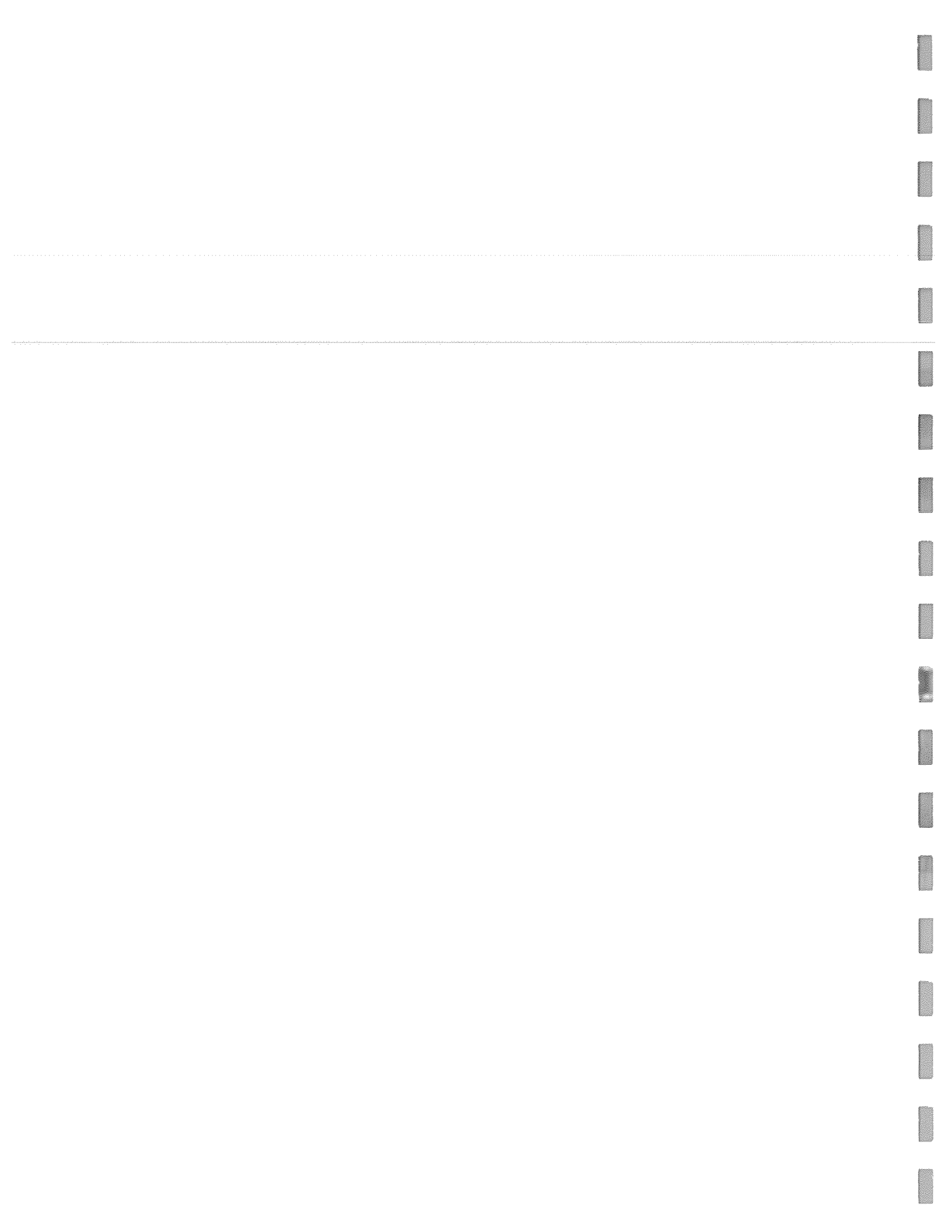
**Debt Service Requirements Attributable
To Angelo State University**

<u>Description</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
All Issues	2013	\$ 2,861,198.80	\$ 1,662,353.72	\$ 4,523,552.52
	2014	3,059,602.04	1,519,293.76	4,578,895.80
	2015	2,746,440.13	1,366,313.68	4,112,753.81
	2016-2020	11,374,833.30	4,841,034.14	16,215,867.44
	2021-2025	5,570,000.00	2,606,500.00	8,176,500.00
	2026-2030	4,425,000.00	1,488,000.00	5,913,000.00
	2031-2035	3,210,000.00	326,500.00	3,536,500.00
Totals		<u>\$ 33,247,074.27</u>	<u>\$ 13,809,995.30</u>	<u>\$ 47,057,069.57</u>

A portion of the debt represents Tuition Revenue Bonds historically funded by the Texas Legislature through General Revenue Appropriations. The institution was appropriated \$4,003,574 during the current fiscal year for Tuition Revenue Bond debt service. The institution expects future Legislative appropriations to meet debt service requirements for Tuition Revenue Bonds.

Pledged Future Revenues

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



ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2012

	Government Activities	Business-Type Activities	Component Units
Pledged Revenue Required for Future Principal and Interest on Existing Revenue Bonds		\$122,587,853.30	
Term of Commitment Year Ending 08/31		2041	
Percentage of Revenue Pledged		100.0%	
Current year Pledged Revenue		\$72,356,831.16	
Current year Principal and Interest Paid		\$4,609,963.91	
Pledged revenue sources:			
Business-type activities - Operating income from current unrestricted funds			

NOTE 7: Derivative Instruments

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 (PC) 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, 2012, with a reported value of \$1,123.92.

