

ANNUAL FINANCIAL REPORT

OF

ANGELO STATE UNIVERSITY

FOR THE YEAR ENDED AUGUST 31, 2021

SAN ANGELO, TEXAS

A MEMBER OF THE TEXAS TECH UNIVERSITY SYSTEM

**ANGELO STATE UNIVERSITY
FY 2021 FINANCIAL REPORT**

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ANGELO STATE UNIVERSITY

Office of the President

November 20, 2021

The Honorable Greg Abbott
Governor of Texas

The Honorable Glenn Hegar
Texas Comptroller

Mr. John McGeady
Director, Legislative Budget Board

Ms. Lisa Collier, CPA
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, 2021, 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, 2021



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, 2021.

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,

A handwritten signature in blue ink that reads "Angie Wright".

Angie Wright
 Vice President for
 Finance and Administration

A handwritten signature in blue ink that reads "Janet Coleman".

Janet Coleman
 Controller

A handwritten signature in blue ink that reads "Jackie Baxter".

Jackie Baxter
 Director of Accounting

A handwritten signature in blue ink that reads "Carrie Whitesell".

Carrie Whitesell
 Senior Financial Accountant

A handwritten signature in purple ink that reads "Danielle Spencer".

Danielle Spencer
 Accountant

**ANGELO STATE UNIVERSITY
ORGANIZATIONAL DATA
For the Fiscal Year 2020 - 2021**

**BOARD OF REGENTS
TEXAS TECH UNIVERSITY SYSTEM**

OFFICERS

Tedd L. Mitchell, M.D.
J. Michael Lewis
Mark Griffin

Chancellor
Chairman
Vice Chairman

MEMBERS

<u>Name</u>	<u>Residence</u>	<u>Term Expires January 31</u>
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
Ms. Arcilia Acosta	Dallas, TX	2027
Mr. Cody Campbell	Fort Worth, TX	2027
Mr. Pat Gordon	El Paso, TX	2027

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, 2021 and 2020

	FY 2021	FY 2020
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 33,846,224.92	\$ 58,368,051.93
Restricted:		
Cash and Cash Equivalents	(3,906,317.35)	1,558,119.86
Legislative Appropriations	7,561,733.90	6,463,112.80
Accounts Receivable, net:		
Federal Receivables	3,000,479.30	604,302.03
Student Receivables	11,282,438.82	11,089,562.30
Gift Receivables	685,428.23	705,228.53
Interest Receivable	44,304.61	43,539.94
Accounts Receivables	732,479.57	394,412.15
Due From Other Agencies (Note 12)	102,196.46	21,697.30
Prepaid Items	10,561,091.96	9,405,525.53
Inventories	206,855.73	214,585.39
Loans and Notes Receivable, net	143,749.64	201,276.59
Total Current Assets	64,260,665.79	89,069,414.35
Non-current Assets:		
Investments (Note 3)	61,919,351.81	18,322,982.55
Restricted:		
Cash and Cash Equivalents	27,030.00	2,011.26
Investments (Note 3)	48,825,706.40	43,784,673.84
Gift Receivables	1,987,259.99	2,809,408.42
Capital Assets (Note 2)		
Non-Depreciable or Non-Amortizable	4,662,496.46	19,033,761.60
Depreciable or Amortizable	322,000,647.15	304,306,294.37
Accumulated Depreciation and Amortization	(180,112,179.86)	(169,303,332.53)
Total Non-Current Assets	259,310,311.95	218,955,799.51
Total Assets	\$ 323,570,977.74	\$ 308,025,213.86
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 3,069,878.51	\$ 7,009,993.52
Payroll Payable	6,281,744.18	5,379,607.73
Due to Other Agencies	584.71	-
Unearned Revenues	41,430,392.67	40,280,700.96
Employees' Compensable Leave (Note 5)	-	684,424.12
Capital Lease Agreement Obligation (Note 5)	-	35,302.70
Funds Held for Others	2,435,125.92	2,143,204.51
Other Current Liabilities	140.00	180.00
Total Current Liabilities	53,217,865.99	55,533,413.54
Non-current Liabilities:		
Employees Compensable Leave (Note 5)	3,271,711.68	2,709,408.16
Other Non-Current Liabilities	35,004.40	81,553.19
Total Non-Current Liabilities	3,306,716.08	2,790,961.35
Total Liabilities	\$ 56,524,582.07	\$ 58,324,374.89
NET POSITION		
Invested in Capital Assets, Net of Related Debt	\$ 146,550,963.75	\$ 154,001,420.74
Restricted:		
Non-Expendable:		
Endowments	42,064,081.73	33,255,363.04
Expendable:		
Endowments	6,188,032.23	-
Debt Service	5,164,157.00	4,996,921.00
Other	17,611,443.90	29,254,103.23
Unrestricted	49,467,717.06	28,193,030.96
Total Net Position	\$ 267,046,395.67	\$ 249,700,838.97

