

**ANNUAL FINANCIAL REPORT**

**OF**

**ANGELO STATE UNIVERSITY**

FOR THE YEAR ENDED AUGUST 31, 2023

**SAN ANGELO, TEXAS**

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

**ANGELO STATE UNIVERSITY  
ANNUAL FINANCIAL REPORT  
Year Ended August 31, 2023**

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ANGELO STATE UNIVERSITY

Office of the President

November 20, 2023

The Honorable Greg Abbott  
Governor of Texas

The Honorable Glenn Hegar  
Texas Comptroller

Mr. Jerry McGinty  
Director, Legislative Budget Board

Ms. Lisa Collier, CPA  
State Auditor

Ladies and Gentlemen:

We are pleased to submit the Annual Financial Report of Angelo State University for the year ended August 31, 2023, 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 Gina Councilman at (325) 942-2014. Ms. Councilman may also be contacted for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Ronnie D. Hawkins, Jr.', written over a blue horizontal line.

Ronnie D. Hawkins, Jr.  
President

ASU Station #11007 | San Angelo, Texas 76909

Phone: 325-942-2073 | Fax: 325-942-2038 | [angelo.edu](http://angelo.edu)

Member, Texas Tech University System | Equal Opportunity Employer

November 20, 2023



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, 2023.

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 Gina Councilman 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 "Jackie Baxter".

Jackie Baxter  
Executive Director and Controller

A handwritten signature in blue ink that reads "Gina Councilman".

Gina Councilman  
Director of Accounting

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

Carrie Whitesell  
Senior Financial Accountant

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

Danielle Spencer  
Financial Accountant

A handwritten signature in blue ink that reads "Quincy Childress".

Quincy Childress  
Accountant

**ANGELO STATE UNIVERSITY  
ANNUAL FINANCIAL REPORT  
Year Ended August 31, 2023**

**ORGANIZATIONAL DATA**

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**BOARD OF REGENTS  
TEXAS TECH UNIVERSITY SYSTEM**

**OFFICERS**

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

Chancellor  
Chairman  
Vice Chairman

**MEMBERS**

<b><u>Name</u></b>	<b><u>Residence</u></b>	<b><u>Term Expires</u></b>
Ginger Kerrick Davis	Webster, TX	January 31, 2025
Mark Griffin	Lubbock, TX	January 31, 2025
Dusty Womble	Lubbock, TX	January 31, 2025
Arcilia Acosta	Dallas, TX	January 31, 2027
Cody Campbell	Fort Worth, TX	January 31, 2027
Pat Gordon	El Paso, TX	January 31, 2027
Steeley Smith, Student Regent	Mason, TX	May 31, 2024
Clay Cash	Lubbock, TX	January 31, 2029
Tim Culp	Midland, TX	January 31, 2029
Shelly Sweatt	Wichita Falls, TX	January 31, 2029

**PRESIDENT**

Ronnie D. Hawkins, Jr.

**OFFICE OF FINANCE AND ADMINISTRATION**

Angie Wright  
Jackie Baxter

Vice President for Finance and Administration  
Executive Director & Controller

**ADMISSIONS & REGISTRAR**

Kerri Mikulik  
Courtney Wilson

Executive Director of Admissions  
Registrar

**ANGELO STATE UNIVERSITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended August 31, 2023**

**Introduction:**

Angelo State University (ASU) is a dynamic learning institution with the mission to provide highly-competitive graduates to the global marketplace, by delivering quality programs in a student-centered environment based on our unique Core Values: Integrity | Integridad, Diversity & Inclusion | Diversidad & Inclusion, Significance | Impacto, Community | Comunidad, and Commitment | Compromiso. As a member of the Texas Tech University System (TTUS), ASU offers 50 undergraduate degrees with more than 100 majors and concentrations, as well as opportunities for undergraduate and graduate research with online and in-person courses and programs. Many of ASU's students continue their education pursuing one of our 28 master's graduate degrees or four (4) doctorates.

ASU is known for its extensive and quality financial aid programs, and offers more than 600 scholarship opportunities supported by both public and private funds, including a \$140 million Carr Scholarship program. ASU awarded over \$65 million in scholarships, grants, and other financial aid for the 2022-2023 academic year. Over 80% of ASU students receive some form of gift aid that does not have to be repaid, and over 45% of ASU students graduate debt free. ASU's affordability does not compromise the student experience. Beyond the classroom, students find a vibrant residential campus with state-of-the-art facilities, modern residence halls, and engaged faculty. There are over 100 active student clubs and organizations, plus outstanding NCAA Division II intercollegiate athletics.

ASU is a comprehensive regional university with over 11,000 students. ASU embraces its diverse student body, and this has led to ASU being designated a Hispanic-Serving Institution (HSI) in 2010.

**Overview of the Financial Statements and Financial Analysis:**

The objective of Management's Discussion and Analysis (MD&A) is to provide an easily readable understanding of the financial position, operating activities, and results of operation of ASU for the year ended August 31, 2023, with comparative data from 2022. This MD&A should be read in conjunction with the Financial Statements and Notes to the Financial Statements. ASU's management has prepared the Financial Statements and Notes to the Financial Statements along with the MD&A. Responsibility for the completeness and fairness of this information rests with ASU's administration.

**Basic Financial Statements:**

Three primary statements are presented: Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows. The Financial Statements are prepared in accordance with requirements established by the Texas Comptroller of Public Accounts. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about the cost of services, operating results, and financial position of ASU as an economic entity.

**The Statement of Net Position**

The Statement of Net Position presents information on all of ASU's assets, liabilities, deferred inflows/outflows of resources, and net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of ASU is improving or deteriorating. Other nonfinancial factors, such as ASU's enrollment and the condition of facilities, need to be considered to assess the overall health of ASU.

**ANGELO STATE UNIVERSITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended August 31, 2023**

The Statement of Net Position reflects ASU's financial position as of the conclusion of the fiscal year ended August 31, 2023. This is a point-in-time financial presentation of assets available for use in ASU's continuing operations and enables readers to determine the amounts owed to others. Assets and liabilities are presented as either current or non-current to provide an indication of their anticipated liquidation. Net position represents the residual interest in ASU's assets and deferred outflows of resources after deducting liabilities and deferred inflows of resources.

Net position is divided into three major categories. The first, net investment in capital assets, provides ASU's equity in property, plant, and equipment owned by ASU. The restricted net position category is subdivided into non-expendable and expendable classifications. Restricted non-expendable net position consists solely of ASU's permanent endowment funds and is only available for investment purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of assets. The final major category, unrestricted net position, is available to ASU for any lawful purpose. Unrestricted net position may have significant constraints on resources, which are imposed by management for various future uses in support of ASU's mission or implied by statutes or regulations, but can be removed or modified.

A summarized comparison of ASU's statement of net position on August 31, 2023, and 2022 follows:

<b>Angelo State University</b>			
<b>Condensed Statement of Net Position (Unaudited)</b>			
<b>Year Ended August 31, 2023</b>			
		<u><b>FY 2023</b></u>	<u><b>Restated FY 2022</b></u>
<b>ASSETS</b>			
Current Assets	\$	106,479,757.13	\$ 78,150,830.52
Non-current Assets		261,252,785.38	268,324,420.70
Other Non-Current Assets		-	-
<b>Total Assets</b>		<u>367,732,542.51</u>	<u>346,475,251.22</u>
<b>LIABILITIES</b>			
Current Liabilities		67,855,674.98	56,806,446.82
Non-current Liabilities		3,505,913.34	3,173,306.97
<b>Total Liabilities</b>		<u>71,361,588.32</u>	<u>59,979,753.79</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows of Resources - Leases		1,325,750.16	1,395,905.88
Deferred Inflows of Resources - PPP		2,360,144.73	2,761,315.05
<b>Total Deferred Inflows of Resources</b>		<u>3,685,894.89</u>	<u>4,157,220.93</u>
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt		142,407,311.52	141,062,831.21
Restricted Non-expendable		50,696,111.09	48,057,492.64
Restricted Expendable		36,352,502.25	27,531,405.43
Unrestricted		63,229,134.44	65,686,547.22
<b>Total Net Position</b>	<b>\$</b>	<u><u>292,685,059.30</u></u>	<u><u>\$ 282,338,276.50</u></u>

**ANGELO STATE UNIVERSITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended August 31, 2023**

Total assets increased by \$21.3 million or 6.1% for the fiscal year ended August 31, 2023. Total liabilities increased by \$11.4 million or 19%. Of ASU's net position, 21.6% reflects unrestricted assets available for future spending as the campus continues to expand. As discussed in greater detail in the Notes to the Financial Statements, ASU's financial statements do not include debt issued through the Revenue Financing System, which is held and reported by TTUS. Of ASU's net position, 48.6% reflects investments in capital assets (e.g., land, buildings and improvements, equipment, construction in progress, and infrastructure).

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

The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how ASU's net position changed during the most recent fiscal year. This statement presents operating revenues and expenses; non-operating revenues and expenses; and other revenues, expenses, gains (losses), and transfers. The change in total net position was calculated from the activity shown on the Statement of Revenues, Expenses, and Changes in Net Position.

A summarized comparison of ASU's Statement of Revenues, Expenses, and Changes in Net Position for the years ended August 31, 2023 and 2022 follows:

Angelo State University		
Condensed Statement of Revenues, Expenses, and Changes in Net Position (Unaudited)		
Year Ended August 31, 2023		
	FY 2023	Restated FY 2022
Total Operating Revenues	\$ 70,237,474.75	\$ 70,043,705.85
Total Operating Expenses	149,852,734.59	145,308,051.98
<b>Operating Income (Loss)</b>	(79,615,259.84)	(75,264,346.13)
Total Non-operating Revenues (Expenses)	92,283,519.42	92,330,715.02
<b>Income (Loss) before Other Revenues, Expenses, Gains/(Losses) and Transfers</b>	12,668,259.58	17,066,368.89
Total Other Revenues, Expenses, Gains/(Losses), and Transfers	(2,321,476.78)	(1,785,449.27)
<b>Total Changes in Net Position</b>	10,346,782.80	15,280,919.62
Beginning Net Position (September 1)	282,019,197.66	267,057,356.88
Restatement	319,078.84	-
<b>Ending Net Position (August 31)</b>	\$ 292,685,059.30	\$ 282,338,276.50

**Results of Operations:**

**Operating Revenues**

Operating revenues are received and recognized as a result of providing services to the constituencies of ASU. Tuition and fee revenues are reported net of any scholarship discounts and allowances. Institutional resources provided to students are financial aid and reported as scholarship allowances in amounts up to and equal to amounts owed by the students to ASU.



**ANGELO STATE UNIVERSITY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
Year Ended August 31, 2023**

Operating revenues increased \$0.1 million or 0.2% for the fiscal year ended August 31, 2023. ASU’s primary sources of operating revenues come from net student tuition and fees and grants and contracts. Net student tuition and fees decreased by \$1.8 million due to a slight decrease in enrollment as compared to Fall of 2021. As of Fall of 2022, ASU has seen an enrollment increase of 2.2% from Fall of 2018. Below is ASU’s enrollment from Fall 2018 to Fall 2022.