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 8: Leases

Section not applicable

NOTE 9: Pension Plans

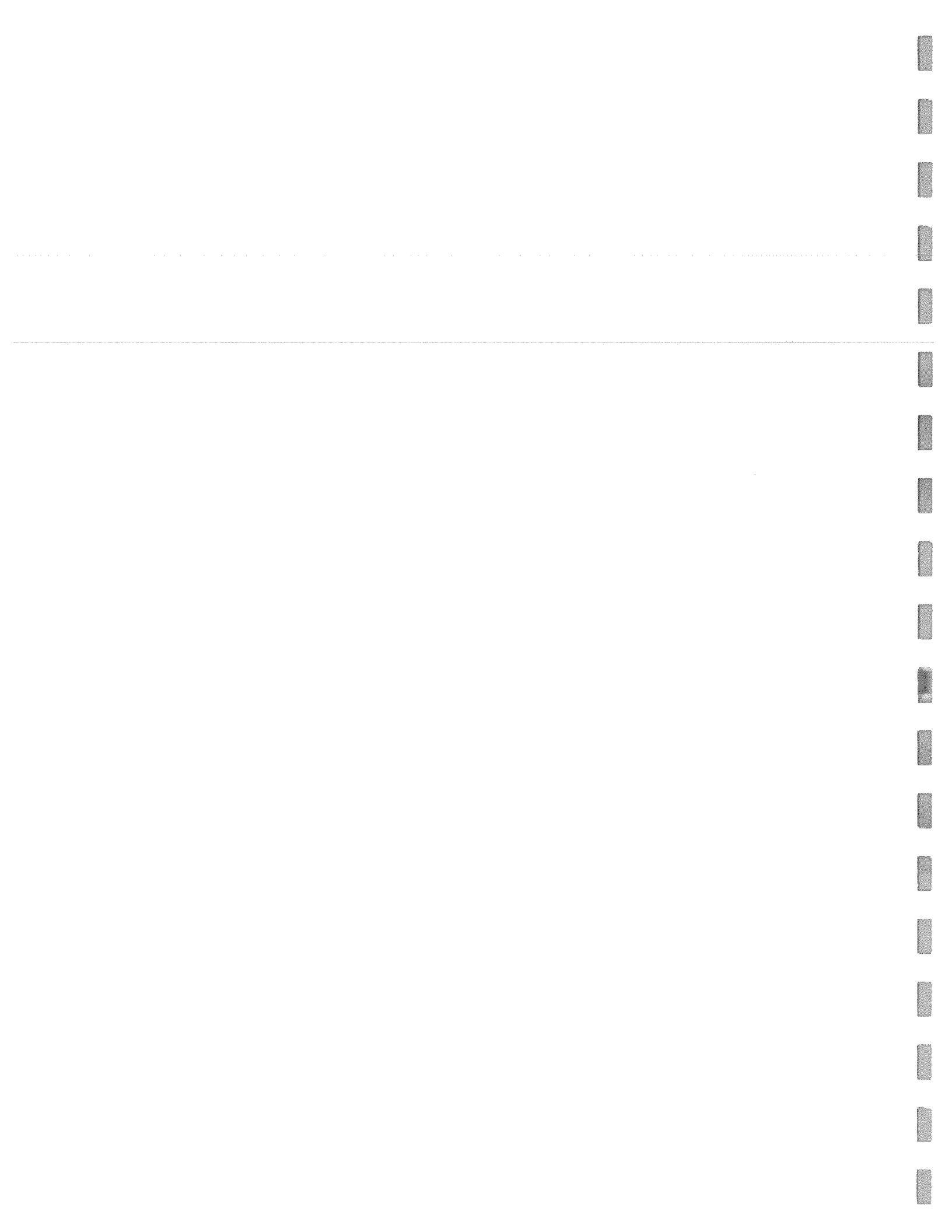
Section not applicable

NOTE 10: Deferred Compensation

Section not applicable

NOTE 11: Postemployment Health Care and Life Insurance Benefits

Section not applicable

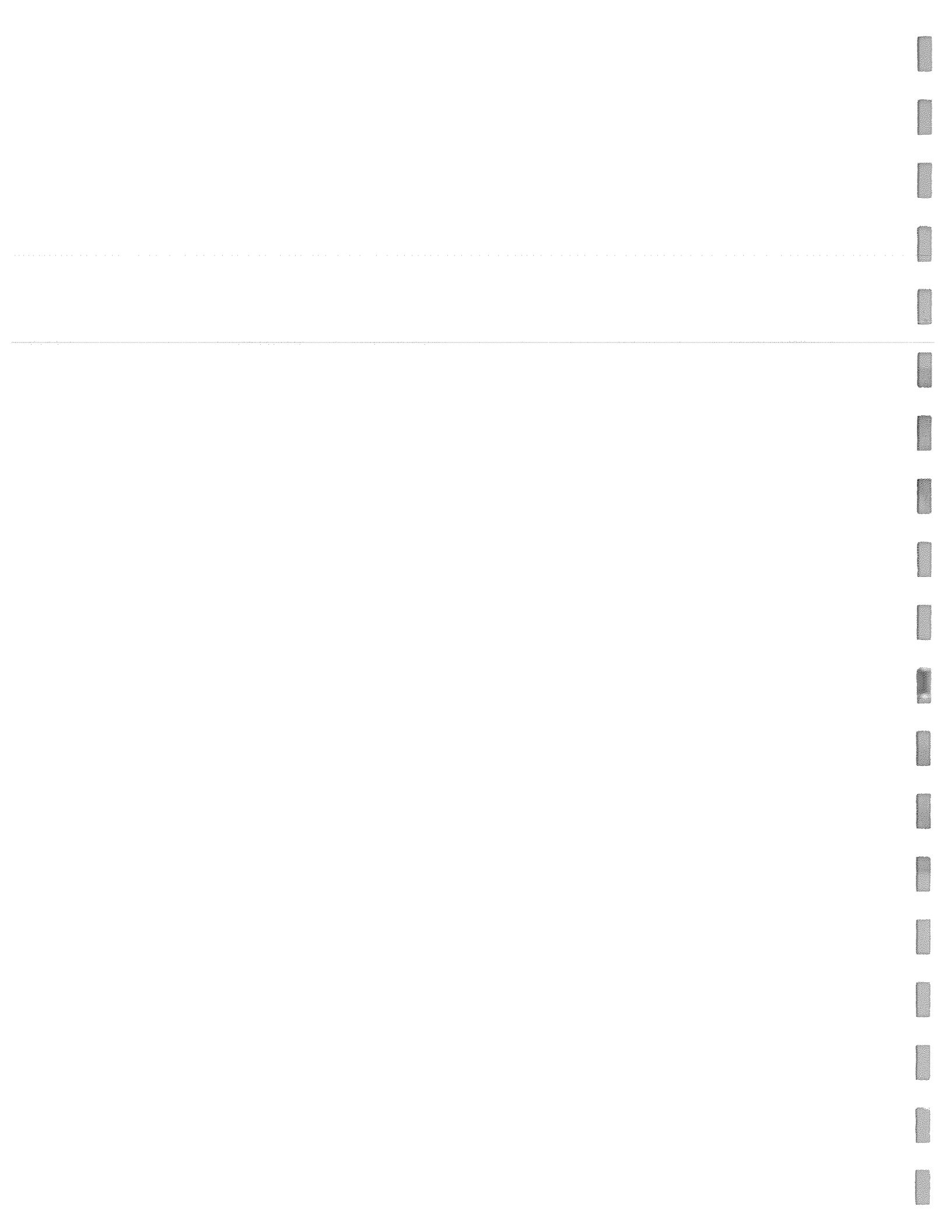


ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2012

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.

	<u>Current</u> <u>Interfund Receivable</u>	<u>Current</u> <u>Interfund Payable</u>	
Current Portion			
General Revenue (001)	\$	\$	
Total Interfund Receivable/Payable	\$ 0.00	\$ 0.00	
	<u>Non-Current</u> <u>Interfund Receivable</u>	<u>Non-Current</u> <u>Interfund Payable</u>	
Non-Current Portion			
General Revenue (001)	\$	\$	
Total Interfund Receivable/Payable	\$ 0.00	\$ 0.00	
	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>	
Institutional Funds (7999)			
Appd Fund 7999, D23 Fund 7999 (Agy 733, D23 Fund 7999) Texas Tech Univ	\$	\$ (1,666.98)	
Institutional Funds (7999)			
Appd Fund 7999, D23 Fund 7999 (Agy 758, D23 Fund 7999) Texas State Univ System		(2,184,733.67)	
Institutional Funds (7999)			
Appd Fund 7999, D23 Fund 7999 (Agy 768, D23 Fund 7999) Texas Tech Univ System		(255,931.00)	
Institutional Funds (7999)			
Appd Fund 7999, D23 Fund 7999 (Agy 768, D23 Fund 7999) Texas Tech Foundation, Inc	20,625.00		
General Revenue (5103)			
Appd Fund 5103, D23 Fund 5103 (Agency 781, D23 Fund 5103) THECB		(525,091.59)	
Institutional Funds (7999)			
Appd Fund 7999, D23 Fund 7999 (Agy 347, D23 Fund 7999) Texas Pub Fin Auth		(515,819.20)	
	\$ 20,625.00	\$ (3,483,242.44)	
	<u>Legislative</u> <u>TRANSFERS IN</u>	<u>Legislative</u> <u>TRANSFERS OUT</u>	
General Revenue (001)			
Appd Fund 0001, D23 Fund 0001 (Agency 758, D23 Fund 0001) Texas State Univ System	\$	\$ (2,919,683.08)	
General Revenue (001)			
Appd Fund 0001, D23 Fund 0001 (Agency 768, D23 Fund 7999) Texas Tech Univ System		(120,628.00)	
Total Legislative Transfers	\$ 0.00	\$ (3,040,311.08)	
	<u>Due From</u> <u>Other Agencies</u>	<u>Due From</u> <u>Other Component</u>	<u>Due To</u> <u>Other Agencies</u>
Institutional Funds (7999)			
Appd Fund 7999, D23 Fund 7999 (Agy 542, D23 Fund 7639) CPRIT	\$ 52,193.05	\$	\$
Institutional Funds (7999)			
Appd Fund 7999, D23 Fund 7999 (Agy 733, D23 Fund 9999) Texas Tech University		7,082.72	
Institutional Funds (7999)			
Appd Fund 7999, D23 Fund 7999 (Agy 781, D23 Fund 0001) THECB	83,908.89		0.00
Total Due From/To Other Agencies	\$ 136,101.94	\$ 7,082.72	\$ 0.00



ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2012

NOTE 13: Continuance Subject To Review

Section not applicable

NOTE 14: Adjustments to Fund Balances and Net Assets

Section not applicable

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

At August 31, 2012, 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

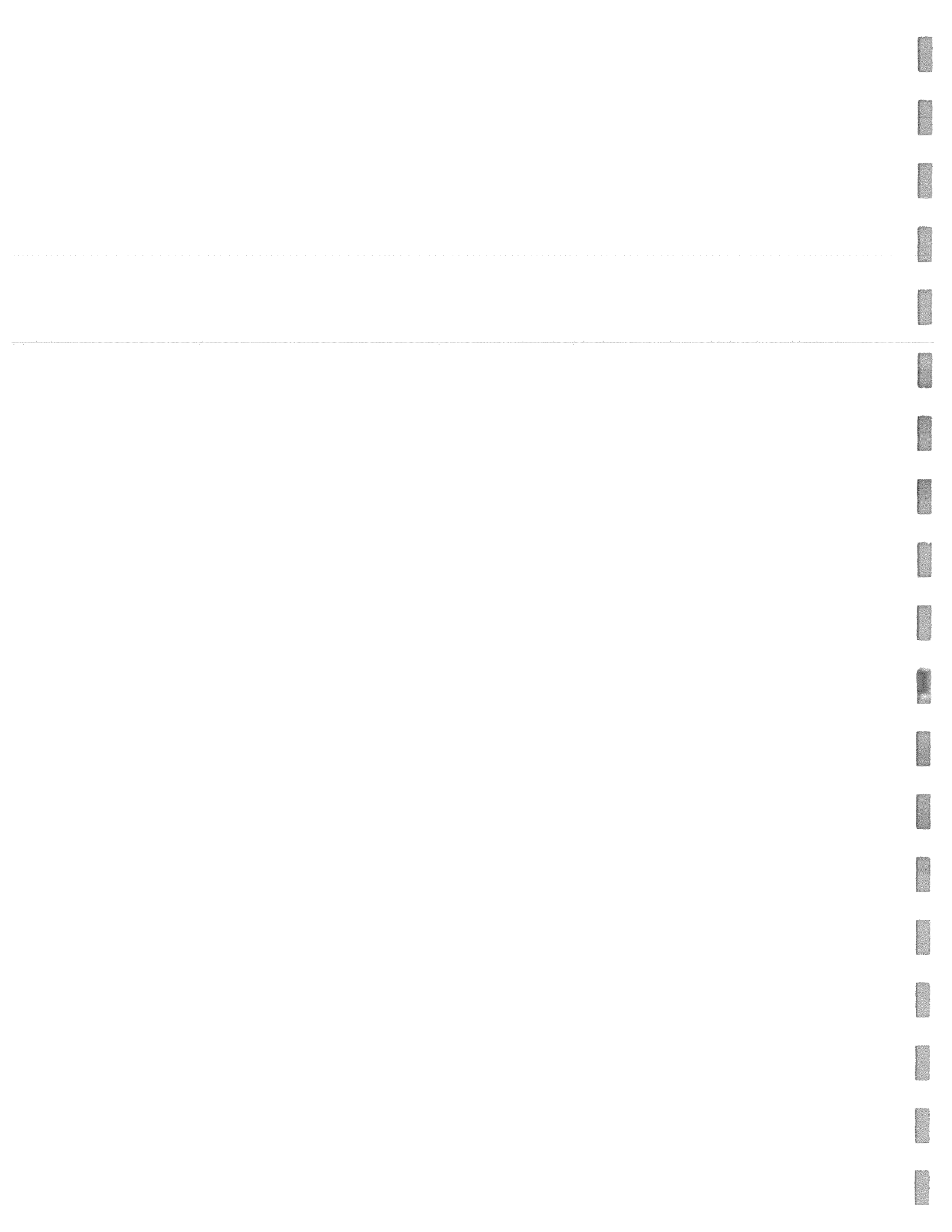
NOTE 17: Risk Management

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, 2012.