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, 2021 and 2020

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	FY 2021	FY 2020
OPERATING REVENUES		
Sales of Goods and Services		
Tuition and Fees - Pledged	\$ 64,553,910.09	\$ 63,470,497.06
Tuition and Fees - Unpledged	4,126,501.09	3,978,212.47
Discounts and Allowances	(23,936,910.54)	(18,749,867.09)
Auxiliary Enterprises - Pledged	18,252,040.05	16,330,759.49
Discounts and Allowances	(7,781,107.80)	(5,348,164.93)
Other Sales of Goods and Services - Pledged	882,153.15	826,293.44
Federal Revenue-Operating (Sch 1A)	1,227,859.16	1,137,465.17
Federal Pass Through Revenue (Sch 1A)	330,584.04	176,012.62
State Grant Pass Through Revenue (Sch 1B)	6,976,788.57	6,857,807.20
Nongovernmental Grants and Contracts	475,815.53	557,155.29
Total Operating Revenues	65,107,633.34	69,236,170.72
OPERATING EXPENSES		
Salaries and Wages	57,466,524.02	58,107,295.57
Payroll Related Costs	18,385,179.02	19,227,743.94
Professional Fees and Services	870,967.09	940,997.74
Travel	462,123.12	1,282,369.40
Materials and Supplies	8,522,262.30	8,550,217.45
Communications and Utilities	3,564,542.58	3,495,471.62
Repairs and Maintenance	3,719,143.00	2,783,430.64
Rentals and Leases	634,895.10	614,180.91
Printing and Reproduction	255,189.62	286,910.73
Depreciation and Amortization	11,074,042.49	11,575,030.85
Bad Debt Expense	454,749.77	459,264.22
Interest	204.86	459.76
Scholarships	20,011,385.78	21,062,750.60
Other Operating Expenses	11,436,661.26	10,733,532.73
Total Operating Expenses	136,857,870.01	139,119,656.16
Operating Income (Loss)	(71,750,236.67)	(69,883,485.44)
NON-OPERATING REVENUES (EXPENSES)		
Legislative Revenue	35,544,538.02	37,952,764.32
Federal Revenue-Non-operating (Sch 1A)	29,065,996.48	19,299,372.66
Federal Pass-thru from Other State Agencies Revenue-Non-operating (Sch 1A)	1,491,552.00	-
Gifts	11,736,415.92	7,398,892.31
Investment Income	11,702,282.92	12,065,621.94
Interest Expense on Capital Asset Financing	(2,173.67)	(4,221.26)
Net Increase (Decrease) in Fair Value of Investments	13,016,793.30	(2,107,082.13)
Other Non-operating Revenues/(Expenses) - Pledged	2,490,015.76	2,485,540.40
Total Non-operating Revenues (Expenses)	105,045,420.73	77,090,888.24
Income (Loss) before Other Revenues, Expenses, Gains/Losses and Transfers	33,295,184.06	7,207,402.80
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS		
Capital Appropriations (HEAF)	6,792,999.00	5,320,102.00
Transfers Out - TTU (Note 12)	-	(37,682.00)
Transfers In - TTU System Admin (Note 12)	5,214,521.44	17,909,434.19
Transfers Out - TTU System Admin (Note 12)	(23,903,630.28)	(7,559,168.96)
Transfers In - Other State Agencies (Note 12)	111,272.00	108,639.00
Transfers Out - Other State Agencies (Note 12)	(1,331.78)	(11,238.15)
Legislative Transfers-In (Note 12)	169,329.00	184,853.00
Legislative Transfers-Out (Note 12)	(4,332,786.42)	(3,452,142.81)
Legislative Appropriations Lapsed	(0.32)	(0.31)
Total Other Revenues, Expenses, Gains, Losses, and Transfers	(15,949,627.36)	12,462,795.96
Total Changes in Net Position	\$ 17,345,556.70	\$ 19,670,198.76
Beginning Net Position (September 1)	249,700,838.97	230,030,640.21
Restatement	-	-
Ending Net Position (August 31)	\$ 267,046,395.67	\$ 249,700,838.97