<b>ASU Student Enrollment</b>				
<b>Fall 2018 FY19</b>	<b>Fall 2019 FY20</b>	<b>Fall 2020 FY21</b>	<b>Fall 2021 FY22</b>	<b>Fall 2022 FY23</b>
10,387	10,580	10,775	10,826	10,620

During fiscal year 2022, the Norris-Vincent College of Business hosted the inaugural class of 28 students in the Commercial Aviation program. ASU saw continued enrollment growth in 2023 because of Southwest Airlines announcing ASU as a university partner in its Destination 225 pilot recruitment program, which provides ASU commercial aviation students a defined pathway to become competitively qualified for career opportunities with Southwest Airlines.

Grant and contract revenue increased \$2 million mainly due to new grants and contracts.

**Operating Expenses**

Operating expenses are the costs necessary to provide services to customers and to fulfill the mission of ASU. These include salaries, wages, and purchase of goods and services. Operating expenses are displayed using the natural method of presentation, which displays the operating expenses in a manner that categorizes the objects of expenditure within various cost centers.

Operating expenses increased \$4.5 million or 3.1% for the fiscal year ended August 31, 2023. Increases in operating expenditures are attributable to costs related to providing educational programs and experiences, salaries and wages, payroll-related costs, and other operating expenses.

The following data summarizes the composition of operating expenses by programmatic function for the years ended August 31, 2023 and 2022:

**ANGELO STATE UNIVERSITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended August 31, 2023**

**Angelo State University  
Operating Expenses (Unaudited)  
Year Ended August 31, 2023**

<u>Operating Expenses</u>	<u>Total Expenses</u>	<u>Percentage of Total</u>	<u>Restated FY 2022</u>	<u>Percentage of Total</u>
Instruction	\$ 49,644,962.00	33.1%	\$ 46,367,983.60	31.9%
Research	878,101.88	0.6%	741,807.72	0.5%
Public Service	6,858,260.37	4.6%	1,495,432.32	1.0%
Academic Support	6,238,858.34	4.2%	7,171,324.50	4.9%
Student Services	10,615,137.86	7.1%	9,492,941.97	6.5%
Institutional Support	22,476,492.60	15.0%	22,044,941.17	15.2%
Operation and Maintenance of Plant	7,485,791.93	5.0%	6,905,688.11	4.8%
Scholarships	12,599,873.57	8.4%	19,344,123.31	13.3%
Auxiliary Enterprise Expenditures	20,383,063.09	13.6%	19,293,614.41	13.3%
Depreciation and Amortization	12,672,192.95	8.5%	12,444,985.71	8.6%
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Operating Expenses</b>	<b>\$ <u>149,852,734.59</u></b>	<b><u>100.0%</u></b>	<b>\$ <u>145,302,842.82</u></b>	<b><u>100.0%</u></b>

**Non-Operating Revenues (Expenses)**

Non-operating revenues and expenses include non-exchange transactions for which no goods or services were directly provided. This category includes State appropriations, Pell grants, gifts, investment income, and interest payments on long-term debt.

State appropriations are classified as non-operating revenue because they are provided by the Legislature to ASU without the Legislature directly receiving goods or services for those revenues. Additionally, certain federal resources for student financial aid, as well as most gift revenue, are classified as non-operating revenue. Significant portions of ASU's recurring resources are classified as non-operating.

Non-operating revenues (expenses) decreased \$50,000 or .05% for the fiscal year ended August 31, 2023. ASU's primary sources of non-operating revenues and expenses come from State appropriations, net investment income (loss) excluding the change in fair value of investments, and net increase (decrease) in fair value of investments. The decrease is attributable to a decrease in non-operating grants and other non-operating revenues.

Proceeds from non-operating grants totaled \$17.1 million in fiscal year 2023, a decrease of \$8.3 million

**ANGELO STATE UNIVERSITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended August 31, 2023**

from the prior year. This is due to a decrease of funds received from the federal Higher Education Emergency Relief Fund (HEERF) grants as part of the Coronavirus Response and Relief Supplemental Appropriations Act, the American Rescue Plan Act, and the Governor's Emergency Education Relief (GEER) funds. Funds were used to provide emergency relief grants to students, for investments in technology and campus safety, and to reimburse ASU for lost revenue due to the disruptions to enrollment levels during the pandemic.

**Capital Contributions and Transfers**

Capital appropriations, capital gifts and grants, additions to permanent endowments, and transfers decreased \$500,000 or 30% for the fiscal year ended August 31, 2023.

The change was a result of the increase in Transfers Out to the TTUS Administration and Legislative Transfers Out (see Note 12). Capital Contributions did increase by \$3.2 million, which limited the overall decrease.

Total Ending Net Position increased from fiscal year ended August 31, 2022 by \$10.3 million or 3.2%.

**The Statement of Cash Flows**

The Statement of Cash Flows presents information about ASU's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities. Cash flow information can be used to assess where cash comes from, what cash was used for, and what the change in cash balances was during the reporting period.

Net cash used by operating activities decreased \$10 million from 2022. The change is mainly attributable to decreased payments for other operating activities.

A summarized comparison of ASU's Statement of Cash Flows for the years ended August 31, 2023 and 2022 follows:

<b>Angelo State University</b>		
<b>Condensed Statement of Cash Flows (Unaudited)</b>		
<b>Year Ended August 31, 2023</b>		
	<b>FY 2023</b>	<b>Restated FY 2022</b>
Cash Provided (Used) By:		
Operating Activities	\$ (59,763,544.95)	\$ (69,730,605.61)
Noncapital Financing Activities	76,633,885.93	82,516,649.18
Capital and Related Financing Activities	(15,397,021.74)	(8,729,430.37)
Investing Activities	18,890,853.77	(3,958,973.44)
Total Net Cash Flows	20,364,173.01	97,639.76
Beginning Cash and Cash Equivalents, September 1	30,064,577.33	29,966,937.57
<b>Ending Cash and Cash Equivalents, August 31</b>	<b>\$ 50,428,750.34</b>	<b>\$ 30,064,577.33</b>

**ANGELO STATE UNIVERSITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended August 31, 2023**

**Factors Affecting the Future of Angelo State University:**

**Financial Stability**

ASU has sound financial resources and a stable financial base, as demonstrated by ASU's diverse revenue sources, growth, and other financial indicators. This financial stability provides a strong foundation for supporting ASU's mission and the scope of its programs and services.

**Sources of Revenue**

A key to maintaining ASU's fiscal stability is the diversification of ASU's academic and business portfolio. The educational, research and service components of ASU's mission provide ASU with diversified sources of revenue, including legislative appropriations, tuition and fees, grants and contracts, and other sources. The lack of dependence on any one source of funding allows ASU to maintain flexibility and financial stability in times of economic change.

**State Appropriations**

ASU receives support through the legislative appropriation process from the State using three primary formulas: (1) Instruction and Operations, which is used to support ASU's academic instructional and administrative operational activities; (2) Infrastructure Support, which is used for utilities and facilities operational needs; and (3) Research Enhancement, which is used to support the ASU's research activities. These formula allocations are provided through the General Appropriations Act every two years. In addition to these formulas, ASU also receives funds dedicated through the Texas Constitution, Higher Education Fund (HEF). The HEF funds are provided to help ASU acquire land; construct, repair, and provide deferred maintenance for its buildings; and purchase capital equipment and library materials.

**Grants and Contracts**

Grants and contracts revenue is generated by both research programs and federal non-operating grants. Non-operating grants and contracts will continue to increase or decrease with COVID-related funding distributed as HEERF and GEER.

**Tuition and Fees**

Tuition and fee revenue is generated by ASU's educational programs and enrollment trends in existing programs are important. Stability, growth in enrollment, and new additions to the programs offered is an important indicator of ASU's operational and financial health. State appropriations are based partly on student enrollment; thus, positive enrollment trends favorably impact ASU's funding from state appropriations.

**Positive Reputation and Generous Support**

ASU's long-standing reputation is supported by a loyal base of donors, as well as generous faculty and staff contributors who support the "Ram Fam", the mantra that the Ram Family takes care of our own.

**ANGELO STATE UNIVERSITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended August 31, 2023**

**Fund Balance Reserve**

The fund balance reserve is calculated to determine if resources are sufficient and flexible enough to support ASU's mission. It measures the financial strength and flexibility of the institution by comparing the expendable net position to expected salary and maintenance and operations budget needs. Expendable net position represents those assets that ASU can access quickly to meet its operating and capital requirements. The fund balance reserve policy indicates how long ASU could function using its existing expendable reserves. The fund balance reserve policy was increased from 8-15% to 15%-35% of budget needs, or 3 to 4 months depending on expected revenue and fund type, to better indicate flexibility in transforming the institution's operations should a prevailing need arise. ASU maintains positive financial results with respect to this measurement with the next fiscal year budget amount totaling 30% of the overall fund balance reserve for fiscal year 2023.

**Capital Assets**

As fundamental as instruction and research are to ASU, these endeavors cannot occur without the land, buildings, facilities, equipment, and information technology infrastructure needed to support them. Sustaining these assets requires a significant investment in renovations, improvements, expansion, and maintenance. The goal of expending resources for these investments is to achieve a safe, modern, and efficient campus environment that is conducive to learning, teaching, research, and community service.

ASU remains focused on its continuing efforts to implement long-range capital plans. At the end of the 2023 fiscal year, ASU had \$142 million in capital assets, net of debt and accumulated depreciation and amortization. These assets include land, buildings, infrastructure and improvements, furniture and equipment, library books, computer systems software, and works of art. Several major capital construction projects are in various stages of completion, and the cumulative investment in these assets is reported as construction in progress. As required by GASB reporting standards, ASU reports accumulated depreciation and amortization on its capital assets. Additionally, ASU recognizes a current-year charge for depreciation and amortization expense.

ASU has developed a campus master planning process designed to identify facilities' needs congruent with enrollment and research projections that are consistent with its mission and academic master plans. During fiscal year 2023, ASU continued its efforts to implement the capital projects construction element of its master plan.

**Debt Administration**

ASU engages in the prudent use of debt to finance capital projects as a means of maximizing the management of financial and physical resources. Texas Tech University System has issued debt on behalf of ASU, which is not included in ASU's financial statements. A portion of TTUS's debt services is funded by biennial State appropriations. No debt associated with ASU activities is reflected in these financial statements other than right-to-use obligations, which are immaterial to ASU's overall financial statement

**Economic Outlook**

Total enrollment for fall 2023 is 11,249 which is a 5.9% increase when compared to the previous fall 2022 enrollment. Total overall enrollment growth is 8.3% since 2018.

**ANGELO STATE UNIVERSITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended August 31, 2023**

ASU continues to engage in construction projects funded by donor contributions, Capital Construction Assistance Project funds, and Revenue Financing System funds to be repaid with HEF or Institutional funds. The upcoming major construction projects over \$4 million include Facilities Plant Upgrade, Carr Hall Renovation, Murphey Auditorium Renovation, and the Aviation Training Facility. The minor projects under \$4 million include the Housley Bell Tower and the Vanderventer Conversion project. Management and donor discussions are underway on the most advantageous use of available funds.

The Texas Tech University Board of Regents approved the fiscal year 2024 operating budget of \$144,267,743.

**Contacting ASU's Financial Management**

This financial report is designed to provide a general overview of ASU's finances. Questions concerning this report or requests for additional financial information should be directed to the office of the Vice President for Finance and Administration, 2601 West Avenue N, ASU Station #11009, San Angelo, TX 76909, or by phone at 325-942-2017. General information about ASU may be found on the website: <https://www.angelo.edu>.