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 2012 totaled \$88,038.48. The State Office of Risk Management pays all WCI claims. The Worker's Compensation pool for the fiscal year was funded by a .25 percent charge on non-educational and general gross payroll for paying its proportionate share of the SORM assessment.

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

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



ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2012

NOTE 18: Management Discussion and Analysis

Section not applicable

NOTE 19: The Financial Reporting Entity

Houston Harte Foundation Available

The Houston Harte Foundation is a non-profit organization with the sole purpose of supporting educational and other activities of the University. The assets of the foundation were managed under a Fiduciary Agreement by the Wells Fargo Bank, San Angelo, Texas. The Foundation remitted unrestricted gifts of \$35,000.00 to the University during the year ended August 31, 2012. Since the assets were managed externally, the Foundation does not have any employees. The only services provided by the University are the keeping of the minutes.

In September 2011, the Foundation began the process of dissolving its assets and distributing those assets to the ASU Foundation, Inc. for the use and benefit of Angelo State University. The dissolution was completed in June of 2012 and \$ 2,389,156.54 in assets were distributed to the ASU Foundation, Inc.

Robert A 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.

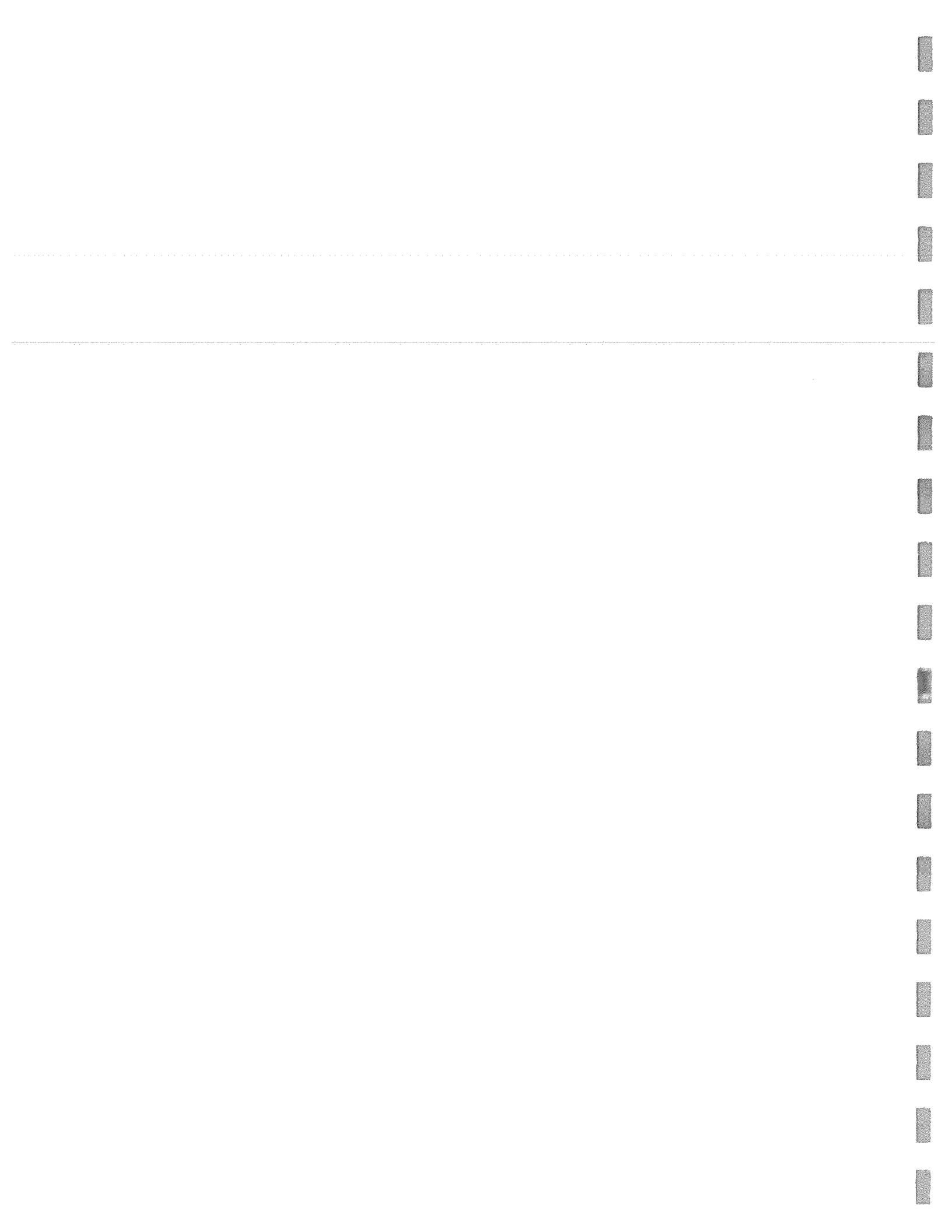
On September 1, 1989 the Nona K. Carr Estate transferred certain assets totaling \$5,098,287.68 to the Board of Regents, Texas State University System, trustees of the Robert G. Carr and Nona K. Carr Scholarship Fund that was established for the benefit of Angelo State University under provision of the 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 2012 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 \$95,177,582.77 and realized an appreciation on investments of \$1,879,049.97. During the 2012 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 \$7,385,381.61.

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

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

The LTIF spending distribution is transferred to the Angelo State University Robert G. Carr and Nona K. Carr Scholarship and expense funds. During the 2012 fiscal year, the spending distribution received from the investment agent totaled \$4,751,876.96. Of this amount, \$325,000.00 was transferred by the



ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2012

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 2012 fiscal year totaled \$342,808.66. \$4,424,666.79 was transferred to the Angelo State University Robert G. Carr and Nona K. Carr Scholarship Foundation Account. Depository interest of \$2,210.17 was transferred. During the 2012 fiscal year, the scholarship account earned interest totaling \$14.23.

Total scholarships awarded prior to the 2012 fiscal year amounted to \$69,709,265.50. During the 2012 fiscal year, scholarship awards amounted to \$5,971,139.13. It is estimated that the amount of annual scholarship awards from the scholarship fund will total \$4,500,000.00 in fiscal year 2013.

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 \$0 to the University during the 2012 fiscal year for operation of the Alumni office. The University paid \$55,459.28 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 \$119,334.85 on behalf of the University during the year ended August 31, 2012. During the year the University furnished limited staff assistance to the association.