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, 2021

<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	\$ 29,642,868.25	\$ 460,322.45	\$ 636,919.53	\$ 4,046,510.26	\$ 5,623,257.11
Payroll Related Costs	9,269,321.38	91,407.12	215,603.29	1,233,547.66	1,862,749.15
Professional Fees and Services	95,035.00	-	5,382.63	8,024.50	133,623.57
Travel	153,986.88	14,112.50	7,575.61	2,346.15	12,856.47
Materials and Supplies	1,132,503.36	169,185.96	158,704.46	310,722.06	153,459.39
Communication and Utilities	310,538.49	5,456.11	5,337.17	27,326.90	26,601.28
Repairs and Maintenance	743,597.82	164.68	2,601.14	64,241.10	59,700.84
Rentals and Leases	97,815.89	10,727.05	18,439.58	9,515.48	44,926.99
Printing and Reproduction	30,280.36	1,879.27	6,976.14	5,414.33	17,933.80
Depreciation and Amortization	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-
Interest	49.48	-	-	10.90	-
Scholarships	-	-	-	-	-
Other Operating Expenses	<u>2,940,356.23</u>	<u>149,403.23</u>	<u>210,394.05</u>	<u>1,247,316.33</u>	<u>1,115,944.14</u>
Total Operating Expenses	\$ <u>44,416,353.14</u>	\$ <u>902,658.37</u>	\$ <u>1,267,933.60</u>	\$ <u>6,954,975.67</u>	\$ <u>9,051,052.74</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 2020</u>
\$ 8,950,110.35	\$ 2,367,518.18	\$ -	\$ 5,739,017.89	\$ -	\$ 57,466,524.02	\$ 58,107,295.57
3,260,885.02	923,360.31	-	1,528,305.09	-	18,385,179.02	19,227,743.94
352,224.85	31,400.41	-	245,276.13	-	870,967.09	940,997.74
28,963.62	934.67	-	241,347.22	-	462,123.12	1,282,369.40
784,294.76	665,606.58	-	5,147,785.73	-	8,522,262.30	8,550,217.45
63,085.89	1,648,210.32	-	1,477,986.42	-	3,564,542.58	3,495,471.62
574,743.97	1,190,657.31	-	1,083,436.14	-	3,719,143.00	2,783,430.64
86,475.58	132,112.41	-	234,882.12	-	634,895.10	614,180.91
170,638.99	3,620.47	-	18,446.26	-	255,189.62	286,910.73
-	-	-	-	11,074,042.49	11,074,042.49	11,575,030.85
200,470.01	-	-	254,279.76	-	454,749.77	459,264.22
144.48	-	-	-	-	204.86	459.76
-	-	20,011,385.78	-	-	20,011,385.78	21,062,750.60
<u>3,590,042.01</u>	<u>544,301.94</u>	<u>-</u>	<u>1,638,903.33</u>	<u>-</u>	<u>11,436,661.26</u>	<u>10,733,532.73</u>
\$ <u>18,062,079.53</u>	\$ <u>7,507,722.60</u>	\$ <u>20,011,385.78</u>	\$ <u>17,609,666.09</u>	\$ <u>11,074,042.49</u>	\$ <u>136,857,870.01</u>	\$ <u>139,119,656.16</u>

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

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	FY 2021	FY 2020
Cash Flows from Operating Activities		
Tuition and Fees	\$ 45,044,878.78	\$ 49,040,769.37
Grants and Contracts	6,668,824.58	8,713,960.89
Sales and Services of Auxiliary Enterprises	10,686,090.43	10,522,808.45
Other Sales and Services	885,172.52	827,343.54
Collections for Loans Issued to Students	124,676.38	193,780.06
Proceeds from Fiduciary Activities	34,872,218.29	35,796,076.39
Payments to Suppliers for Goods and Services	(17,463,610.98)	(18,241,379.60)
Payments for Loans Issued to Students	(124,201.10)	(100,790.40)
Payments to Employees - Salaries	(57,642,501.32)	(57,821,557.98)
Payments to Employees - Benefits	(17,429,388.17)	(17,194,882.92)
Payments for Fiduciary Activities	(34,580,296.88)	(35,723,963.68)
Payments for Other Operating Activities	(32,355,087.44)	(30,752,733.34)
Net Cash Provided (Used) by Operating Activities	(61,313,224.91)	(54,740,569.22)
Cash Flows from Noncapital Financing Activities		
State Appropriations	34,445,916.92	37,019,679.66
Noncapital Gifts	11,736,415.92	7,398,892.31
Noncapital Grants	30,557,548.48	19,299,372.66
Proceeds from Other Financing Activities	11,947,381.31	6,358,647.22
Transfers to/from Other State Agencies:		
TTU System Admin	(350,748.00)	(261,925.00)
TTU System Admin - Legislative Transfer	(208,013.00)	(218,283.00)
TTU Transfers Out	-	(37,682.00)
Texas Veterans Commission - Legislative Transfer	169,329.00	184,853.00
Comptroller of Public Accounts	111,272.00	108,639.00
Texas State University System	(1,331.78)	(238.15)
Payments for Other Financing Activities	(13,887,264.09)	(3,451,851.30)
Net Cash Provided (Used) by Noncapital Financing Activities	74,520,506.76	66,400,104.40
Cash Flows from Capital and Related Financing Activities		
Capital Appropriations	6,792,999.00	5,320,102.00
Transfers to/from Other State Agencies:		
TTU System Admin - proceeds	5,214,521.44	17,909,434.19
TTU System Admin - debt service payments	(27,677,655.70)	(10,531,103.77)
Texas State University System	-	(11,000.00)
Purchases of Capital Assets	(3,542,590.10)	(17,850,690.34)
Payments for Capital Leases	(37,476.37)	(37,476.37)
Net Cash Provided (Used) by Capital and Related Financing Activities	(19,250,201.73)	(5,200,734.29)
Cash Flows from Investing Activities		
Interest and Dividends Received	11,702,282.92	12,065,621.94
Purchases of Investments	(35,620,608.52)	(1,696,552.99)
Net Cash Provided by Investing Activities	(23,918,325.60)	10,369,068.95
TOTAL NET CASH FLOWS	\$ (29,961,245.48)	\$ 16,827,869.84
Beginning Cash and Cash Equivalents, September 1	59,928,183.05	43,100,313.21
Restatements to Beginning Cash and Cash Equivalents	-	-
Cash and Cash Equivalents, September 1, 20xx - Restated	59,928,183.05	43,100,313.21
Ending Cash and Cash Equivalents, August 31	\$ 29,966,937.57	\$ 59,928,183.05
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ (71,750,236.67)	\$ (69,883,485.44)
Adjustments:		
Depreciation Expense	11,074,042.49	11,575,030.85
Bad Debt Expense	454,749.77	459,264.22
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivables	(2,405,909.70)	1,817,641.33
Increase (Decrease) in Due from Other Agency	(80,499.16)	1,302.07
(Increase) Decrease in Loans and Notes Receivable	57,526.95	115,361.84
(Increase) Decrease in Inventory	7,729.66	55,393.76
(Increase) Decrease in Prepaid Items	(944,531.43)	(25,297.30)
Increase (Decrease) in Accounts Payable	98,480.59	(232,951.47)
Increase (Decrease) in Payrolls Payable	(175,977.30)	285,737.59
Increase (Decrease) in Due to Other Funds	584.71	-
Increase (Decrease) in Unearned Revenue	1,149,691.71	(983,415.40)
Increase (Decrease) in Compensable Leave	(122,120.60)	684,424.12
Increase (Decrease) in Benefits Payable	1,077,911.45	1,348,436.90
Increase (Decrease) in Fiduciary Funds Held 3 months or less	291,921.41	72,112.71
Increase (Decrease) in Other Liabilities	(46,588.79)	(30,125.00)
Net Cash Used for Operating Activities	(61,313,224.91)	(54,740,569.22)
Non-Cash Transactions		
Donation of Capital Assets	\$ -	\$ -
Net Change in Fair Value of Investments	13,016,793.30	(2,107,082.13)
Disposal of Plant Facilities	(265,195.16)	(1,156,636.46)
Trade In	10,390.00	4,843.00

ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2021

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, 2021

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, 2021

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, 2021

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, 2021 is presented in Note 12.

ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2021

NOTE 2: Capital Assets

	Balance 9/1/2020	Adjustments	Reclassifications			Additions	Deletions	Balance 8/31/2021
			Completed CIP	Inc-Int'agy Trans	Dec-Int'agy Trans			
Business-type activities:								
Non-depreciable/Non-amortizable Assets								
Land and Land Improvements	\$2,685,815.77							\$2,685,815.77
Construction in Progress	14,909,770.86		(15,770,427.12)			1,399,161.98		538,505.72
Other Tangible Capital Assets	1,438,174.97							1,438,174.97
Total Non-depreciable assets	\$19,033,761.60	\$0.00	(\$15,770,427.12)	\$0.00	\$0.00	\$1,399,161.98	\$0.00	\$4,662,496.46
Depreciable Assets								
Building and Building Improvements	\$250,770,749.72		\$15,770,427.12			\$707,142.96		\$267,248,319.80
Infrastructure	5,286,500.06							5,286,500.06
Facilities and Other Improvements	22,445,333.73					253,800.00		22,699,133.73
Furniture and Equipment	15,247,726.70					1,117,276.02	(91,325.26)	16,273,677.46
Vehicle, Boats, and Aircraft	2,618,302.60					24,847.00	(72,128.64)	2,571,020.96
Other Capital Assets	6,813,259.25					86,054.84	(101,741.26)	6,797,572.83
Total Depreciable Assets	\$303,181,872.06	\$0.00	\$15,770,427.12	\$0.00	\$0.00	\$2,189,120.82	(\$265,195.16)	\$320,876,224.84
Less Accumulated Depreciation for:								
Accum Dep Buildings and Building Improvements	(\$135,540,736.47)					(\$8,779,227.41)		(\$144,319,963.88)
Accum Dep Infrastructure	(3,281,274.99)					(80,477.16)		(3,361,752.15)
Accum Dep Facilities and Other Improvements	(9,062,907.09)					(614,844.58)		(9,677,751.67)
Accum Dep Furniture and Equipment	(11,736,352.60)					(1,122,387.18)	91,325.26	(12,767,414.52)
Accum Dep Vehicle, Boats, and Aircraft	(1,919,643.57)					(276,213.08)	72,128.64	(2,123,728.01)
Accum Dep Other Capital Assets	(6,710,092.28)					(179,791.56)	101,741.26	(6,788,142.58)
Total Accumulated Depreciation	(\$168,251,007.00)	\$0.00	\$0.00	\$0.00	\$0.00	(\$11,052,940.97)	\$265,195.16	(\$179,038,752.81)
Depreciable Assets, Net	\$134,930,865.06	\$0.00	\$15,770,427.12	\$0.00	\$0.00	(\$8,863,820.15)	\$0.00	\$141,837,472.03
Intangible Capital Assets-Amortizable								
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
Less Accumulated Amortization for:								
Accum Amort Computer Software - Intangible	(\$1,052,325.53)					(\$21,101.52)		(\$1,073,427.05)
Accum Amort Other Intangible Capital Assets - Term	\$0.00							\$0.00
Total Accumulated Amortization	(\$1,052,325.53)	\$0.00	\$0.00	\$0.00	\$0.00	(\$21,101.52)	\$0.00	(\$1,073,427.05)
Amortizable Assets - Intangible, Net	\$72,096.78	\$0.00	\$0.00	\$0.00	\$0.00	\$ (21,101.52)	\$0.00	\$50,995.26
Business Type Activities Capital Assets, Net	\$154,036,723.44	\$0.00	\$0.00	\$0.00	\$0.00	(\$7,485,759.69)	\$0.00	\$146,550,963.75