**Angelo State University**  
**Statement of Net Position (Unaudited)**  
**Year Ended August 31, 2023**

	<b>FY 2023</b>	<b>Restated FY 2022</b>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 46,604,321.08	\$ 31,219,262.36
Restricted:		
Cash and Cash Equivalents	3,824,367.48	(1,154,685.03)
Legislative Appropriations	15,660,290.27	11,926,029.60
Accounts Receivable, net:		
Federal Receivables	983,988.52	2,774,804.30
Student Receivables	19,920,353.81	17,249,687.67
Gift Receivables	3,682,970.59	3,427,890.33
Lease Receivables	55,998.62	51,154.76
Interest Receivable	117,552.25	87,730.11
Accounts Receivables	1,505,132.42	873,889.23
PPP Installment Receivable	1,319,370.04	316,201.53
Due From Other Agencies (Note 12)	228,912.55	144,294.06
Prepaid Items	12,270,911.48	10,864,726.47
Inventories	245,412.74	234,702.83
Loans and Notes Receivable, net	60,175.28	135,142.30
Total Current Assets	106,479,757.13	78,150,830.52
<b>Non-current Assets:</b>		
Investments (Note 3)	53,038,902.92	66,448,211.82
Restricted:		
Cash and Cash Equivalents	61.78	-
Investments (Note 3)	60,428,611.37	52,299,234.57
Investments (Note 3)		
Lease Receivables	1,297,182.27	1,353,106.47
PPP Installment Receivable	1,455,235.52	2,774,605.53
Capital Assets (Note 2)		
Non-Depreciable or Non-Amortizable	12,806,450.97	6,266,483.13
Depreciable or Amortizable	332,468,014.14	326,255,033.98
Accumulated Depreciation and Amortization	(203,214,092.04)	(191,512,222.92)
Less Accumulated Amortization	(160,610.91)	(107,073.89)
Right to Use - Land	347,850.09	-
Less Accumulated Amortization	(911.64)	-
Right to Use - Subscription Assets	598,851.58	598,851.58
Less Accumulated Amortization	(598,851.58)	(299,425.78)
Other Non-Current Assets	-	-
Total Non-Current Assets	261,252,785.38	268,324,420.70
Total Assets	\$ 367,732,542.51	\$ 346,475,251.22
<b>Current Liabilities:</b>		
Unearned Revenues	50,193,516.27	45,504,595.61
Bonds Payable (Note 5)	-	-
Right to Use Lease Obligations (Note 5)	11,871.92	55,250.73
Right to Use Subscription Obligations (Note 5)	-	304,634.96
Employees' Compensable Leave (Note 5)	-	-
Notes and Loans Payable (Note 5)	-	-
Capital Lease Agreement Obligation (Note 5)	-	-
<b>Non-current Liabilities:</b>		
Right to Use Lease Obligations (Note 5)	333,630.34	-
Employees Compensable Leave (Note 5)	3,170,211.82	3,161,220.66
Bonds Payable (Note 5)	-	-
Capital Lease Agreement Payable (Note 5)	-	-
Other Non-Current Liabilities	0.00	-
Other Non-Current Liabilities	2,071.18	12,086.31
Total Non-Current Liabilities	3,505,913.34	3,173,306.97
Total Liabilities	\$ 71,361,588.32	\$ 59,979,753.79
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows of Resources - Leases (Note 28)	1,325,750.16	1,395,905.88
Deferred Inflows of Resources - PPP (Note 28)	2,360,144.73	2,761,315.05
<b>NET POSITION</b>		
Invested in Capital Assets, Net of Related Debt	\$ 142,407,311.52	\$ 141,062,831.21
Restricted:		
Non-Expendable:		
Endowments	50,696,111.09	48,057,492.64
Expendable:		
Endowments	3,242,935.56	3,435,734.43
Debt Service	-	-
Other	33,109,566.69	24,095,671.00
Unrestricted	63,229,134.44	65,686,547.22
Total Net Position	\$ 292,685,059.30	\$ 282,338,276.50

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

**Angelo State University**  
**Statement of Revenues, Expenses, and Changes in Net Position (Unaudited)**  
**Year Ended August 31, 2023**

	FY 2023	Restated FY 2022
<b>OPERATING REVENUES</b>		
Sales of Goods and Services		
Tuition and Fees - Pledged	\$ 74,173,133.18	\$ 65,358,830.53
Tuition and Fees - Unpledged	4,444,465.80	4,098,939.40
Discounts and Allowances	(33,478,950.00)	(22,494,377.21)
Auxiliary Enterprises - Pledged	20,388,245.47	19,880,572.09
Discounts and Allowances	(8,072,999.09)	(7,416,023.59)
Other Sales of Goods and Services - Pledged	1,115,949.03	962,017.74
Federal Revenue-Operating (Sch 1A)	2,015,228.23	1,272,424.07
Federal Pass Through Revenue (Sch 1A)	489,543.53	303,551.32
State Grant Pass Through Revenue (Sch 1B)	8,560,868.38	7,036,667.50
Nongovernmental Grants and Contracts	601,990.22	1,041,104.00
Total Operating Revenues	70,237,474.75	70,043,705.85
<b>OPERATING EXPENSES</b>		
Salaries and Wages	60,257,527.84	58,412,908.13
Payroll Related Costs	19,159,019.31	18,588,644.19
Professional Fees and Services	3,024,823.01	1,939,389.49
Travel	2,147,583.00	1,924,296.24
Materials and Supplies	10,961,896.66	9,829,669.99
Communications and Utilities	3,709,981.09	4,005,452.95
Repairs and Maintenance	3,386,458.89	3,091,230.41
Rentals and Leases	846,491.59	812,761.10
Printing and Reproduction	340,920.42	389,419.35
Depreciation and Amortization	12,672,192.95	12,744,411.49
Bad Debt Expense	521,095.66	569,533.17
Interest	953.67	323.53
Scholarships	12,599,873.57	19,344,123.31
Other Operating Expenses	20,223,916.93	13,655,888.63
Total Operating Expenses	149,852,734.59	145,308,051.98
Operating Income (Loss)	(79,615,259.84)	(75,264,346.13)
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Legislative Revenue	37,895,602.80	38,834,161.44
Federal Revenue-Non-operating (Sch 1A)	17,133,426.65	25,415,612.59
Federal Pass-thru from Other State Agencies Revenue-Non-operating (Sch 1A)	119,482.74	79,753.78
Gifts	19,713,036.95	14,788,581.50
Capital Gifts and Contracts	-	-
Investment Income	11,732,316.78	12,508,585.25
Gain (Loss) on Sale and Disposal of Capital Assets	-	-
Net Increase (Decrease) in Fair Value of Investments	1,878,604.89	(8,508,252.10)
Payments of Interest on Leases	(584.42)	(9,432.37)
Other Non-operating Revenues/(Expenses) - Pledged	3,811,633.03	9,221,704.93
Total Non-operating Revenues (Expenses)	92,283,519.42	92,330,715.02
<b>Income (Loss) before Other Revenues, Expenses, Gains/Losses and Transfers</b>	12,668,259.58	17,066,368.89
<b>OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS</b>		
Capital Appropriations (HEF)	6,792,999.00	6,792,999.00
Transfers Out - TTU (Note 12)	-	-
Transfers In - TTU System Admin (Note 12)	1,751,167.15	2,985,010.38
Transfers Out - TTUSA Foundation, Inc. (Note 12)	-	-
Transfers In - Other State Agencies (Note 12)	121,215.00	115,392.00
Inc (Dec) in Net Assets Due to Interagency Transfer of Capital Asset (Note 12)	-	-
Legislative Transfers-In (Note 12)	174,540.00	177,195.00
Legislative Transfers-Out (Note 12)	(3,191,329.35)	(4,146,030.74)
Legislative Appropriations Lapsed	(0.25)	(8.91)
Total Other Revenues, Expenses, Gains, Losses, and Transfers	(2,321,476.78)	(1,785,449.27)
<b>Total Changes in Net Position</b>	\$ 10,346,782.80	\$ 15,280,919.62
Beginning Net Position (September 1)	282,019,197.66	267,057,356.88
Restatement	319,078.84	-
<b>Ending Net Position (August 31)</b>	\$ 292,685,059.30	\$ 282,338,276.50

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



**ANGELO STATE UNIVERSITY**  
**MATRIX OF OPERATING EXPENSES REPORTED BY FUNCTION**  
**Year Ended August 31, 2023**

<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	\$ 30,651,960.75	\$ 443,523.65	\$ 1,016,643.30	\$ 4,043,566.16	\$ 6,222,363.55
Payroll Related Costs	9,361,940.63	88,820.50	248,472.15	1,145,526.36	1,966,322.06
Professional Fees and Services	2,028,991.60	4,693.00	18,854.34	12,796.68	332,910.71
Travel	763,467.42	33,901.49	49,110.33	39,747.76	114,690.22
Materials and Supplies	1,812,816.90	115,452.93	297,310.76	236,391.65	354,558.58
Communication and Utilities	129,223.54	1,333.08	11,826.41	36,685.10	33,629.31
Repairs and Maintenance	378,148.43	4,280.44	74,640.44	86,963.63	125,978.48
Rentals and Leases	121,056.87	200.00	32,144.68	12,529.97	60,754.13
Printing and Reproduction	55,178.29	193.98	10,917.44	(9,314.42)	26,093.60
Depreciation and Amortization	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-
Interest	352.55	-	2.02	19.97	46.50
Scholarships	-	-	-	-	-
Other Operating Expenses	<u>4,341,825.02</u>	<u>185,702.81</u>	<u>5,098,338.50</u>	<u>633,945.48</u>	<u>1,377,790.72</u>
Total Operating Expenses	\$ <u><u>49,644,962.00</u></u>	\$ <u><u>878,101.88</u></u>	\$ <u><u>6,858,260.37</u></u>	\$ <u><u>6,238,858.34</u></u>	\$ <u><u>10,615,137.86</u></u>

**ANGELO STATE UNIVERSITY**  
**MATRIX OF OPERATING EXPENSES REPORTED BY FUNCTION**  
**Year Ended August 31, 2023**

<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>Rrestated FY 2022</u>
\$ 9,448,592.87	\$ 2,241,098.62	\$ -	\$ 6,189,778.94	\$ -	\$ 60,257,527.84	\$ 58,412,908.13
3,750,696.41	854,645.27	-	1,742,595.93	-	19,159,019.31	18,588,644.19
225,096.08	24,794.85	-	376,685.75	-	3,024,823.01	1,939,389.49
369,445.40	1,856.92	-	775,363.46	-	2,147,583.00	1,924,296.24
1,596,232.42	665,219.25	-	5,883,914.17	-	10,961,896.66	9,829,669.99
144,163.31	1,772,815.57	-	1,580,304.77	-	3,709,981.09	4,005,452.95
561,766.27	941,926.86	-	1,212,754.34	-	3,386,458.89	3,091,230.41
279,035.92	9,256.17	-	331,513.85	-	846,491.59	812,761.10
227,402.56	1,782.41	-	28,666.56	-	340,920.42	389,419.35
-	-	-	-	12,672,192.95	12,672,192.95	12,444,985.71
209,569.30	-	-	311,526.36	-	521,095.66	569,533.17
359.37	5.15	-	168.11	-	953.67	323.53
-	-	12,599,873.57	-	-	12,599,873.57	19,344,123.31
<u>5,664,132.69</u>	<u>972,390.86</u>	<u>-</u>	<u>1,949,790.85</u>	<u>-</u>	<u>20,223,916.93</u>	<u>13,950,105.25</u>
<u>\$ 22,476,492.60</u>	<u>\$ 7,485,791.93</u>	<u>\$ 12,599,873.57</u>	<u>\$ 20,383,063.09</u>	<u>\$ 12,672,192.95</u>	<u>\$ 149,852,734.59</u>	<u>\$ 145,302,842.82</u>