NOTE 20: Stewardship, Compliance and Accountability

Section not applicable

NOTE 21: N/A

NOTE 22: Donor Restricted Endowments

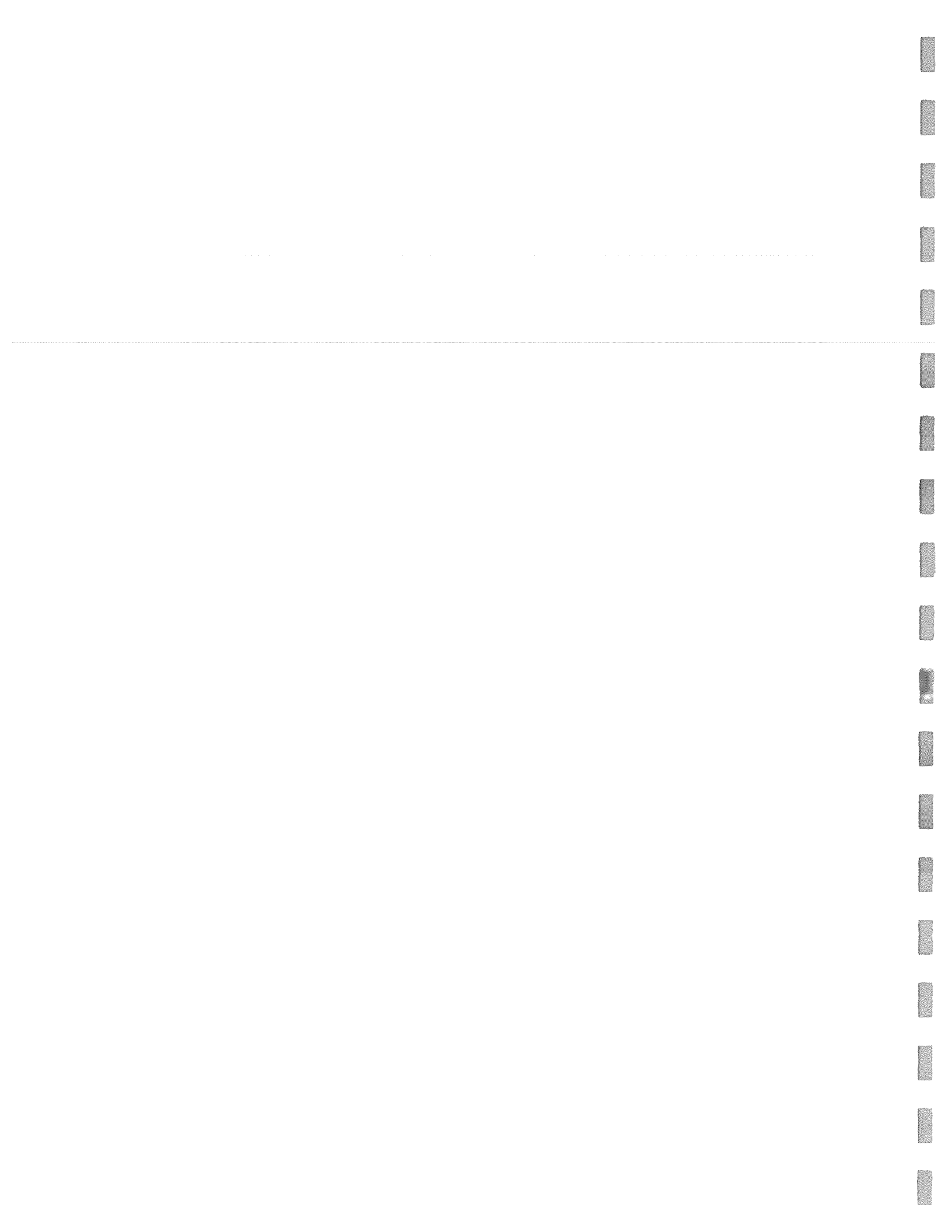
Expenditure of endowed funds is not allowed without the express consent of the donor. Most of Angelo State University's endowments are held in perpetuity. In many cases, endowment earnings are expendable for student financial assistance or other purposes as designated by the donor. In other cases, endowment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

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

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

NOTE 23: Extraordinary and Special Items

Section not applicable



ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2012

NOTE 24: Disaggregation of Receivable and Payable Balances

A. Federal Receivable

<u>Federal Receivable Program</u>	<u>Amount</u>
Other Instructional & Departmental	\$ 5,422,337.32
Research	23,860.78
Public Services	10,232.58
Other Non-Current Funds	15,473,349.00
Total Net Federal Receivable	\$ 20,929,779.68

As Reported on the Financial Statements

Current Federal Receivable	\$ 5,456,430.68
Noncurrent Federal Receivable	15,473,349.00
Total Net Federal Receivable	\$ 20,929,779.68

B. Other Liabilities - Current

<u>Type</u>	
Deposits from Students	\$ 4,810.00
	<u>\$ 4,810.00</u>

C. Other Liabilities - Non-Current

<u>Type</u>	
U.S. Government Grants Refundable	\$ 466,874.87
	<u>\$ 466,874.87</u>

NOTE 25: Termination Benefits

Section not applicable

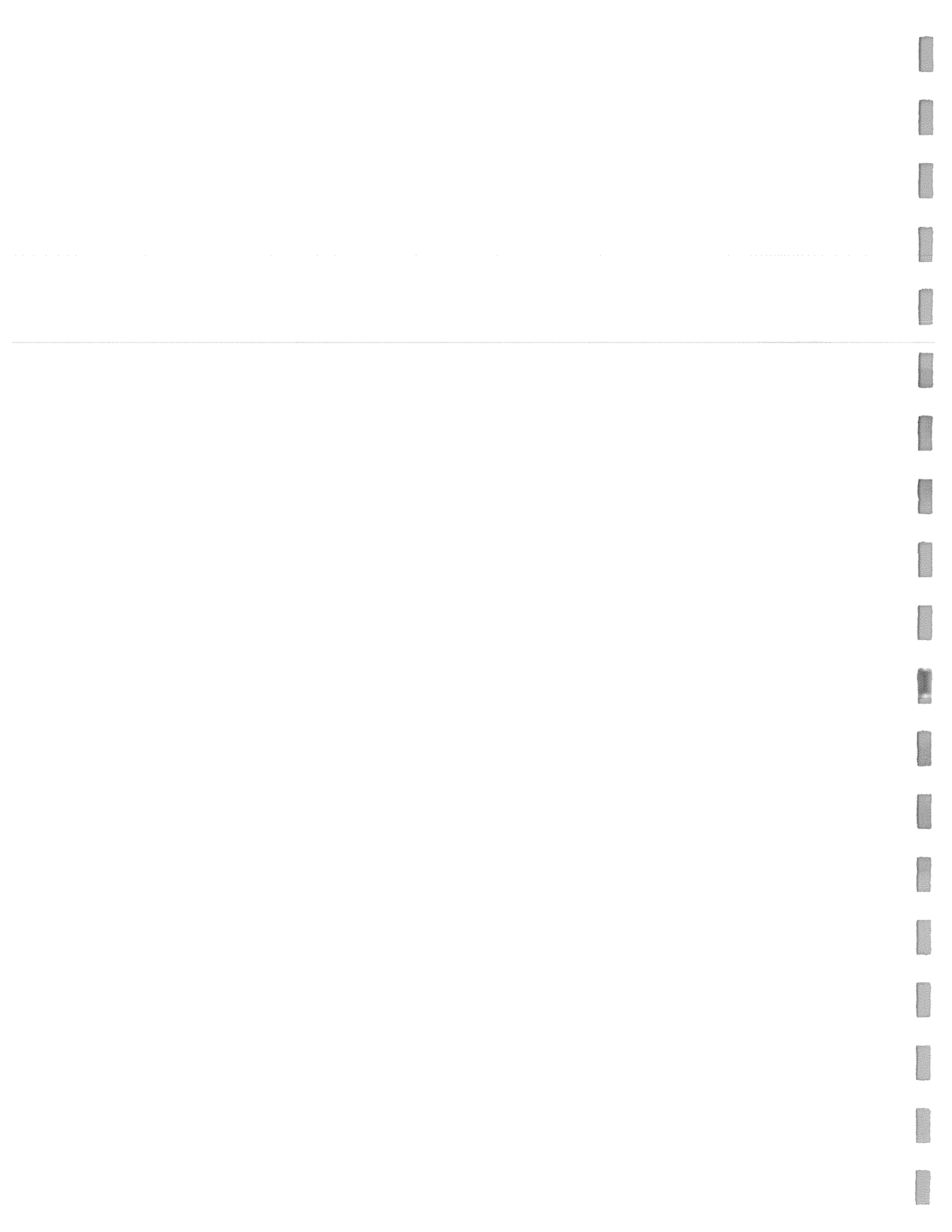
NOTE 26: Segment Information

Section not applicable

Angelo State University
Schedule IA - Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2012

Federal Grantor/Pass-Through Grantor/ Program Title	CFDA Number	Identifying #	Agy/Univ #	Pass-Through From		Direct Program Amount
				Agy/Univ Amount	Non-State Entity Amount	
U.S. Department of Defense						
<u>Direct Program:</u>						
Center for Security Studies	12.000	2713				1,496,565.25
Total Department of Defense						1,496,565.25
U.S. Department of Justice						
<u>Pass-Through From:</u>						
Office of the Governor						
Bulletproof Vest Program	16.607	10617	300	3,933.21		
Total Department of Justice				3,933.21		
U. S. Small Business Administration						
<u>Pass-Through From:</u>						
University of Texas San Antonio						
Small Business Development Center	59.037	12557/12559	743	119,541.39		
Total U. S. Small Business Administration				119,541.39		
U. S. Department of Education						
<u>Direct Program:</u>						
Title V - Hispanic Serving Institute	84.031	2716				717,119.46
Title III - H.S.I. STEM	84.031	2718				768,310.43
Pearl of the Concho Writing	84.928	2712				918.80
<u>Pass-Through From:</u>						
Texas Higher Education Coordinating Board						
Teacher Quality	84.367	2765/2772/2779	781	166,616.39		
Total U.S. Department of Education				166,616.39		1,486,348.69
Dept. of Health & Human Services						
<u>Direct Program:</u>						
Nurse Traineeships	93.358	2715				18,150.00
Total Dept. of Health & Human Services						18,150.00
Research & Development Cluster						
U.S. Department of Agriculture						
<u>Pass-Through From:</u>						
Kansas State University						
USDA Subaward-Antibiotic Resistance	10.303	2775			17,047.85	
<u>Pass-Through From:</u>						
Louisiana State University						
Agriculture and Food Research Initiative	10.310	2773			2,224.19	
Total U.S. Department of Agriculture					19,272.04	
U.S. Department of Defense						
<u>Pass-Through From:</u>						
Texas State University - San Marcos						
Heterofunctional Materials - Army	12.431	2778	754	1,221.33		
Total U. S. Department of Defense				1,221.33		
National Science Foundation						
<u>Pass-Through From:</u>						
North Carolina A&T University						
Ogallala Aquifer Research	47.075	2768			15,668.88	
<u>Direct Program:</u>						
PIER Satterfield	47.050	2717				69,639.44
Ammerman National History Collection	47.074	2719				85,431.19
<u>Pass-Through From:</u>						
Texas Tech University						
West Texas Middle School	47.076	2771	733	181,261.27		
Total National Science Foundation				181,261.27	15,668.88	155,070.63
U.S. Department of Health and Human Services						
<u>Direct Program:</u>						
ARRA: NIH NIDA	93.701	2714				27,751.81
Total U.S. Department of Health and Human Services						27,751.81
Statewide Data Systems Cluster						
U. S. Department of Education						
<u>Pass-Through From:</u>						
Statewide Data Systems	84.372	10853	781	2,000.00		
Total U.S. Department of Education				2,000.00		
Student Financial Assistance Cluster						
U. S. Department of Education						
<u>Direct Program:</u>						
Federal Supplemental Educational Opportunity	84.007					112,870.50
Federal Work-Study Program	84.033					139,793.23
Federal Perkins Loan Program	84.038					4,500.00
Federal Pell Grant Program	84.063					10,485,567.52
Federal Direct Student Loans	84.268					35,267,238.00
Academic Competitiveness Grants	84.375					12,497.00
Federal TEACH Grant	84.379					8,000.00
Total U. S. Department of Education						46,030,466.25
Dept. of Health & Human Services						
<u>Direct Program:</u>						
Nurse Faculty Loan Program	93.264	7680				8,231.00
Total Dept. of Health & Human Services						8,231.00
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 474,573.59	\$ 34,940.92	\$ 49,222,583.63