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, 2021

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, 2021. 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, 2021, the following changes occurred in liabilities:

Business Type Activities	Balance 9/1/2020	Additions	Reductions	Restatement/ Adjustment	Balance 8/31/2021	Amounts Due Within One Year	Amounts Due Thereafter
Claims and Judgment			35,302.70				
Capital Lease Obligations	35,302.70						
Employees' Compensable Leave	\$ 3,393,832.28	\$	\$ 122,120.60	\$	\$ 3,271,711.68	\$	\$ 3,271,711.68
Total	\$ 3,429,134.98	\$ 0.00	\$ 157,423.30	\$ 0.00	\$ 3,271,711.68	\$ 0.00	\$ 3,271,711.68

Discrete Component Unit

Business Type Activities	Balance 9/1/2020	Additions	Reductions	Restatement/ Adjustment	Balance 8/31/2021	Amounts Due Within One Year	Amounts Due Thereafter
Employees' Compensable Leave	\$ 19,444.85	\$ 58.83	\$	\$	\$ 19,503.68	\$ 58.83	\$ 19,444.85
Total Business-Type Activities	\$ 19,444.85	\$ 58.83	\$ 0.00	\$ 0.00	\$ 19,503.68	\$ 58.83	\$ 19,444.85

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, 2021

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 \$2,860,043.00 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, 2021

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, 2021 and August 31, 2020 are:

Description	FY 2021	FY 2020
Member Contributions	\$ 1,232,277.97	\$ 1,250,541.02
Employer Contributions	1,313,526.41	1,346,220.32
Total	\$ 2,545,804.38	\$ 2,596,761.34

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, 2021

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, 2021 follow:

	FY 21	
	TRANSFERS IN	TRANSFERS OUT
	\$	\$
Institutional Funds (7999)		
Appd Fund 7999, D23 Fund 7999		
(Agy 768, D23 Fund 7999) Texas Tech Univ System Admin	5,214,521.44	(23,903,630.28)
General Revenue (0210)		
Appd Fund 0210, D23 Fund 0210		
(Agy 902, D23 Fund 0210) Comptroller	111,272.00	
Institutional Funds (0802)		
Appd Fund 0802, D23 Fund 0802		
(Agy 608, D23 Fund 0802) Department of Motor Vehicles		(1,331.78)
	\$ 5,325,793.44	\$ (23,904,962.06)
	Legislative TRANSFERS IN	Legislative TRANSFERS OUT
General Revenue (001)		
Appd Fund 0001, D23 Fund 0001		
(Agency 403, D23 Fund 0001) Texas Veterans Commission	169,329.00	
General Revenue (001)		
Appd Fund 001, D23 Fund 001		
(Agency 768, D23 Fund 0001) Texas Tech Univ System Admin		(4,332,786.42)
Total Legislative Transfers	\$ 169,329.00	\$ (4,332,786.42)
	Due To/From Other Agencies	Due From Other Component
Institutional Funds (7999)		
Appd Fund 7999, D23 Fund 7999		
(Agy 743, D23 Fund 7999) UTSA	77,711.33	
Institutional Funds (7999)		
Appd Fund 7999, D23 Fund 7999		
(Agy 802, D23 Fund 7999) TPWD	20,010.71	
Institutional Funds (7999)		
Appd Fund 7999, D23 Fund 7999		
(Agy 320, D23 Fund 7999) TWC	4,474.42	
Coronavirus Relief Fund (0325)		
Appd Fund 0325, D23 Fund 0325		
(Agy 781, D23 Fund 0325) THECB GEER	(584.71)	
Total Due From/To Other Agencies	\$ 101,611.75	\$ 0.00

ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2021

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, 2021, 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, 2021.