**ANGELO STATE UNIVERSITY**  
**STATEMENT OF CASH FLOWS**  
Year Ended August 31, 2023

	<b>FY 2023</b>	<b>Restated FY 2022</b>
<b>Cash Flows from Operating Activities</b>		
Tuition and Fees	\$ 45,984,769.47	\$ 44,327,937.95
Grants and Contracts	13,301,411.82	9,802,115.42
Sales and Services of Auxiliary Enterprises	12,585,173.68	12,615,762.84
Other Sales and Services	1,115,838.84	960,937.95
Collections for Loans Issued to Students	106,140.09	120,053.59
Proceeds from Fiduciary Activities	30,751,748.36	34,253,200.29
Payments to Suppliers for Goods and Services	(24,254,934.57)	(22,009,782.83)
Payments for Loans Issued to Students	(45,864.65)	(131,497.05)
Payments to Employees - Salaries	(60,026,110.53)	(58,402,527.85)
Payments to Employees - Benefits	(20,163,850.36)	(19,789,031.44)
Payments for Fiduciary Activities	(30,154,643.45)	(34,155,297.43)
Payments for Other Operating Activities	(28,963,223.65)	(37,322,477.05)
Net Cash Provided (Used) by Operating Activities	<u>(59,763,544.95)</u>	<u>(69,730,605.61)</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
State Appropriations	34,161,342.13	34,469,865.74
Noncapital Gifts	19,713,036.95	14,788,581.50
Noncapital Grants	17,252,909.39	25,495,366.37
Proceeds from Other Financing Activities	17,133,414.90	12,143,900.58
Transfers to/from Other State Agencies:		
TTU System Admin	(360,430.00)	(326,970.00)
TTU System Admin - Legislative Transfer	(218,462.00)	(211,840.00)
Texas Veterans Commission - Legislative Transfer	174,540.00	177,195.00
Comptroller of Public Accounts	121,215.00	115,392.00
Texas State University System	(1,590.17)	(644.12)
Payments for Other Financing Activities	(11,342,090.27)	(4,134,197.89)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>76,633,885.93</u>	<u>82,516,649.18</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Capital Appropriations	6,792,999.00	6,792,999.00
Capital Gifts	3,497,652.00	-
Transfers to/from Other State Agencies:		
TTU System Admin - proceeds	1,751,167.15	2,985,010.38
Texas State University System	-	-
Interest Payments for Capital Leases	-	-
Payments for Leases/SBITAS	(24,128.01)	250,923.68
Net Cash Provided (Used) by Capital and Related Financing Activities	(15,397,021.74)	(8,729,430.37)
Proceeds from Investment Sales and Maturities	7,158,536.99	-
Proceeds from Principal Payments on Loans	-	-
Purchases of Investments	0.00	(16,510,640.28)
Net Cash Provided by Investing Activities	<u>18,890,853.77</u>	<u>(3,958,973.44)</u>
<b>TOTAL NET CASH FLOWS</b>	<b>\$ 20,364,173.01</b>	<b>\$ 97,639.76</b>
Cash and Cash Equivalents, September 1, 20xx - Restated	<u>30,064,577.33</u>	<u>29,966,937.57</u>
Ending Cash and Cash Equivalents, August 31	<u>\$ 50,428,750.34</u>	<u>\$ 30,064,577.33</u>
<b>Reconciliation of Operating Income (Loss) to</b>		
Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ (79,615,259.84)	\$ (75,264,346.13)
Adjustments:		
Depreciation Expense	12,672,192.95	12,744,411.49
Classification Differences	-	-
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivables	(576,891.19)	(11,295,694.06)
Increase (Decrease) in Due from Other Agency	(84,618.49)	(42,097.60)
(Increase) Decrease in Loans and Notes Receivable	74,967.02	8,607.34
(Increase) Decrease in Inventory	(10,709.91)	(27,847.10)
(Increase) Decrease in State Appropriations	-	-
Increase (Decrease) in Accounts Payable	4,056,679.80	788,488.76
Increase (Decrease) in Payrolls Payable	231,417.31	10,380.28
Increase (Decrease) in Due to Other Funds	17,173.17	170.13
Increase (Decrease) in Unearned Revenue	4,688,920.66	4,074,202.94
Increase (Decrease) in Compensable Leave	8,991.16	(110,491.02)
Increase (Decrease) in Benefits Payable	(1,013,822.21)	(1,089,896.23)
Increase (Decrease) in Fiduciary Funds Held 3 months or less	597,104.91	97,902.86
Increase (Decrease) in Deferred inflow of Resources	(401,170.32)	0.00
Increase (Decrease) in Other Liabilities	(10,045.13)	(22,958.09)
Net Cash Used for Operating Activities	<u>(59,763,544.95)</u>	<u>(69,730,605.61)</u>
<b>Non-Cash Transactions</b>		
Donation of Capital Assets	\$ 56,661.20	\$ 318,055.00
Disposal of Plant Facilities	(616,449.37)	(991,405.73)
Trade In	33,253.00	6,850.00

**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2023**  
**UNAUDITED**

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

**Reporting Entity**

ASU is a public institution of higher education and is an agency of the State of Texas (the “State”). ASU is one of six agencies included in the Texas Tech University System (TTUS). This Annual Financial Report consists of the results of operations of ASU, a separate institution established under the Texas Education Code, Chapter 110. The other five institutions reported separately are Texas Tech University (TTU), Texas Tech University Health Sciences Center (TTUHSC), Texas Tech University Health Science Center at El Paso (TTUHSCEP), Midwestern State University (MSU), and Texas Tech University System Administration (TTUSA). The balances and activities of the other five entities are reported separately and are therefore not included in this Annual Financial Report. All of the TTUS entities are consolidated and presented together as a major enterprise fund in the State’s Annual Comprehensive Financial Report (ACFR).

ASU is under the direction, management, and control of the TTUS Board of Regents (the “Board”), which acts separately and independently on all matters affecting ASU. The ten members of its Board are appointed by the Governor and include one non-voting student Regent.

ASU was established in 1928 and is in San Angelo, Texas, which is approximately halfway between San Antonio and Lubbock, Texas. ASU is accredited by the Southern Association of Colleges and Schools Commission on Colleges.

**Basis of Presentation**

The financial statements of ASU have been prepared in accordance with the requirements established by the Comptroller of Public Accounts’ Annual Financial Reporting (AFR) Requirements. These requirements follow, as near as practicable, the generally accepted accounting principles in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Comptroller’s AFR Reporting Requirements are designed to assist the Texas Comptroller of Public Accounts in compiling and preparing the State’s ACFR and, accordingly, have some untraditional elements, such as prohibition of rounding, unique ordering and specific numbering of footnotes, and the inclusion of footnote titles when the subject matter does not apply.

ASU and TTUS have elected to define ASU’s reporting entity to include only activities in ASU’s name. ASU’s proportional share of liabilities in the name of TTUS are reported by TTUS. Transactions associated with bonds, pensions, and other postemployment benefits related to ASU’s activities in the name of TTUS are not reported by ASU. However, ASU has elected to make limited disclosures concerning these matters in notes 6, 9, and 11. The associated financial activities related to these items and required disclosures are made within TTUS’s Annual Financial Report.

As required by GAAP, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of ASU’s financial reporting entity. They present the government and its component units, entities for which ASU is considered to be financially accountable.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in ASU’s financial reporting entity are based on criteria prescribed by GASB. These same criteria are evaluated in considering whether ASU is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that ASU’s financial reporting entity status is that of a primary government are that it has a separately

**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2023**  
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elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under GAAP include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Blended component units, although legally separate entities, are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. As an Agency of the State, ASU has elected to present its blended component unit within its financial statements, but discretely presented statements of component units, which would normally would be presented separately, are not included. As discussed further in Note 19, ASU's component units and method of presentation are:

1. The Angelo State University Foundation, Inc.—Blended
2. The Angelo State University Robert G. Carr and Nona K. Carr Scholarship Foundation—Discretely Presented

### **Basis of Accounting**

For financial reporting purposes, higher education institutions are considered proprietary funds, which are used to account for business-type activities. Business-type activities are defined as those that are financed in whole or in part by fees charged to external parties for goods and services. GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities* – an Amendment of GASB Statement No. 34, established accounting and financial reporting standards for universities within the financial reporting guidelines of GASB 34 as mentioned above. Under GASB 35, universities must follow proprietary fund accounting and are required to report all funds in a single column instead of by individual fund.

The basis of accounting determines when revenues and 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. Proprietary funds use the flow of economic resources measurement focus (whether or not the entity is economically better off as a result of the events and transactions that occurred during the fiscal period reported) and the full accrual basis of accounting, meaning revenues are recognized when earned, and expenses are recorded when an obligation has occurred.

Proprietary funds distinguish between operating and non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation and amortization of capital assets.

### **Budgetary Information**

The State's budget is prepared biennially and represents appropriations authorized by the Legislature and approved by the Governor. Additionally, ASU prepares an annual budget representing anticipated revenue sources and authorized uses. This budget is approved by TTUS' Board. Unencumbered appropriations are generally subject to lapse 60 days after the fiscal year end for which they were appropriated.

**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2023**  
**UNAUDITED**

**Current and Non-Current**

Current amounts are those expected to be collected or incurred within the next fiscal year and are, therefore, available for current operational requirements. Non-current amounts are those expected to be collected or incurred beyond the next fiscal year and are, therefore, intended for longer-term institutional needs.

**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 generally stated at fair value with certain exceptions in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Fair value, which is determined based on quoted market prices, is the amount at which an investment could be exchanged in a current transaction between parties other than in a forced or liquidation sale. Changes in unrealized gain (loss) on the carrying value of investments is reported as a component of investment income in the accompanying Comparative Statement of Revenues, Expenses, and Changes in Net Position.

**Legislative Appropriations**

This item represents the balance of General Revenue Funds and Higher Education Assistance Funds on August 31 as calculated in the Texas State Comptroller's General Revenue Reconciliation.

**Restricted Assets**

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include revenues set aside for statutory or contractual requirements. Assets held in reserve for guaranteed student loan defaults are also included.

**Inventories and prepaids**

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 for inventories and prepaid items benefiting more than one accounting period. The cost of these items is expensed when the items are consumed. Prepaid items include payments for scholarships and capital assets that have not been received by the end of the fiscal year.

**Receivables**

ASU's most significant categories are student receivables, contract receivables, and pledged gift

**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2023**  
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receivables. Receivables are reported net of allowances for contractual, uncollectible, and similar adjustments. Gift receivables are accounted for at their estimated net realizable value, which consists of the present value of long-term pledges and a reduction for any allowance for uncollectible pledges.