Total Pass-Thru From & Direct Program	Pass-Through To		Expenditures Amount	Total PT to and Expenditures
	Agy #/ Univ. #	State Agy. or Univ. Amount		
<u>1,496,565.25</u> <u>1,496,565.25</u>			<u>1,496,565.25</u> <u>1,496,565.25</u>	<u>1,496,565.25</u> <u>1,496,565.25</u>
<u>3,933.21</u> <u>3,933.21</u>			<u>3,933.21</u> <u>3,933.21</u>	<u>3,933.21</u> <u>3,933.21</u>
<u>119,541.39</u> <u>119,541.39</u>			<u>119,541.39</u> <u>119,541.39</u>	<u>119,541.39</u> <u>119,541.39</u>
717,119.46 768,310.43 918.80			717,119.46 768,310.43 918.80	717,119.46 768,310.43 918.80
<u>166,616.39</u> <u>1,652,965.08</u>			<u>166,616.39</u> <u>1,652,965.08</u>	<u>166,616.39</u> <u>1,652,965.08</u>
<u>18,150.00</u> <u>18,150.00</u>			<u>18,150.00</u> <u>18,150.00</u>	<u>18,150.00</u> <u>18,150.00</u>
17,047.85			17,047.85	17,047.85
<u>2,224.19</u> <u>19,272.04</u>			<u>2,224.19</u> <u>19,272.04</u>	<u>2,224.19</u> <u>19,272.04</u>
<u>1,221.33</u> <u>1,221.33</u>			<u>1,221.33</u> <u>1,221.33</u>	<u>1,221.33</u> <u>1,221.33</u>
15,668.88 69,639.44 85,431.19			15,668.88 69,639.44 85,431.19	15,668.88 69,639.44 85,431.19
<u>181,261.27</u> <u>352,000.78</u>			<u>181,261.27</u> <u>352,000.78</u>	<u>181,261.27</u> <u>352,000.78</u>
<u>27,751.81</u> <u>27,751.81</u>			<u>27,751.81</u> <u>27,751.81</u>	<u>27,751.81</u> <u>27,751.81</u>
<u>2,000.00</u> <u>2,000.00</u>			<u>2,000.00</u> <u>2,000.00</u>	<u>2,000.00</u> <u>2,000.00</u>
112,870.50 139,793.23 4,500.00 10,485,567.52 35,267,238.00 12,497.00 8,000.00 46,030,466.25			112,870.50 139,793.23 4,500.00 10,485,567.52 35,267,238.00 12,497.00 8,000.00 46,030,466.25	112,870.50 139,793.23 4,500.00 10,485,567.52 35,267,238.00 12,497.00 8,000.00 46,030,466.25
<u>8,231.00</u> <u>8,231.00</u>			<u>8,231.00</u> <u>8,231.00</u>	<u>8,231.00</u> <u>8,231.00</u>
<u>\$ 49,732,098.14</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 49,732,098.14</u>	<u>\$ 49,732,098.14</u>



Angelo State University
 Schedule IA - Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2012

Note 2: Reconciliation:

Federal Revenues - per Statement of Combined Revenues, Expenses and Net Assets:

Federal Revenue-Operating	\$	3,491,988.03
Federal Revenue-Non-Operating		10,485,567.52
Federal Pass-Through - Operating		474,573.59
Federal Pass-Through - Non-Operating		
Subtotal		<u>14,452,129.14</u>

ADD:

New Loans Processed:

Federal Perkins Loan Program	4,500.00
Federal Direct Student Loan	35,267,238.00
Nurse Faculty Loan Program	8,231.00

Total Pass-Through & Expenditures Per Federal Schedule	\$	<u><u>49,732,098.14</u></u>
--	----	-----------------------------

Note 3: Student Loans Processed & Administrative Costs Recovered

Federal Grantor/ CFDA Number/Program Name	New Loans Processed	Admin. Costs Recovered	Total Loans Processed & Admin. Costs Recovered	Ending Balances of Previous Year's Loans
<i>U.S. Department of Education</i>				
84.038 Federal Perkins Loan Program	4,500.00		4,500.00	
84.268 Federal Direct Student Loans	35,267,238.00		35,267,238.00	
93.264 Nurse Faculty Loan Program	8,231.00		8,231.00	130,754.02
Total Department of Education	\$ <u>35,279,969.00</u>	\$ <u>0.00</u>	\$ <u>35,279,969.00</u>	\$ <u>130,754.02</u>

Perkins loans are outsourced to ECSI.

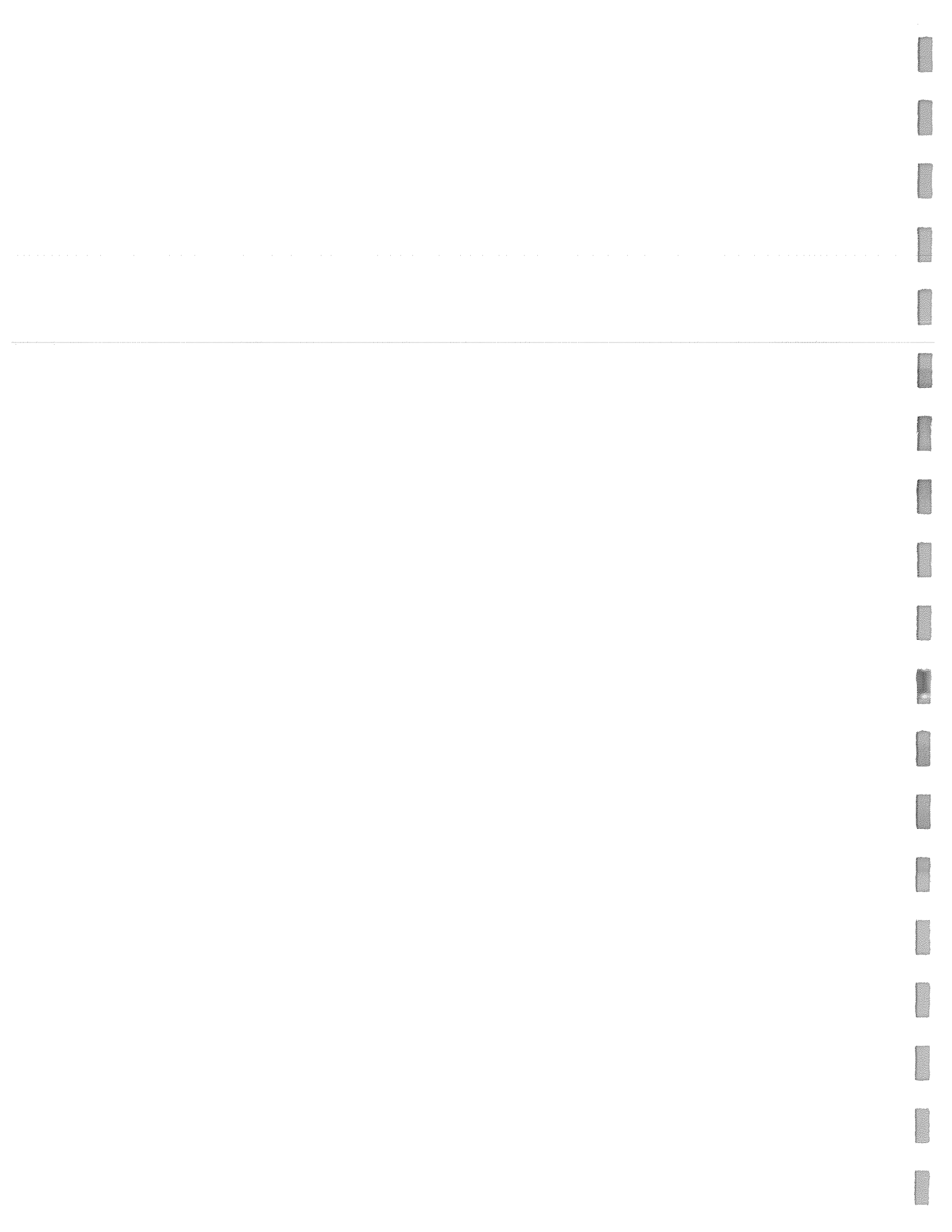
Note 4: Government Publications

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

Note 7: Federal Deferred Revenue

CFDA	Balance 9-1-11	Net Change	Balance 8-31-12
84.367	-	20,000.00	20,000.00
84.928	13,524.36	(837.60)	12,686.76
	<u>13,524.36</u>	<u>19,162.40</u>	<u>32,686.76</u>