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 2021 totaled \$97,394.99. 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, 2021

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, 2021 are presented below:

Condensed Statement of Net Position	FY21	FY20
	<hr/>	<hr/>
Total Assets	\$ 35,921,943.35	33,790,951.64
Total Liabilities and Deferred Inflows of Resources	23,208.02	
Net Position:		
Restricted Nonexpendable Endowments	29,085,456.07	21,222,410.12
Restricted Expendable Other	6,813,279.26	12,568,541.52
Unrestricted		
Total Net Position	<u>\$ 35,898,735.33</u>	<u>\$ 33,790,951.64</u>

ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2021

Condensed Statement of Revenues, Expenses and Changes in Net Position

	FY21	FY20
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	57,500.00	27,475.00
Travel	828.98	8,849.23
Materials and Supplies	203,169.26	180,968.97
Communications and Utilities	5,020.64	1,046.96
Repairs and Maintenance	6,760.25	
Rentals and Leases	-	1,950.00
Printing and Reproduction	1,187.00	1,136.67
Other Operating Expenses	1,356,819.08	1,366,316.41
Total Operating Expenses	1,631,285.21	1,587,743.24
Operating Income (Loss)	(1,631,285.21)	(1,587,743.24)
Non-Operating Revenues (Expenses)		
Private Gifts	11,700,321.92	7,332,977.31
Investment Income (Expense)	5,926,011.07	(435,946.73)
Other Non-Operating Revenues (Expense)	1,051,392.64	802,895.80
Total Non-Operating Revenues and Expenses	18,677,725.63	7,699,926.38
Other Revenues, Expenses, Gains, Losses and Transfers		
Capital Contributions	-	-
Contribution to Permanent and Term Endowments	-	-
Transfers to Components/Other Funds	(14,938,656.73)	(4,254,747.10)
Total Other Revenues, Expenses, Gains, Losses and Transfers	(14,938,656.73)	(4,254,747.10)
Total Change in Net Position	2,107,783.69	1,857,436.04
Beginning Net Position September 1	33,790,951.64	31,933,515.60
Restatement	-	-
Beginning Net Position September 1 as Restated	33,790,951.64	31,933,515.60
Ending Net Position (August 31)	\$ 35,898,735.33	\$ 33,790,951.64

Condensed Statement of Cash Flows

Net Cash Provided (Used) by Operating Activities	(1,612,222.82)	(1,594,761.67)
Net Cash Provided (Used) by Non-capital Financing Activities	(2,186,942.17)	3,881,126.01
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-
Net Cash Provided (Used) by Investing Activities	2,713,190.14	(2,005,958.64)
Total Net Cash flows	(1,085,974.85)	280,405.70
Beginning Cash and Cash Equivalents September 1	3,322,082.11	3,041,676.41
Restatement	-	-
Beginning Cash and Cash Equivalents September 1 as Restated	3,322,082.11	3,041,676.41
Ending Cash and Cash Equivalents August 31	\$ 2,236,107.26	\$ 3,322,082.11

ANGELO STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2021

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 2021 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 \$144,980,084.21 and realized a loss on investments of \$13,348,229.96. During the 2021 fiscal year, the Foundation received payments for oil and gas royalties, oil and gas lease rentals and bonuses, and oil and gas payment commissions, and refunds totaling \$6,298,073.30.

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 2021 fiscal year, the spending distribution received from the investment agent totaled \$9,255,201.01. Of this amount, \$328,000.00 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, 2021

Total scholarships awarded prior to the 2021 fiscal year amounted to \$141,781,307.75. During the 2021 fiscal year, scholarship awards amounted to \$8,550,522.00. It is estimated that the amount of annual scholarship awards from the scholarship fund will total \$8,600,000.00 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, 2021