Allowances for uncollectible balances and other adjustments are estimated using either (1) aging schedules (for student accounts receivable), (2) percentage of revenues (for pledged gifts receivable), or (3) detailed evaluations of past collection performance.

Receivables that are not expected to be collected within one year are reported as non-current assets and include portions of pledged gifts receivable and loans and notes receivable.

**Capital Assets**

Assets such as furniture, equipment, and vehicles with an aggregate cost of more than \$5,000 and an estimated useful life in excess of one year are capitalized. Capitalization thresholds are also utilized for buildings and building improvements (\$100,000), infrastructure (\$500,000), and facilities and other improvements (\$100,000). Capital assets are recorded at cost or estimated historical cost if actual historical cost is not available. Donated capital assets are reported at acquisition value. For fabricated assets financed by debt, construction period interest is capitalized as part of the capital asset cost. The capitalized interest is combined with the other costs associated with constructing the asset and depreciated over the appropriate useful life beginning when the asset is placed into service.

Capital assets are depreciated over the estimated useful life of the asset using the straight-line method based on allocation methods and estimated lives prescribed by the Statewide Property Accounting (SPA) system. Depreciation is recorded as a periodic expense and accumulated as an offset to the asset book values. Depreciation expense is not allocated to functional categories for this Annual Financial Report.

Intangible capital assets are defined as assets that lack physical substance, are nonfinancial in nature, and have an initial useful life extending beyond a single reporting period. These assets are required to be reported if they are identifiable. Land use rights are capitalized if the cost meets or exceeds \$100,000. Purchased computer software is capitalized if the aggregate cost of the purchase meets or exceeds \$100,000. Internally generated computer software has a capitalization threshold of \$1,000,000, and other intangible capital assets must be capitalized if the cost meets or exceeds \$100,000. Intangible assets are amortized based on the estimated useful life of the asset using the straight-line method.

**Deferred Outflows of Resources**

Deferred outflows of resources refer to the net asset consumption of assets that is applicable to a future fiscal year.

**Liabilities**

**Accounts Payable**

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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.

**Unearned Revenues**

Unearned revenues include amounts for tuition and fees, certain auxiliary activities, and amounts from grant and contract sponsors received prior to the end of the fiscal year but related to the subsequent accounting period.

**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 non-current in the Statement of Net Position.

**Right-to-use Lease Obligations**

Right-to-use lease obligations represent the liability for future lease payments under leases. Liabilities are reported separately as either current or non-current in the Statement of Net Position.

**Deferred Inflows of Resources**

Deferred inflows of resources are defined as the net acquisition of assets that is applicable to a future fiscal year. Due to the implementation of GASB Statement No. 87, *Leases*, ASU's deferred inflows of resources are associated with leases and are calculated as the initial amount of leases receivable plus any lease payments received from the lessee at or before the beginning of the lease term that relate to future periods

**Net Position**

Net position is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net position is divided into three categories, as described below:

**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 that 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**



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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 Activity and Transactions**

ASU is regularly involved in both interfund activity and interfund transactions. Interfund activity refers to financial interaction between funds (including blended component units) and is related to internal events. Interfund transactions refer to interactions with outside parties (discretely presented component units, other governments, other legally separate entities, and individuals) and are restricted to external events. Interfund activity and interfund transactions are clearly identifiable and eliminated where appropriate.

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**NOTE 2: Capital Assets**

A summary of the changes in capital assets is presented below.

	<u>Balance 09/01/22</u>	<u>Adjustments</u>	<u>Completed CIP</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 08/31/23</u>
<b>Business-type activities:</b>						
<b>Non-depreciable/Non-amortizable Assets</b>						
Land and Land Improvements	\$ 2,685,815.77	\$ -	\$ -	\$ -	\$ -	\$ 2,685,815.77
Infrastructure	-	-	-	-	-	-
Construction in Progress	2,142,492.39	-	(3,008,257.84)	9,548,225.68	-	8,682,460.23
Other Tangible Capital Assets	1,438,174.97	-	-	-	-	1,438,174.97
Other Intangible Capital Assets	-	-	-	-	-	-
Total Non-depreciable assets	<u>6,266,483.13</u>	<u>-</u>	<u>(3,008,257.84)</u>	<u>9,548,225.68</u>	<u>-</u>	<u>12,806,450.97</u>
<b>Depreciable Assets</b>						
Building and Building Improvements	268,900,418.50	-	2,200,414.84	880,058.92	(249,257.72)	271,731,634.54
Infrastructure	5,286,500.06	-	-	-	-	5,286,500.06
Facilities and Other Improvements	23,808,634.73	-	807,843.00	370,000.00	-	24,986,477.73
Furniture and Equipment	17,619,762.06	-	-	2,380,042.25	(143,788.13)	19,856,016.18
Vehicle, Boats, and Aircraft	2,658,775.96	-	-	191,070.52	(65,764.00)	2,784,082.48
Other Capital Assets	6,856,520.36	-	-	-	-	6,856,520.36
Total Depreciable Assets	<u>325,130,611.67</u>	<u>-</u>	<u>3,008,257.84</u>	<u>3,821,171.69</u>	<u>(458,809.85)</u>	<u>331,501,231.35</u>
<b>Accumulated Depreciation</b>						
Buildings and Improvements	(153,551,054.85)	-	-	(9,671,043.53)	249,257.72	(162,972,840.66)
Infrastructure	(3,442,229.31)	-	-	(80,477.16)	-	(3,522,706.47)
Facilities and Other Improvements	(10,292,439.03)	-	-	(734,205.72)	-	(11,026,644.75)
Furniture and Equipment	(13,948,987.67)	-	-	(1,538,467.51)	143,788.13	(15,343,667.05)
Vehicle, Boats, and Aircraft	(2,326,730.60)	-	-	(263,963.36)	65,764.00	(2,524,929.96)
Other Capital Assets	(6,856,252.89)	-	-	(267.47)	-	(6,856,520.36)
Total Accumulated Depreciation	<u>(190,417,694.35)</u>	<u>-</u>	<u>-</u>	<u>(12,288,424.75)</u>	<u>458,809.85</u>	<u>(202,247,309.25)</u>
<b>Amortizable Assets-Intangible</b>						
Computer Software	1,124,422.31	-	-	-	(157,639.52)	966,782.79
Total Amortizable Assets-Intangible	<u>1,124,422.31</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(157,639.52)</u>	<u>966,782.79</u>
<b>Accumulated Amortization</b>						
Computer Software	(1,094,528.57)	-	-	(29,893.74)	157,639.52	(966,782.79)
Total Accumulated Amortization	<u>(1,094,528.57)</u>	<u>-</u>	<u>-</u>	<u>(29,893.74)</u>	<u>157,639.52</u>	<u>(966,782.79)</u>
Total Business-Type Activities	<u>\$ 141,009,294.19</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,051,078.88</u>	<u>\$ -</u>	<u>\$ 142,060,373.07</u>
<b>Right to Use Assets</b>						
Land	\$ -	\$ -	\$ -	\$ 347,850.09	\$ -	\$ 347,850.09
Buildings	160,610.91	-	-	-	-	160,610.91
Subscription Assets	-	598,851.58	-	-	-	598,851.58
Total Amortizable Assets	<u>160,610.91</u>	<u>598,851.58</u>	<u>-</u>	<u>347,850.09</u>	<u>-</u>	<u>1,107,312.58</u>
<b>Accumulated Amortization</b>						
Buildings	(107,073.89)	-	-	(53,537.02)	-	(160,610.91)
Land	-	-	-	(911.64)	-	(911.64)
Subscription Assets	-	(299,425.78)	-	(299,425.80)	-	(598,851.58)
Total Accumulated Amortization	<u>(107,073.89)</u>	<u>(299,425.78)</u>	<u>-</u>	<u>(353,874.46)</u>	<u>-</u>	<u>(760,374.13)</u>
Total Business-Type Activities	<u>\$ 53,537.02</u>	<u>\$ 299,425.80</u>	<u>\$ -</u>	<u>\$ (6,024.37)</u>	<u>\$ -</u>	<u>\$ 346,938.45</u>

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

ASU 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 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. 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 TTUS assets are invested in two investment pools; the Long-Term Investment Fund (LTIF), and the Comprehensive Cash Pool (CCP), each having their own stand-alone investment policies. The objective of the CCP is to retain appropriate liquidity to meet daily operating demands while seeking higher yield on cash reserves through appropriately diversified longer-termed investment strategies. 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 alternative investments such as hedge funds and private equity, and is operated using a total return philosophy. Institutional funds not in the LTIF are invested in the CCP. Other assets outside the two funds include securities gifted to TTUS with donor instructions to maintain in their original form, and debt proceeds. The published Regent's Rules Chapter 09, "Investments and Endowment," the LTIF Investment Policy Statement, and the CCP Investment Policy Statement can be obtained at <https://www.texastech.edu/board-of-regents/regents-rules.php>. 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**

ASU had no short-term debt outstanding as of August 31, 2023.

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**NOTE 5: Long Term Liabilities**

**Changes in Long-Term Liabilities**

During the year ended August 31, 2023, the following changes occurred in liabilities:

Angelo State University								
Business-Type Activities	Balance 9/1/2022	Additions	Reductions	Restatement/ Adjustment	Balance 8/31/2023	Amounts due within one year	Amounts due The reafter	
Right-to-Use Lease Obligations	\$ 55,250.73	\$ 345,502.26	\$ 55,250.73	\$ -	\$ 345,502.26	\$ 11,871.92	\$ 333,630.34	
Right-to-Use Subscription Obligations	-	-	304,634.96	304,634.96	-	-	-	
Employees' Compensable Leave	3,161,220.66	8,991.16	-	-	3,170,211.82	-	3,170,211.82	
<b>Total Business-Type Activities</b>	<b>\$ 3,216,471.39</b>	<b>\$ 354,493.42</b>	<b>\$ 359,885.69</b>	<b>\$ 304,634.96</b>	<b>\$ 3,515,714.08</b>	<b>\$ 11,871.92</b>	<b>\$ 3,503,842.16</b>	
Discrete Component Unit-Robert G. and Nona K. Carr Scholarship Foundation								
Business-Type Activities	Balance 9/1/2022	Additions	Reductions	Restatement/ Adjustment	Balance 8/31/2023	Amounts due within one year	Amounts due The reafter	
Employees' Compensable Leave	\$ 21,301.95	\$ 1,118.87	-	-	\$ 22,420.82	-	\$ 22,420.82	
<b>Total Business-Type Activities</b>	<b>\$ 21,301.95</b>	<b>\$ 1,118.87</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 22,420.82</b>	<b>\$ -</b>	<b>\$ 22,420.82</b>	

**Right-to-Use Lease Obligations**

The lease liability equals the present value of the payments expected to be made during the lease term. A table representing lease obligations over the next five years is not presented as the entire amount is payable within one year.

**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.

**NOTE 6: Bonded Indebtedness**

TTUSA oversees the central administration of TTUS's Revenue Financing System (RFS) revenue bonded indebtedness for all TTUS components. The source of revenues for debt service issued under the RFS include pledged general tuition, pledged tuition fee, pledged general fee, and any other revenues, income, receipts, rental, rates, charges, fees including interest or other income, and balances lawfully available to TTUS component institutions. Excluded from the revenue 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, and practice plan funds.