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

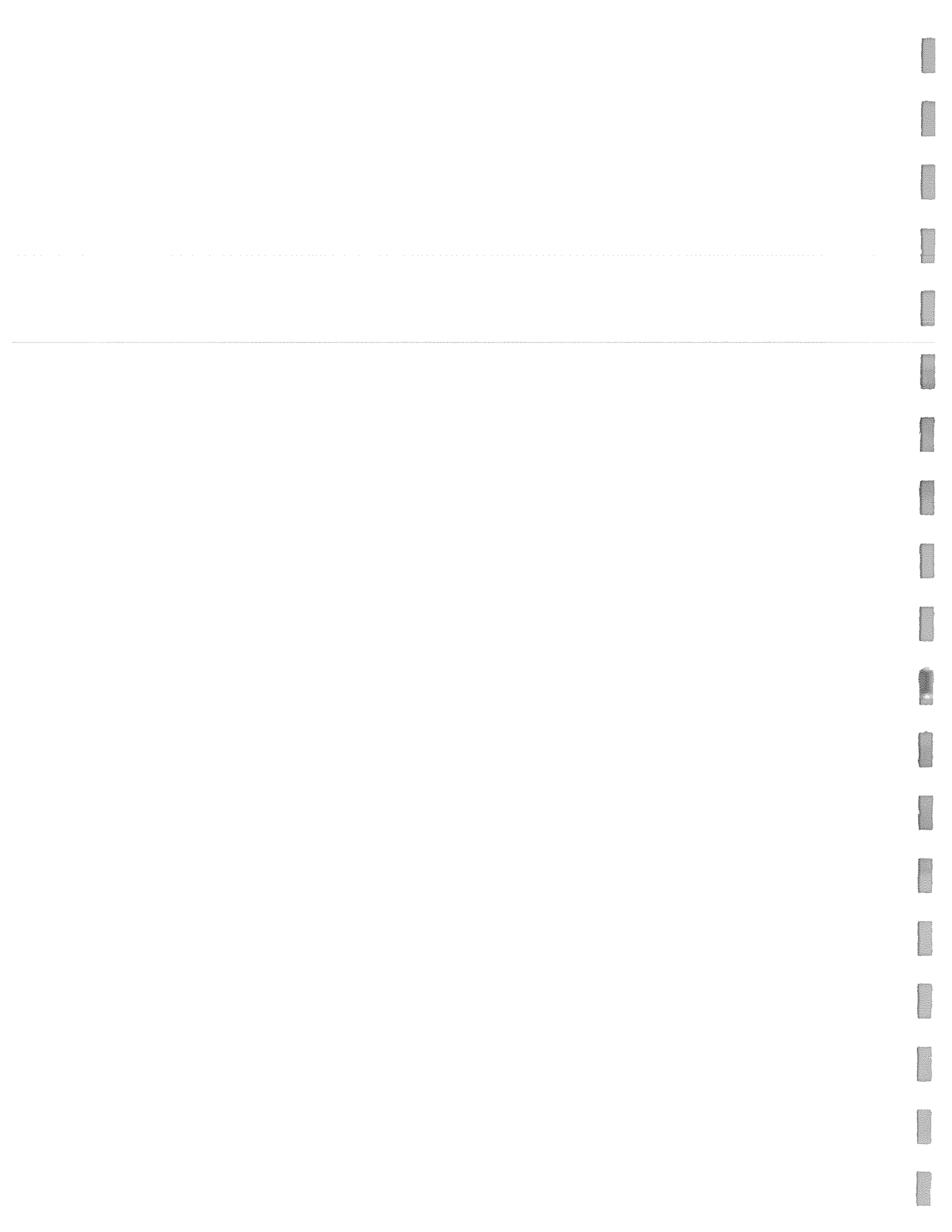


UNAUDITED

Angelo State University
 Schedule 1B - Schedule of State Grant Pass Throughs From/To State Agencies
 For the Fiscal Year Ended August 31, 2012

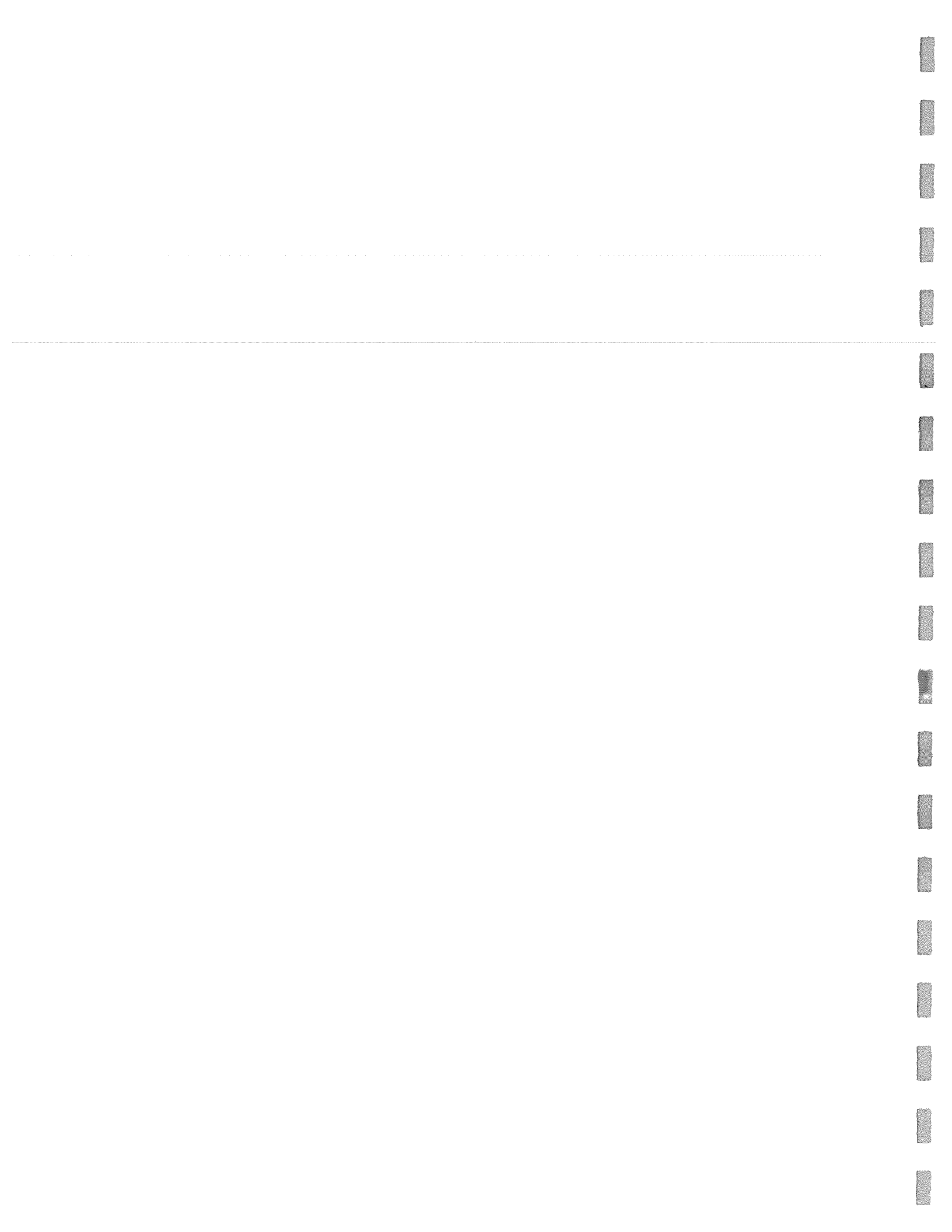
Pass Through From:

Cancer Prevention and Research Institute of Texas (Agy #542) CPRIT ABC 4 WT	\$ 58,366.99
University of Texas System (Agy #720) Joint Admissions Medical Program	2,793.81
Texas Higher Education Coordinating Board (Agy #781)	
Texas Grants	4,164,110.00
Professional Nursing Shortage Reduction Program	413,814.00
College Work Study Program	75,113.11
Top 10% Scholarship	262,000.00
Combat Exemption Program SB297	(350.00)
Early High School Program HB1479	22,178.50
Certified Educational Aide Program	<u>1,443.31</u>
 Total Pass Through From Other Agencies (Exh. II)	 \$ <u><u>4,999,469.72</u></u>



Angelo State University
 Schedule 2A - Miscellaneous Bond Information
 For the Fiscal Year Ended August 31, 2012