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		
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	1,152.04			1,152.04
Total Institute of Museum and Library Services				1,152.04	-	-	1,152.04
U. S. Small Business Administration							
<u>Pass-Through From:</u>							
University of Texas San Antonio							
Small Business Development Center	59.037	11-603001-Z-0049-35-ASU	743	68,653.16			68,653.16
Small Business Development Center (FY20 CF)	59.037	10-603001-Z-0049-34-ASU	743	96,411.41			96,411.41
COVID-19 - Small Business Development Center							
University of Texas San Antonio							
CARES Act - SBDC Portion	59.037	OSBDC-COVID-2020-1-ASU	743	97,152.62			97,152.62
Total U. S. Small Business Administration				262,217.19	-	-	262,217.19
U.S. Department of Defense							
<u>Direct Program:</u>							
NSA-Toplift-2021	12.905	H98230-20-1-0389				29,008.30	29,008.30
Total U.S. Department of Defense				-	-	29,008.30	29,008.30
U. S. Department of Education							
<u>Direct Program:</u>							
Title V - CREEME	84.031S	P031S170066				596,407.31	596,407.31
COVID-19 - CARES Act - Student Portion	84.425E	P425E200004				6,514,300.00	6,514,300.00
COVID-19 - CARES Act - Institutional Portion	84.425F	P425F200299				8,434,650.43	8,434,650.43
COVID-19 - CARES Act - MSI Portion	84.425L	P425L200058				1,255,834.57	1,255,834.57
<u>Pass-Through From:</u>							
Texas Higher Education Coordinating Board							
COVID-19 - Governor's Emergency Education Relief (GEER)	84.425C		781	1,491,552.00			1,491,552.00
Total U.S. Department of Education				1,491,552.00	-	16,801,192.31	18,292,744.31
U.S. Dept of Health & Human Services							
<u>Pass-Through From:</u>							
Texas Workforce Commission							
TWC-Purkiss-2021	93.558	2921TAN002	320	33,349.10			33,349.10
Total U.S. Department of Health & Human Services				33,349.10	-	-	33,349.10
U.S. Department of Homeland Security							
<u>Pass-Through From:</u>							
Office of the Governor							
DHS-OOG-Spooner-2021	97.067	EMW-2020-SS-00054	300	13,855.00			13,855.00
Total Department of Homeland Security				13,855.00	-	-	13,855.00
Research & Development Cluster							
U.S. Department of the Interior							
<u>Pass-Through From:</u>							
Texas Parks & Wildlife Department							
TPW Texas Poppy Mallow	15.615	CA-0000973	802	20,010.71			20,010.71
Total U.S. Department of the Interior				20,010.71	-	-	20,010.71
Student Financial Assistance Cluster							
U. S. Department of Education							
<u>Direct Program:</u>							
Federal Supplemental Educational Opportunity	84.007					280,208.45	280,208.45
Federal Work-Study Program	84.033					322,235.10	322,235.10
Federal Pell Grant Program	84.063					12,861,211.48	12,861,211.48
Federal Direct Student Loans	84.268					30,624,230.00	30,624,230.00
Total U. S. Department of Education				-	-	44,087,885.03	44,087,885.03
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 1,822,136.04	\$ 0.00	\$ 60,918,085.64	\$ 62,740,221.68

Agy #/ Univ.#	Pass-Through To		Expenditures Amount	Total PT to and Expenditures
	State Agy. or Univ. Amount	Non-State Entities Amt.		
			1,152.04	1,152.04
	-	-	1,152.04	1,152.04
			68,653.16	68,653.16
			96,411.41	96,411.41
			97,152.62	97,152.62
	-	-	262,217.19	262,217.19
			29,008.30	29,008.30
	-	-	29,008.30	29,008.30
			596,407.31	596,407.31
			6,514,300.00	6,514,300.00
			8,434,650.43	8,434,650.43
			1,255,834.57	1,255,834.57
			1,491,552.00	1,491,552.00
	-	-	18,292,744.31	18,292,744.31
			33,349.10	33,349.10
	-	-	33,349.10	33,349.10
			13,855.00	13,855.00
	-	-	13,855.00	13,855.00
			20,010.71	20,010.71
	-	-	20,010.71	20,010.71
			280,208.45	280,208.45
			322,235.10	322,235.10
			12,861,211.48	12,861,211.48
			30,624,230.00	30,624,230.00
	-	-	44,087,885.03	44,087,885.03
\$	<u>0.00</u>	\$ <u>0.00</u>	\$ <u>62,740,221.68</u>	\$ <u>62,740,221.68</u>

Angelo State University
 Schedule IA - Schedule of Expenditures and Federal Awards
 For the Year Ended August 31, 2021

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)	\$	1,227,859.16
Non-Operating Federal Grants and Contracts (SRECNP)		29,065,996.48
Federal Grants and Contracts Pass-Throughs (SRECNP)		330,584.04
Non-Operating Federal Grants and Contracts Pass-Throughs (SRECNP)		<u>1,491,552.00</u>
Total Federal Revenues		<u>32,115,991.68</u>

Reconciling Items:

New Loans Processed:		
Federal Perkins Loan Program	84.038	-
Federal Direct Student Loan	84.268	<u>30,624,230.00</u>
Total Federal Financial Assistance	\$	<u>62,740,221.68</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	\$ 67,827.37	\$ -	\$ -	\$ -	\$ 24,147.71	\$ 43,679.66
84.268 Federal Direct Student Loans		<u>30,624,230.00</u>	<u>-</u>	<u>30,624,230.00</u>	<u>30,624,230.00</u>	<u>-</u>
Total Department of Education	<u>\$ 67,827.37</u>	<u>\$ 30,624,230.00</u>	<u>\$ 0.00</u>	<u>\$ 30,624,230.00</u>	<u>\$ 30,648,377.71</u>	<u>\$ 43,679.66</u>

Perkins loans are outsourced to ECSI.