All bonded indebtedness associated with ASU's activities is issued by TTUSA through RFS. ASU does

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not report its proportional share of debt, but rather it is reported by TTUSA. ASU's revenues, as defined above, are pledged to support debt. A portion of the debt represents Tuition Revenue Bonds historically funded by the Texas Legislature through General Revenue Appropriations. ASU was appropriated \$1,710,625.00 during the current fiscal year for Tuition Revenue Bond debt service. ASU expects future legislative appropriations to meet debt service requirements for Tuition Revenue Bonds.

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.

**NOTE 7: Derivative Instruments**

ASU, through its participation in the TTUS Office of Treasury's consolidation of investments, periodically holds some interest throughout the year in derivative investments. However, the holdings are immaterial to ASU's financial statement. 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**

Included in the revenues reported in the financial statement are rental income received under noncancelable leases of buildings. The table below presents the total future minimum lease income:

**Right to Use Lease Income**

Total FY 2023 Right to Use Lease Income \$ 68,458.49

Right to Use Lease Income	Business-Type Activities		FY 2023
For the Year Ended August 31	Principal	Interest	Total Future Minimum Lease Income
2024	\$ 55,998.62	\$ 16,794.08	\$ 72,792.70
2025	57,521.08	16,318.84	73,839.92
2026	64,334.25	15,858.85	80,193.10
2027	68,026.80	15,354.21	83,381.01
2028	31,522.49	14,991.47	46,513.96
2029	18,237.04	14,666.13	32,903.17
2030	16,616.96	14,430.31	31,047.27
2031	17,470.48	14,192.65	31,663.13
2032	18,348.25	13,980.94	32,329.19
2033	19,212.88	13,681.27	32,894.15
2029-2033	89,885.61	70,951.30	160,836.91
2034-2038	99,633.10	64,385.38	164,018.48
2039-2043	110,088.59	57,121.17	167,209.76
2044-2048	121,360.59	49,130.91	170,491.50
2049-2053	133,470.86	40,275.47	173,746.33
2054 and beyond	521,338.90	70,326.98	591,665.88
<b>Totals</b>	<b>\$ 1,353,180.89</b>	<b>\$ 431,507.76</b>	<b>\$ 1,784,688.65</b>

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**NOTE 9: Pension Plans**

ASU participates in one of the three retirement systems in the State's financial reporting entity-the Teacher Retirement System (TRS). The accounting and reporting for ASU's proportionate share of the TRS net pension liability is not included in this report. Instead, full reporting and disclosures of the plans as required by GASB 68, *Accounting and Financial Reporting for Pensions*, are included in TTUS's Annual Consolidated Financial Report. The following disclosures are intended for overview purposes only.

TRS is the administrator of the TRS Plan, a cost-sharing, multiple employer-defined benefit pension plan with a special funding situation. The employers of the TRS Plan include the State; TRS; the State's public schools, education service centers, charter schools, and community and junior colleges. All public, state-supported educational institutions in Texas employees who are employed for one-half or more of the standard workload and not exempted from membership under the Texas Government Code, Title 8, Section 822.002 are covered by the TRS Plan.

The TRS Plan provides retirement, disability annuities, and death and survivor benefits. The benefit and contribution provisions of the TRS Plan are authorized by State law and may be amended by the Legislature. The pension benefit formulas are based on members' average annual compensation and years of service credit. The standard annuity is 2.3 percent of the average of the five highest annual salaries multiplied by years of service credit. For grandfathered members hired on or before August 31, 2005, who meet certain criteria, the standard annuity is based on the average of the three highest annual salaries. The TRS Plan does not provide automatic cost-of-living adjustments (COLAs).

ASU's contributions to the TRS plan, excluding the State match, were \$1,890,074.63 for the year ended August 31, 2023, and \$1,706,264.36 for the year ended August 31, 2022. Contributions made by the State on behalf of ASU to the TRS Plan amounted to \$1,151,562.26 for the year ended August 31, 2023, and \$1,074,950.75 for the year ended August 31, 2022.

An audited Annual Comprehensive Financial Report for TRS may be obtained from:

Teacher Retirement System of Texas  
1000 Red River Street  
Austin, Texas 78701-2698

The State has established an Optional Retirement Program (ORP), authorized by Texas Government Code, Chapter 830. Full-time faculty, librarians, and certain professionals and administrators employed in public higher education are eligible to elect ORP in lieu of the TRS Plan. The Texas Higher Education Coordinating Board (THECB) develops policies, practices, and procedures to provide greater uniformity in the administration of the ORP.

ORP is a defined contribution plan in which each participant selects from a variety of investments offered by several insurance and investment companies through annuity contracts or mutual fund investments. These types of investments are authorized by Internal Revenue Code, Section 403(b). With the purchase of these individual contracts, the State has effectively transferred the obligation for the payment of benefits to the companies. Participants vest in ORP after one year and one day of participation. Individual accounts are maintained at the insurance and investment companies selected by each ORP participant.

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Additional information for ORP is included in the ORP Participation Report Summary published annually by the Texas Higher Education Coordinating Board. The report can be obtained from:

Statewide Coordinator, Optional Retirement Program  
Texas Higher Education Coordinating Board  
P. O. Box 12788  
Austin, Texas 78711

The contributory percentage of participant salaries by the members (employees) was 6.65% for both fiscal years 2023 and 2022. The contributory percentage of participant salaries by the employer was 6.80% in both fiscal years 2023 and 2022. For employees participating in the ORP on or before August 31, 1995, the employer contribution rate was 8.50% for both fiscal years 2023 and 2022 and will remain subject to legislative change.

ORP contributions made by members and ASU for the years ending August 31, 2023, and 2022 are detailed in the following table.

Description	FY 2023	FY 2022
Member Contributions	\$ 1,170,727.79	\$ 1,207,174.08
Employer Contributions	1,238,311.00	1,277,912.71
<b>Total</b>	<b>\$ 2,409,038.79</b>	<b>\$ 2,485,086.79</b>

**NOTE 10: Deferred Compensation**

ASU does not serve as an administrative agency as defined by the Texas Comptroller.

**NOTE 11: Postemployment Health Care and Life Insurance Benefits**

In addition to providing pension benefits, the State contributes to a plan administered by the Employees Retirement System of Texas (ERS) that provides postemployment health benefits (OPEB) in the form of health care, life, and dental insurance benefits to retirees through the Texas Employees Group Benefits Program as authorized by Texas Insurance Code, Chapter 1551. ERS implemented GASB Statement No. 74, *Accounting and Financial Reporting for Postemployment Benefits Plans Other Than Pensions Plans*, in fiscal year 2017. Complete disclosure of the State’s OPEB can be found in the State of Texas’ Annual Comprehensive Financial Report. OPEB liabilities for retired ASU employees, and full disclosures of the related plans, as required by GASB 75, are reported by TTUS.

**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, 2023 follow:

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	FY23	
	TRANSFERS IN	TRANSFERS OUT
Institutional Funds (7999)		
Appd Fund 7999, D23 Fund 7999		
(Agy 768, D23 Fund 7999) Texas Tech Univ System Admin	\$ 1,751,167.15	\$ (11,522,791.36)
General Revenue (0210)		
Appd Fund 0210, D23 Fund 0210		
(Agency 902, D23 Fund 0210) Comptroller	121,215.00	-
Institutional Funds (0802)		
Appd Fund 0802, D23 Fund 0802		
(Agy 608, D23 Fund 0802) Department of Motor Vehicles	-	(1,590.17)
	\$ 1,872,382.15	\$ (11,524,381.53)
	<b>Legislative</b>	<b>Legislative</b>
	<b>TRANSFERS IN</b>	<b>TRANSFERS OUT</b>
General Revenue (001)		
Appd Fund 0001, D23 Fund 0001		
(Agency 403, D23 Fund 0001) Texas Veterans Commission	\$ 174,540.00	\$ -
General Revenue (001)		
Appd Fund 0001, D23 Fund 0001		
(Agency 768, D23 Fund 0001) Texas Tech Univ System Admin	-	(3,191,329.35)
<b>Total Legislative Transfers</b>	<b>\$ 174,540.00</b>	<b>\$ (3,191,329.35)</b>
	<b>Due (To)/From</b>	<b>Due From</b>
	<b>Other Agencies</b>	<b>Other Component</b>
Institutional Funds (7999)		
Appd Fund 7999, D23 Fund 7999		
(Agy 743, D23 Fund 7999) UTSA	\$ 180,967.78	\$ -
Institutional Funds (7999)		
Appd Fund 7999, D23 Fund 7999		
(Agy 802, D23 Fund 7999) TPWD	14,384.07	-
Institutional Funds (7999)		
Appd Fund 7999, D23 Fund 7999		
(Agy 320, D23 Fund 7999) TWC	20,972.23	-
Institutional Funds (7999)		
Appd Fund 7999, D23 Fund 7999		
(Agy 300, D23 Fund 0224) Texas A&M Agrilife Extension	3,388.47	-
Institutional Funds (7999)		
Appd Fund 7999, D23 Fund 7999		
(Agy 300, D23 Fund 0224) OOG	9,200.00	-
Coronavirus Relief Fund (0325)		
Appd Fund 0325, D23 Fund 0325		
(Agy 781, D23 Fund 0325) THECB GEER	(16,003.74)	-
Coronavirus Relief Fund (0325)		
Appd Fund 0325, D23 Fund 0325		
(Agy 781, D23 Fund 0325) THECB GEER	(1,924.27)	-
<b>Total Due From/To Other Agencies</b>	<b>\$ 210,984.54</b>	<b>\$ -</b>



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**NOTE 13: Continuance Subject to Review**

ASU is not subject to the Texas Sunset Act.

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

**Adjustments to Fund Balances and Net Position**

During fiscal year 2023, there was a restatement of net position due to the implementation of GASB 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* and GASB 96, *Subscription-Based Information Technology Arrangements*. There were reclassifications of items in the financial records resulting in the restatement of comparative financial statement balances for the year ended August 31, 2022. The table below summarizes the restatement to net position as well as the reclassifications.