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

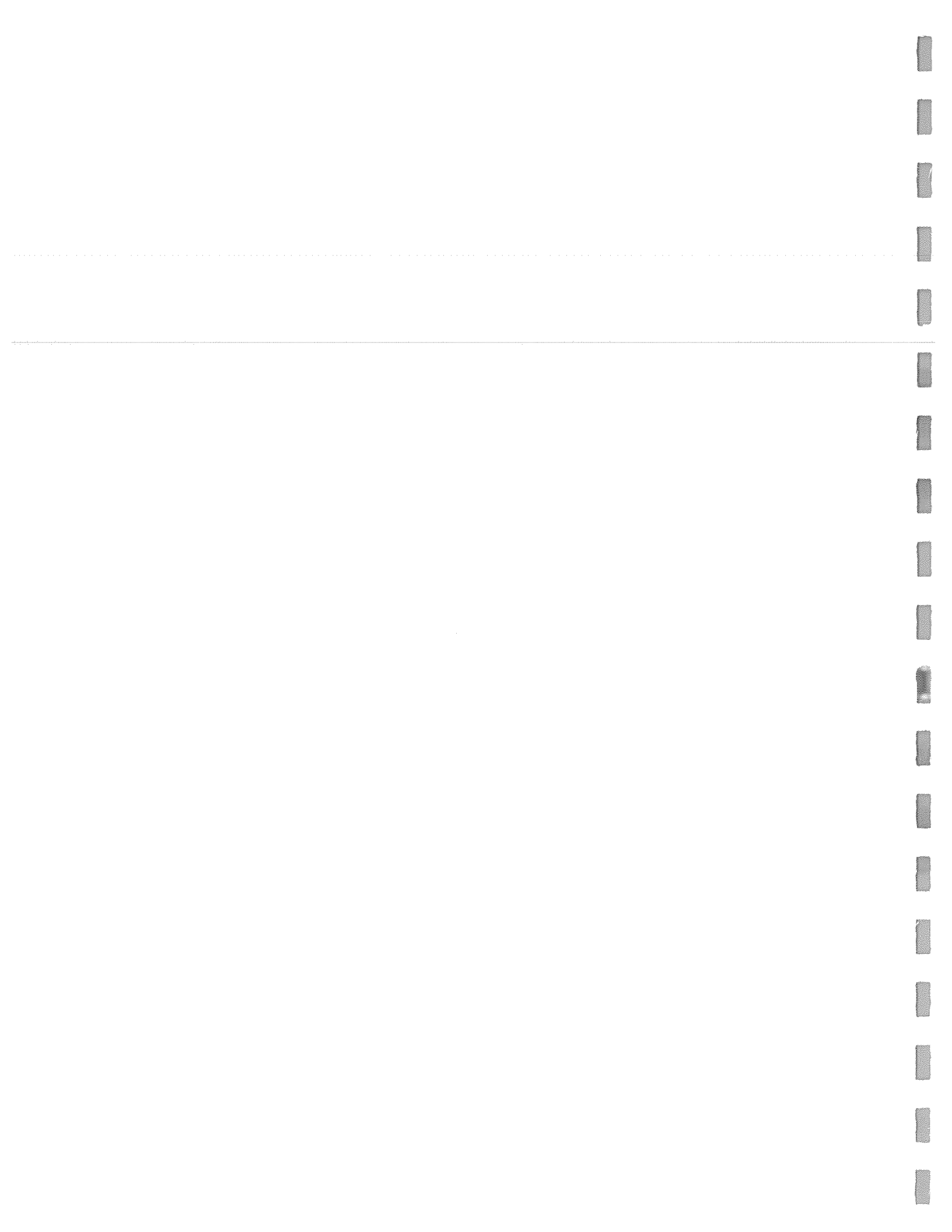


Angelo State University
 Schedule 2B - Changes in Bonded Indebtedness
 For the Year Ended August 31, 2012

Description of Issue	Bonds Outstanding 9-1-11	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8-31-12
Revenue Bonds					
Rev Fin Sys Ref & Imp Bds 12th Ser '09	\$ 32,160,000.00	\$	\$ 1,405,000.00	\$	\$ 30,755,000.00
Rev Fin Sys Ref & Imp Bds 14th Ser '12A		39,370,000.00	765,000.00		38,605,000.00
TOTAL	<u>\$ 32,160,000.00</u>	<u>\$ 39,370,000.00</u>	<u>\$ 2,170,000.00</u>	<u>\$ 0.00</u>	<u>\$ 69,360,000.00</u>

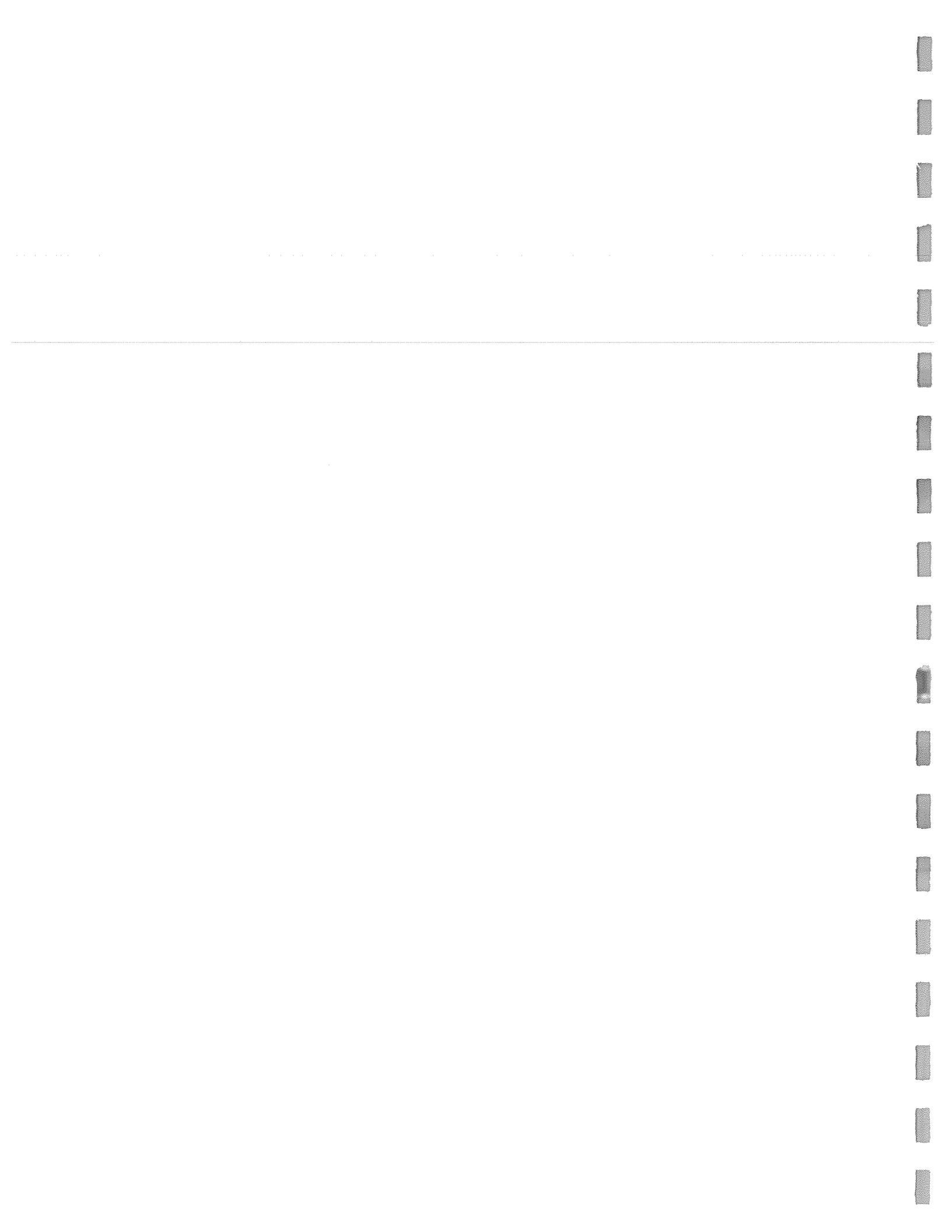
	Unamortized Premium	Net Bonds Outstanding 8-31-12	Amounts Due Within One Year
Rev Fin Sys Ref & Imp Bds 12th Ser '09	\$	\$ 30,755,000.00	\$ 1,600,000.00
Rev Fin Sys Ref & Imp Bds 14th Ser '12A	4,025,945.34	42,630,945.34	995,005.50
TOTAL	<u>\$ 4,025,945.34</u>	<u>\$ 73,385,945.34</u>	<u>\$ 2,595,005.50</u>

Note: 14th Series amounts due within one year include bond premium amortization \$230,005.50.



Angelo State University
 Schedule 2C - Debt Service Requirements
 For the Year Ended August 31, 2012