Note 5: Unemployment Insurance Funds

ASU did not receive any funding for FY 2021 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 2021 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 2021 from CFDA 97.036

Note 9: Economic Adjustment Assistance

ASU did not receive any funding for FY 2021 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, 2021

Agency Number	Grant ID	Agency Name Grant Description	
Pass Through From:			
457		State Board of Public Accountancy	
	457.0001	5th Year Accounting Student Scholarship Program	\$ <u>9,557.00</u>
720		University of Texas System	
	720.0002	Joint Admissions Medical Program (JAMP)	<u>12,070.57</u>
781		Texas Higher Education Coordinating Board	
	781.0008	Texas Grants	6,907,986.00
	781.0023	College Work Study Program	41,266.00
	781.0075	Educational Aide Program	5,909.00
		<i>Total for Texas Higher Education Coordinating Board</i>	<u>6,955,161.00</u>
		Total State Grant Pass-through Revenues From Other State Agencies	<u>\$ <u>6,976,788.57</u></u>

Angelo State University #737
 Schedule 2A - Miscellaneous Bond Information
 For the Fiscal Year Ended August 31, 2021

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, 2021

Description of Issue	Bonds Outstanding 9-1-20	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8-31-21
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Schedule Not Applicable

Angelo State University #737
Schedule 2C - Debt Service Requirements
For the Year Ended August 31, 2021

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

Angelo State University #737
 Schedule 2D - Analysis of Funds Available for Debt Service
 For the Year Ended August 31, 2021

Pledged and Other Sources and Related Expenditures for FY 2021				
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, 2021

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

Angelo State University #737
Schedule 2F - Early Extinguishment and Refunding
For the Year Ended August 31, 2021

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

Angelo State University #737
Schedule 3 - Reconciliation of Cash in State Treasury
For the Year Ended August 31, 2021

<u>Cash in State Treasury</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Current Year Total</u>
Local Revenue Fund 0227	\$ 3,174,850.99	\$	\$ 3,174,850.99
Local Revenue Fund 0325 - COVID 19 Shared Cash Funds new FY21	<u>584.71</u>	<u></u>	<u>584.71</u>
Total Cash in State Treasury	\$ <u>3,175,435.70</u>	\$ <u>0.00</u>	\$ <u>3,175,435.70</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, 2021 and 2020

	FY 2021	FY 2020
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ -	\$ -
Restricted:		
Cash and Cash Equivalents	74,876.01	99,082.23
Accounts Receivable, net:		
Accounts Receivables	141,038.95	68,651.12
Total Current Assets	215,914.96	167,733.35
Non-current Assets:		
Restricted:		
Cash and Cash Equivalents	475,087.75	183,907.52
Investments (Note 3)	166,811,232.19	140,702,978.90
Total Non-Current Assets	167,286,319.94	140,886,886.42
Total Assets	\$ 167,502,234.90	\$ 141,054,619.77
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ -	\$ 1,515.23
Payroll Payable	14,802.15	13,993.17
Employees' Compensable Leave (Note 5)	58.83	9,843.47
Total Current Liabilities	14,860.98	25,351.87
Non-current Liabilities:		
Employees Compensable Leave (Note 5)	19,444.85	9,601.38
Total Non-Current Liabilities	19,444.85	9,601.38
Total Liabilities	\$ 34,305.83	\$ 34,953.25
NET POSITION		
Invested in Capital Assets, Net of Related Debt	\$ -	\$ -
Restricted:		
Non-Expendable:		
Endowments	156,145,665.41	140,955,537.54
Expendable:		
Endowments	11,281,693.48	
Other	40,570.18	64,128.98
Unrestricted		
Total Net Position	\$ 167,467,929.07	\$ 141,019,666.52

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, 2021 and 2020

OPERATING REVENUES	FY 2021	FY 2020
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	-	-
OPERATING EXPENSES:		
Salaries and Wages	192,813.37	196,240.41
Payroll Related Costs	61,795.83	69,884.59
Professional Fees and Services	33,624.44	18,786.98
Travel	1,309.68	967.48
Materials and Supplies	52,772.79	44,122.08
Communication and Utilities	1,126.27	1,095.34
Rentals and Leases	-	16.69
Printing and Reproduction	160.10	131.55
Other Operating Expenses	7,956.32	15,214.86
Total Operating Expenses	351,558.80	346,459.98
Operating Income (Loss)	(351,558.80)	(346,459.98)
NON-OPERATING REVENUES (EXPENSES)		
Investment Income	(5,425,514.98)	1,805,518.55
Net Increase (Decrease) in Fair Value of Investments	36,446,898.35	(2,474,297.77)
Other Non-operating Revenues/(Expenses) - Pledged	(4,221,562.02)	(5,857,712.69)
Total Non-operating Revenues (Expenses)	26,799,821.35	(6,526,491.91)
Income (Loss) before Other Revenues, Expenses, Gains/Losses and Transfers	26,448,262.55	(6,872,951.89)
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS		
Total Other Revenues, Expenses, Gains, Losses, and Transfers	-	-
Total Changes in Net Position	\$ 26,448,262.55	\$ (6,872,951.89)
Beginning Net Position (September 1)	141,019,666.52	147,892,618.41
Ending Net Position (August 31)	\$ 167,467,929.07	\$ 141,019,666.52

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