<u>Statement of Net Position</u>	<u>FY 2022 as reported</u>	<u>Adjustment</u>	<u>FY 2022 restated</u>	<u>Explanation</u>
<b>Current Assets</b>				
Interest and Dividends Receivables, Net	\$ 83,693.42	\$ 4,036.69	\$ 87,730.11	GASB 94
PPP Installment Receivable	0.00	316,201.53	316,201.53	GASB 94
<b>Non-Current Assets</b>				
NC PPP Installment Receivables	0.00	2,774,605.53	2,774,605.53	GASB 94
<b>Right to Use Assets Amortizable</b>				
Subscription Software - Right to Use Assets	0.00	598,851.58	598,851.58	GASB 96
Less Accumulated Amortization Subscription Software	0.00	(299,425.78)	(299,425.78)	GASB 96
<b>Current Liabilities</b>				
Right to Use Subscription Obligations	0.00	304,634.96	304,634.96	GASB 96
Other Current Liabilities	110.90	9,240.70	9,351.60	GASB 96
<b>Deferred Inflows of Resources</b>				
Deferred Inflows of Resources - PPP	0.00	2,761,315.05	2,761,315.05	GASB 94
<b>Net Position</b>				
Net Investment in Capital Assets	141,062,831.21	299,425.80	141,362,257.01	GASB 96
Unrestricted	65,666,894.18	19,653.04	65,686,547.22	GASB 94
<b>Statement of Revenues, Expenses, and Change in Net Position</b>				
<b>Operating Expenses</b>				
Amortization - Right to Use Leases	53,536.92	299,425.78	352,962.70	GASB 96
Other Operating Expenses	13,950,105.25	(294,216.62)	13,655,888.63	GASB 96
<b>Nonoperating Revenues (Expenses)</b>				
Interest Expense	(191.67)	(9,240.70)	(9,432.37)	GASB 96
Other Nonoperating Revenues - Pledged	10,644,293.30	333,528.70	10,977,822.00	GASB 94
<b>Statement of Cash Flows</b>				
<b>Cash Flows from Operating Activities</b>				
Payments to Suppliers for Goods and Services	(22,303,999.45)	294,216.62	(22,009,782.83)	GASB 96
<b>Cash Flows from Noncapital Financing Activities</b>				
Proceeds from Other Financing Activities	12,186,982.17	(43,081.59)	12,143,900.58	GASB 94
<b>Cash Flows from Capital and Related Financing Activities</b>				
Payments for Additions to Capital Assets	(6,524,874.23)	(598,851.58)	(7,123,725.81)	GASB 96
Payments for Leases/SBITAs	(53,711.28)	304,634.96	250,923.68	GASB 96
<b>Cash Flows from Investing Activities</b>				
Proceeds from Interest and Investment Income	12,508,585.25	43,081.59	12,551,666.84	GASB 94
<b>Reconciliation of Operating Loss to Net Cash Flows from Operating Activities</b>				
Operating Loss	(75,259,136.97)	(5,209.16)	(75,264,346.13)	GASB 96
<b>Adjustments:</b>				
Depreciation and Amortization Expense	12,444,985.71	299,425.78	12,744,411.49	GASB 96

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**NOTE 15: Contingencies and Commitments**

**Unpaid Claims and Lawsuit**

At August 31, 2023, certain lawsuits and claims were pending against ASU. While the ultimate liability, if any, with respect to litigation and other claims asserted against ASU cannot be reasonably estimated at this time, such liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on ASU's financial statements.

**Federal Assistance**

ASU receives federal grants for specific purposes that are subject to review or audit by federal grantor agencies. Such audits could lead to a request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based on prior experience, management believes such disallowances, if any, would be immaterial.

**Arbitrage**

Rebatable arbitrage is defined by the Internal Revenue Code, Section 148, as earnings on investments purchased with the gross proceeds of a bond issue in excess of the amount that would have been earned if the investments were invested at a yield equal to the yield on the bond issue. The rebatable arbitrage must be paid to the federal government. As previously noted, ASU does not report its proportional share of bonds issued through RFS and, accordingly, does not report any associated arbitrage liability. However, such liabilities are considered immaterial.

**Investment Commitments**

ASU's investment portfolio is managed by TTUS. In the regular course of business, TTUS makes commitments with investment managers for the future purchase of investments. While commitments exist, future purchases are based on prevailing market values; accordingly, there is no material market risk associated with the commitments.

**NOTE 16: Subsequent Events**

ASU has no subsequent events to report.

**NOTE 17: Risk Management**

ASU is exposed to a variety of civil claims resulting from the performance of its duties. It is ASU's policy to periodically assess the proper combination of participation in risk pools, commercial insurance, and retention of risk to cover losses to which it may be exposed. ASU assumes substantially all risks associated with other tort and liability claims due to the performance of its duties. Additionally, ASU manages limited risk with the participation in risk pools and the purchase of commercial insurance. ASU's only material obligation in its participation in risk pools is the payment of future premiums. ASU incurred no material losses during the fiscal year.

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ASU, by State law, is required to be a participant in the Workers' Compensation Program and Pool managed by the State Office of Risk Management (SORM). ASU is assessed fees by SORM based on claims experience, claim incidences, payroll size, and full-time equivalents. SORM pays all workers' compensation insurance claims.

ASU is exempt from compulsory liability insurance requirements of the State. This exemption appears in The Texas Transportation Code; Subtitle D Motor Vehicle Safety Responsibility; Chapter 601 Motor Vehicle Safety Responsibility Act; Subchapter A General Provisions: Section 007 Applicability of Chapter to Government Vehicle. As such, auto liability coverage is provided under The TTUS Auto Liability Plan with the following limits of \$250,000/\$500,000/\$100,000.

ASU has self-insured arrangements for unemployment compensation fund coverage. The State pays 50% of claims for employees paid from State funds. ASU pays the remainder for employees paid from State funds and 100% of the claims paid from non-state funds. The claims for employees paid from non-state funds are funded by non-state funds held in local bank accounts or from local balances held in the State Treasury.

**NOTE 18: Management's Discussion and Analysis**

See Management's Discussion and Analysis included in the section prior to the financial statements.

**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 ASU. Based on the application of GASB Standard No. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34*, and the significance of the financial relationship with ASU, the financial data of ASUF has been blended into the financial report of ASU.

The condensed financial statements for ASUF as of August 31, 2023 are presented below:

Condensed Statement of Net Position	<u>FY23</u>	<u>FY22</u>
Total Assets	\$ 41,498,889.24	\$ 39,498,494.23
Total Liabilities and Deferred Inflows of Resources	7,470.05	158,705.97
NET POSITION		
Restricted Nonexpendable Endowments	37,375,917.98	34,695,264.88
Restricted Expendable Other	4,115,501.21	4,644,523.38
Unrestricted	-	-
Total Net Position	<u>\$ 41,491,419.19</u>	<u>\$ 39,339,788.26</u>

**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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<b>Condensed Statement of Revenues, Expenses, and Changes in Net Position</b>	<b>FY23</b>	<b>FY22</b>
Operating Revenues	\$	\$
Other Sales of Goods and Services	-	-
Professional Fees	-	-
Federal Grants and Contracts	-	-
Nongovernmental Grants and Contracts	-	-
Total Operating Revenues	<u>-</u>	<u>-</u>
Operating Expenses		
Professional Fees and Services	(3,000.00)	364,500.00
Travel	229,338.44	(105.17)
Materials and Supplies	366,625.08	329,051.00
Communications and Utilities	4,139.75	1,366.64
Repairs and Maintenance	740.13	277.50
Rentals and Leases	176,636.50	0.00
Printing and Reproduction	2,896.84	4,208.08
Depreciation and Amortization	0.00	0.00
Bad Debt Expense	0.00	0.00
Interest	249.24	21.54
Scholarships	0.00	0.00
Other Operating Expenses	1,399,424.40	1,532,676.64
Total Operating Expenses	<u>2,177,050.38</u>	<u>2,231,996.23</u>
Operating Income (Loss)	(2,177,050.38)	(2,231,996.23)
Non-Operating Revenues (Expenses)		
Private Gifts	15,655,518.55	11,748,717.50
Investment Income (Expense)	15,253.03	(1,941,470.45)
Other Non-operating Revenues (Expenses)	1,232,137.28	1,185,946.10
Total Non-operating Revenues (Expenses)	<u>16,902,908.86</u>	<u>10,993,193.15</u>
Other Revenues, Expenses, Gains/Losses and Transfers		
Capital Contributions - Gifts	-	-
Contributions to Permanent and Term Endowments	-	-
Transfers to Components/Other Funds	(12,574,227.55)	(5,320,143.99)
Total Other Revenues, Expenses, Gains, Losses, and Transfers	<u>(12,574,227.55)</u>	<u>(5,320,143.99)</u>
<b>Total Changes in Net Position</b>	2,151,630.93	3,441,052.93
Beginning Net Position (September 1)	39,339,788.26	35,898,735.33
Restatement	-	-
<b>Ending Net Position (August 31)</b>	<u>\$ 41,491,419.19</u>	<u>\$ 39,339,788.26</u>
<b>Condensed Statement of Cash Flows</b>	<b>FY23</b>	<b>FY22</b>
Net Cash Provided (Used) by Operating Activities	\$ (2,415,296.53)	\$ (2,090,413.07)
Net Cash Provided (Used) by Non-Capital Financing Activities	4,313,428.28	7,614,519.61
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-
Net Cash Provided (Used) by Investing Activities	(2,665,002.71)	(5,567,533.96)
Total Net Cash Flows	<u>(766,870.96)</u>	<u>(43,427.42)</u>
Beginning Cash and Cash Equivalents September 1	2,192,679.84	2,236,107.26
Restatement	-	-
Beginning Cash and Cash Equivalents September 1 as Restated	<u>2,192,679.84</u>	<u>2,236,107.26</u>
Ending Cash and Cash Equivalents August 31	<u>\$ 1,425,808.88</u>	<u>\$ 2,192,679.84</u>

**ANGELO STATE UNIVERSITY**  
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**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.

The Angelo State University Robert G. Carr and Nona K. Carr Scholarship Foundation, (the "Foundation") is a separate legal nonprofit organization that was established solely for the benefit of providing scholarships to the students of ASU. The Foundation is classified using GASB criteria as a discretely presented component unit. 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 obtained from the Foundation at Box 11007C, ASU Station, San Angelo, TX 76909.

Prior to the 2023 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 \$160,724,816.37 and realized a loss on investments of \$11,830,592.49. During the 2023 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 \$6,255,865.36.

All principal is invested in the Long-Term Investment Fund (LTIF) which is managed by TTUS. Included in noncurrent assets in the Foundation's financial position are oil, gas, and other mineral properties the "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 Foundation scholarship and expense funds. During the 2023 fiscal year, the spending distribution received from the investment agent totaled \$10,433,942.85. Of this amount, \$359,716.00 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. Total scholarships awarded prior to the 2023 fiscal year amounted to \$159,061,116.5. During the 2023 fiscal year, scholarship awards amounted to \$8,093,104.28. It is estimated that the amount of annual scholarship awards from the scholarship fund will total \$9,882,000.00 in next fiscal year 2024.

**ANGELO STATE UNIVERSITY**  
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**Year Ended August 31, 2023**  
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**NOTE 20: Stewardship, Compliance and Accountability**

ASU has no material stewardship, compliance, and accountability issues.

**NOTE 21: Undefined by Texas Comptroller**

Reserved for future use by Texas Comptroller.

**NOTE 22: Donor Restricted Endowments**

Expenditure of endowed funds, in accordance with the Texas Uniform Prudent Management of Institutional Funds Act, is not allowed without the express consent of the donor. Most of ASU'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.

The net appreciation (cumulative and unexpended) on donor-restricted endowments is available for authorization and expenditure by ASU. ASU's spending policy for endowments reflects an objective to distribute as much of the total return as is consistent with overall investment objectives while protecting the real value of the endowment corpus.

Additional information is included in the consolidated TTUS Annual Financial Report.

**NOTE 23: Extraordinary and Special Items**

ASU had no special or extraordinary items to report for the year ended August 31, 2023.