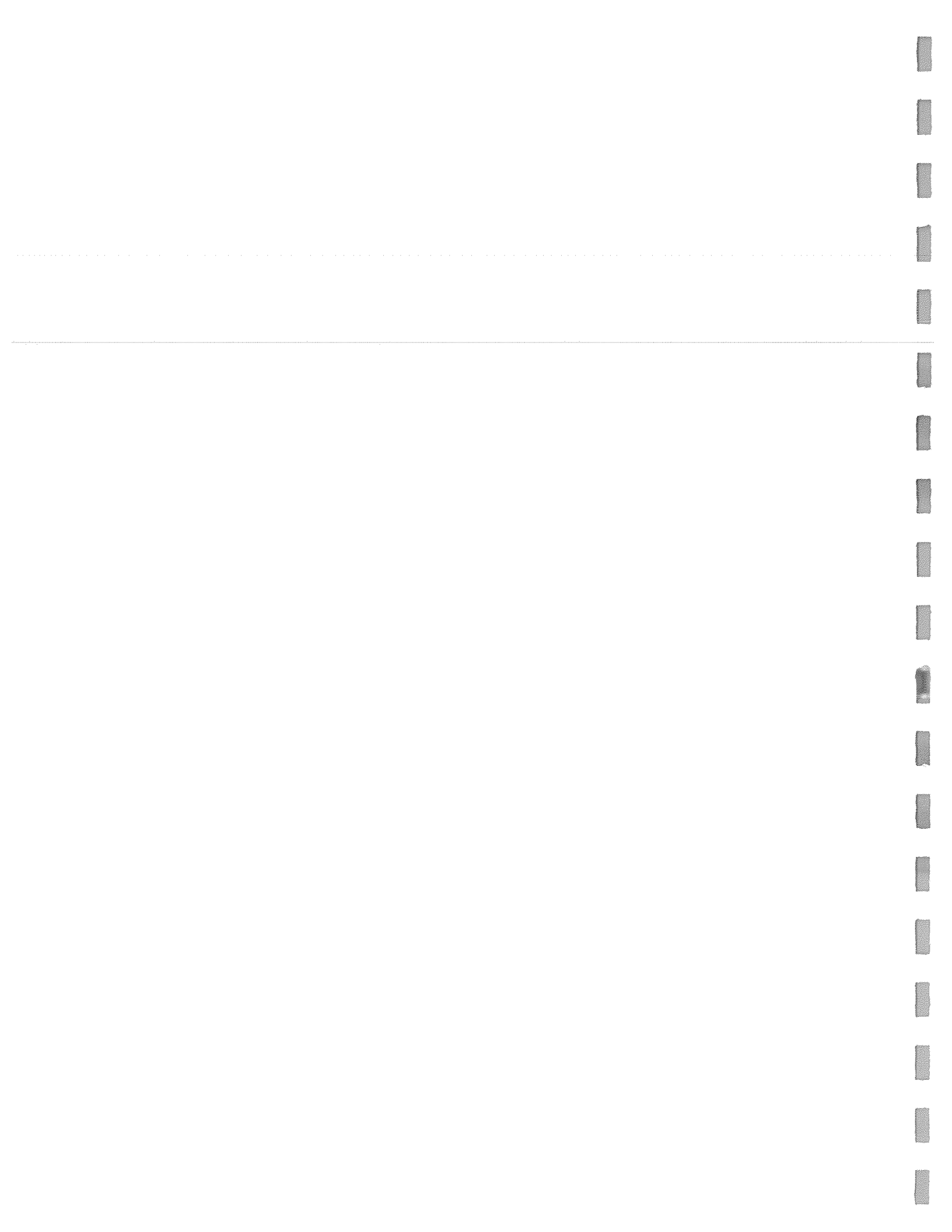
Description of Issue	Fiscal Year	Principal	Interest
Revenue Bonds			
Rev Fin Sys Ref & Imp Bds 12th Ser '09	2013	\$ 1,600,000.00	\$ 1,485,918.76
	2014	1,595,000.00	1,429,993.76
	2015	840,000.00	1,385,068.76
	2016	1,185,000.00	1,334,443.76
	2017	1,240,000.00	1,273,818.76
	2018-2022	4,255,000.00	5,634,468.80
	2023-2027	4,620,000.00	4,596,093.80
	2028-2032	5,935,000.00	3,271,690.65
	2033-2037	7,690,000.00	1,522,162.50
	2038	1,795,000.00	47,118.75
		30,755,000.00	21,980,778.30
Rev Fin Sys Ref & Imp Bds 14th Ser '12A	2013	765,000.00	1,762,712.50
	2014	775,000.00	1,747,412.50
	2015	805,000.00	1,724,162.50
	2016	835,000.00	1,700,012.50
	2017	855,000.00	1,674,962.50
	2018-2022	4,915,000.00	7,696,862.50
	2023-2027	5,980,000.00	6,441,000.00
	2028-2032	7,375,000.00	4,789,500.00
	2033-2037	8,235,000.00	2,888,250.00
	2038-2041	8,065,000.00	822,200.00
		38,605,000.00	31,247,075.00
Total Principal and Interest		\$ 69,360,000.00	\$ 53,227,853.30



Angelo State University
 Schedule 2D - Analysis of Funds Available for Debt Service
 For the Year Ended August 31, 2012

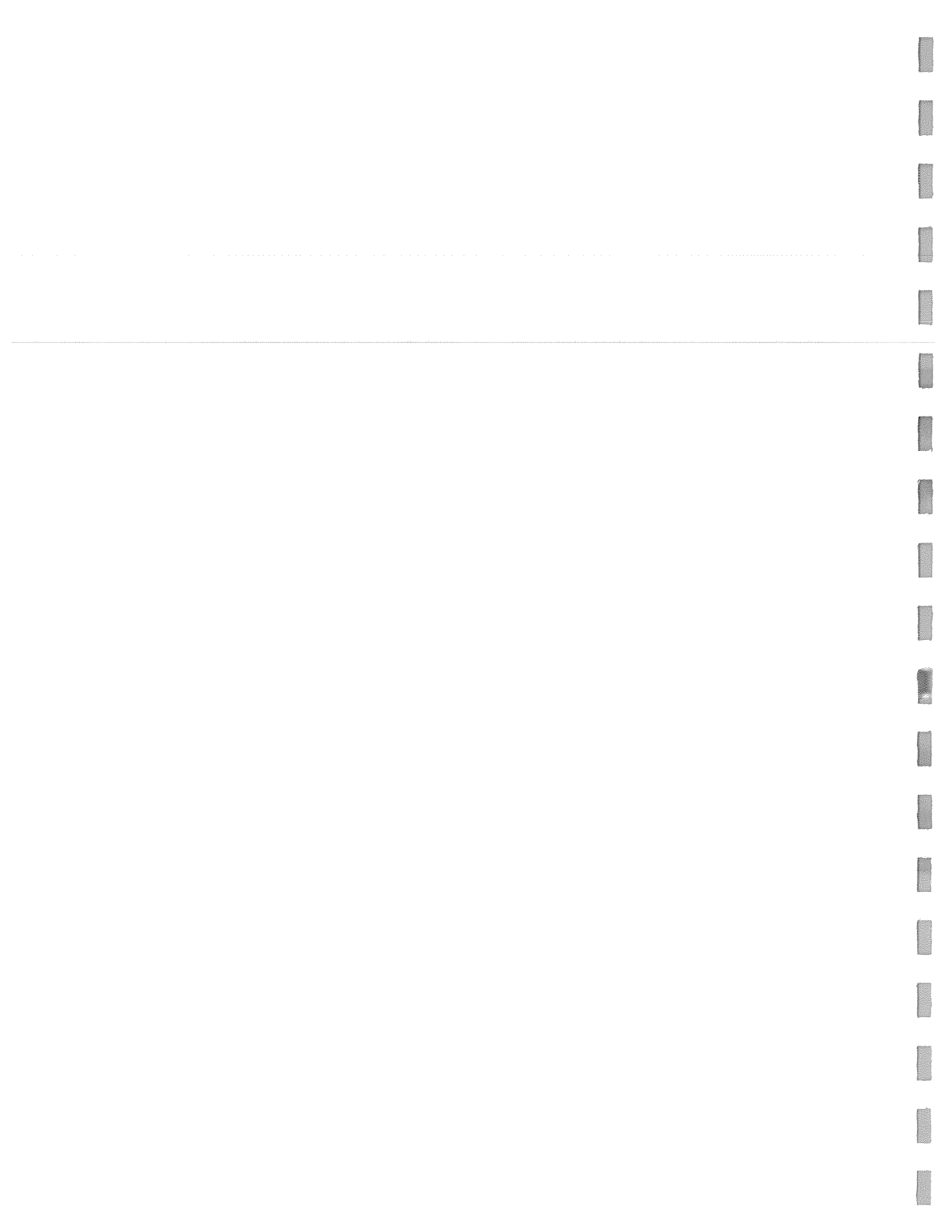
Description of Issue	Pledged and Other Sources and Related Expenditures for FY 2012			
	Net Available for Debt Service		Debt Service	
	Total Pledged and Other Sources	Operating Expenses/ Expenditures and Capital Outlay	Principal	Interest
Revenue Bonds	\$	\$	\$	\$
Rev Fin Sys Ref & Imp Bds 12th Series '09			1,405,000.00	1,546,018.76
Rev Fin Sys Ref & Imp Bds 14th Ser '12A			765,000.00	893,945.15
Total	\$ 72,356,831.16	\$ (B)	\$ 2,170,000.00	\$ 2,439,963.91

NOTE:
 (A) - Total Pledged and Other Sources do not include 09/01/2011 beginning balances.
 (B) - Expenditures associated with pledged sources totaled \$62,298,814.79.



Angelo State University
Schedule 2E - Defeased Bonds Outstanding
For the Year Ended August 31, 2012

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



Angelo State University
 Schedule 2F - Early Extinguishment and Refunding
 For the Year Ended August 31, 2012

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

NOTE:

In FY 2012, \$353,140.83 of Texas State University System debt on behalf of Angelo State University was refunded and new debt was financed by the Texas Tech Univeristy System on behalf of Angelo State University. The refunded bonds were Angelo State University's portion of the Texas State University System 2002 series of bonds. This refunding resulted in a cash flow increase of \$38,140.83 and an economic gain of \$64,670.60.



Angelo State University
Schedule 3 - Reconciliation of Cash in State Treasury
For the Year Ended August 31, 2012

<u>Cash in State Treasury</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Current Year Total</u>
Local Revenue Fund 0227	\$ <u>879,129.71</u>	\$ <u> </u>	\$ <u>879,129.71</u>
Total Cash in State Treasury (Stmnt of Net Assets)	\$ <u><u>879,129.71</u></u>	\$ <u><u>0.00</u></u>	\$ <u><u>879,129.71</u></u>