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

Components of receivables as of August 31, 2023, and net receivable balances as of August 31, 2023, and 2022 are summarized in the following tables:

**ANGELO STATE UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2023**  
**UNAUDITED**

Description	As of 8/31/23			As of 8/31/22
	Gross Receivables	Allowance	Net Receivables	Net Receivables
Current:				
Federal Receivables	983,988.52	-	2,774,804.30	2,774,804.30
Student Receivables	20,523,450.48	(603,096.67)	19,920,353.81	17,249,687.67
Gift Receivables	6,372,172.31	(63,721.72)	6,308,450.59	3,427,890.33
Lease Receivables	55,998.62	-	51,154.76	51,154.76
Interest Receivable	117,552.25	-	83,693.42	83,693.42
Accounts Receivables	1,505,132.42	-	873,889.23	873,889.23
PPP Installment Receivables	1,319,370.40	-	1,319,370.40	316,201.53
Subtotal of Current Receivables	\$ 30,877,665.00	\$ (666,818.39)	\$ 31,331,716.51	\$ 24,777,321.24
Non-Current:				
Gift Receivables	2,625,480.00	-	2,625,480.00	4,087,005.30
Lease Receivables	1,297,182.27	-	1,297,182.27	1,353,106.47
PPP Installment Receivables	1,455,235.52	-	1,455,235.52	2,774,605.53
Subtotal of Non-Current Receivables	\$ 5,377,897.79	\$ -	\$ 5,377,897.79	\$ 8,214,717.30
<b>TOTAL RECEIVABLES</b>	<b>\$ 36,255,562.79</b>	<b>\$ (666,818.39)</b>	<b>\$ 36,709,614.30</b>	<b>\$ 32,992,038.54</b>

Description	As of 8/31/23			As of 8/31/22
	Gross Receivables	Allowance	Net Receivables	Net Receivables
Loans and Notes Receivable:				
Current	867,540.66	(807,365.38)	60,175.28	135,142.30
<b>TOTAL LOANS AND NOTES RECEIVABLE</b>	<b>\$ 867,540.66</b>	<b>\$ (807,365.38)</b>	<b>\$ 60,175.28</b>	<b>\$ 135,142.30</b>

Description	As of 8/31/23		As of 8/31/22
	Net Payables		Net Payables
Current:			
Accounts Payable	10,082,240.32		3,196,602.07
Payroll Payable	4,419,823.33		5,202,228.23
<b>TOTAL PAYABLES</b>	<b>\$ 14,502,063.65</b>		<b>\$ 8,398,830.30</b>

**NOTE 25: Termination Benefits**

ASU had no reportable termination benefits for the year ended August 31, 2023.

**NOTE 26: Segment Information**

ASU had no reportable segments for the year ended August 31, 2023.

**NOTE 27: Service Concession Arrangements**

ASU had no service concession arrangements for the year ended August 31, 2023.

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

In fiscal year 2023 and fiscal year 2022, ASU reported deferred inflows of resources in connection with its leases, as presented below:

**ANGELO STATE UNIVERSITY**  
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**Year Ended August 31, 2023**  
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<b>Business-Type Activities</b>	<b>2023</b>	<b>2022</b>
Deferred Inflows of Resources - PPP	\$ 2,360,144.73	\$ 2,761,315.05
Deferred Inflows of Resources - Leases	1,325,750.16	1,395,905.88
	<u>\$ 3,685,894.89</u>	<u>\$ 4,157,220.93</u>

**NOTE 29: Trouble Debt Restructuring**

ASU had no outstanding receivables whose terms were modified pursuant to troubled debt restructuring for the year ended August 31, 2023.

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

ASU had no non-exchange financial guarantees to report for the year ended August 31, 2023.

**NOTE 31: Tax Abatements**

ASU had no tax abatement arrangements for the year ended August 31, 2023.



Angelo State University #737  
 Schedule 1A - Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended August 31, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	ALN	Identifying #	Pass-Through From			Direct Program Amount	Total Pass- Thru From & Direct Program
			Agy/Univ #	Agy/Univ Amount	Non-State Entity Amount		
<b>U. S. Small Business Administration</b>							
<u>Pass-Through From:</u>							
University of Texas San Antonio							
Small Business Development Center	59.037	13-603001-Z-0049-37-ASU	743	31,688.45			31,688.45
Small Business Development Center (FY22 CF)	59.037	12-603001-Z-0049-36-ASU	743	97,301.48			97,301.48
COVID-19 - Small Business Development Center							
University of Texas San Antonio							
CARES Act - SBDC Portion	59.037	OSBDC-COVID-2020-1-ASU	743	96.56			96.56
Total U. S. Small Business Administration				129,086.49	-	-	129,086.49
<b>U.S. Department of Defense</b>							
<u>Direct Program:</u>							
NSA Toplift 2021	12.905	H98230-20-1-0389				13,879.24	13,879.24
Total U.S. Department of Defense				-	-	13,879.24	13,879.24
<b>U. S. Department of Education</b>							
<u>Direct Program:</u>							
Critical Pathways to STEM (ISEC)	84.031C	P031C210174				894,623.64	894,623.64
Title V - CREEME	84.031S	P031S170066				171,193.97	171,193.97
ASU Aviation Program	84.116Z	P116Z230155				136,607.82	136,607.82
COVID-19 - CARES Act - Institutional Portion	84.425F	P425F200299				3,304,161.62	3,304,161.62
COVID-19 - CARES Act - MSI Portion	84.425L	P425L200058				593,378.57	593,378.57
<u>Pass-Through From:</u>							
Texas Higher Education Coordinating Board							
ED-THECB-Salisbury-2022	84.425C	27301	781	1,709.36			1,709.36
ED-THECB-Clouse-2022	84.425C	27234	781	29,457.80			29,457.80
ED-THECB-Tiger-2022 (Work-Based Learning)	84.425C	2020-GE-84425C	781	384.32			384.32
ED-THECB-Tiger-2023	84.425C	28560	781	87,931.26			87,931.26
Total U.S. Department of Education				119,482.74	-	5,099,965.62	5,219,448.36
<b>U.S. Dept of Health &amp; Human Services</b>							
<u>Pass-Through From:</u>							
Texas Workforce Commission							
HHS-TWC-Gee-2023	93.558	1223TAN002	320	27,428.38			27,428.38
Total Dept of Health & Human Services				27,428.38	-	-	27,428.38
<b>U.S. Department of Homeland Security</b>							
<u>Pass-Through From:</u>							
Office of the Governor							
DHS-OOG-Spooner-2023	97.067	4448401	300	14,500.00			14,500.00
<u>Pass-Through From:</u>							
University of Texas San Antonio							
NSA UTSA Clouse 2022	97.128	100004393	743	294,739.20			294,739.20
Total Department of Homeland Security				309,239.20	-	-	309,239.20
<b>Research &amp; Development Cluster</b>							
<b>National Science Foundation</b>							
<u>Direct Program:</u>							
NSF Lozano 2022	47.076	2122828				70,080.72	70,080.72
NSF Carrell 2022	47.049	2137787				33,072.78	33,072.78
NSF Kitch 2023	47.076	2221250				191,387.74	191,387.74
Total National Science Foundation				-	-	294,541.24	294,541.24
<b>U.S. Department of the Interior</b>							
<u>Direct Program:</u>							
NPS Krukonis 2018	15.923	P18AP00241				13,440.00	13,440.00
<u>Pass-Through From:</u>							
Texas Parks & Wildlife Department							
TPW Texas Poppy Mallow	15.615	CA-0000973	802	14,384.07			14,384.07
Total U.S. Department of the Interior				14,384.07	-	13,440.00	27,824.07
<b>U.S. Department of Agriculture</b>							
<u>Pass-Through From:</u>							
Texas A&M AgriLife Extension Service							
Sustainable Agriculture Research and Education	10.215	M2301431	555	9,405.39			9,405.39
Total U.S. Department of Agriculture				9,405.39	-	-	9,405.39
<b>Student Financial Assistance Cluster</b>							
<b>U. S. Department of Education</b>							
<u>Direct Program:</u>							
Federal Supplemental Educational Opportunity	84.007					37,101.70	37,101.70
Federal Work-Study Program	84.033					453,840.62	453,840.62
Federal Pell Grant Program	84.063					13,235,886.46	13,235,886.46
Federal Direct Student Loans	84.268					24,604,640.00	24,604,640.00
Total U. S. Department of Education				-	-	38,331,468.78	38,331,468.78
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b>\$ 609,026.27</b>	<b>\$ -</b>	<b>\$ 43,753,294.88</b>	<b>\$ 44,362,321.15</b>



**Angelo State University**  
**Schedule IA - Schedule of Expenditures and Federal Awards**  
**For the Year Ended August 31, 2023**

**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)	\$	2,015,228.23
Non-Operating Federal Grants and Contracts (SRECNP)		17,133,426.65
Federal Grants and Contracts Pass-Throughs (SRECNP)		489,543.53
Non-Operating Federal Grants and Contracts Pass-Throughs (SRECNP)		119,482.74
Total Federal Revenues		<u>19,757,681.15</u>

**Reconciling Items:**

New Loans Processed:		
Federal Perkins Loan Program	84.038	-
Federal Direct Student Loan	84.268	<u>24,604,640.00</u>
Total Federal Financial Assistance	\$	<u>44,362,321.15</u>

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

Federal Grantor/ ALN 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	\$ 10,778.07	\$ -	\$ -	\$ -	\$ (10,778.07)	\$ -
84.268 Federal Direct Student Loans		<u>24,604,640.00</u>	<u>-</u>	<u>24,604,640.00</u>	<u>24,604,640.00</u>	<u>-</u>
Total Department of Education	\$ <u>10,778.07</u>	\$ <u>24,604,640.00</u>	\$ <u>0.00</u>	\$ <u>24,604,640.00</u>	\$ <u>24,593,861.93</u>	\$ <u>-</u>

Perkins loans are outsourced to ECSI.

**Note 5: Unemployment Insurance Funds**

ASU did not receive any funding for FY 2023 from ALN 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 2023 from ALN 10.557.

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

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

ASU did not receive any funding for FY 2023 from ALN 97.036

**Note 9: Economic Adjustment Assistance**

ASU did not receive any funding for FY 2023 from ALN 11.307

**Note 10: 10% de Minimis Indirect Cost Rate**

ASU did not elect to use the 10% de minimis indirect cost rate

**Note 11: Donations from Federal Assistance**

ASU did not receive any funding for FY 2023 from Federal Assistance Donations

**Note 12: CCDF Cluster**

ASU did not receive any funding for FY 2023 from ALN 93.575 or ALN 93.596

**Note 13: Emergency Housing Voucher (EHV) Program**

ASU did not receive any funding for FY 2023 from ALN 14.871

UNAUDITED

**Angelo State University #737**  
**Schedule 1B - Schedule of State Grant Pass Throughs From/To State Agencies**  
**For the Fiscal Year Ended August 31, 2023**

Agency Number	Grant ID	Agency Name Grant Description	
<b>Pass Through From:</b>			
300		<b>Office of the Governor - Fiscal</b>	
	300.0038	Bullet Resistant Shield Program	\$ <u>44,957.36</u>
457		<b>State Board of Public Accountancy</b>	
	457.0001	5th Year Accounting Student Scholarship Program	<u>6,796.00</u>
720		<b>University of Texas System</b>	
	720.0002	Joint Admissions Medical Program (JAMP)	<u>10,216.20</u>
781		<b>Texas Higher Education Coordinating Board</b>	
	781.0008	Texas Grants	7,179,829.00
	781.0013	Professional Nursing Shortage Reduction Program	23,103.53
	781.0023	College Work Study Program	73,596.29
	781.0075	Educational Aide Program	9,000.00
	781.0083	Texas Grants B. 1. 10	<u>1,213,370.00</u>
		<i>Total for Texas Higher Education Coordinating Board</i>	<u>8,498,898.82</u>
		<b>Total State Grant Pass-through Revenues From Other State Agencies</b>	<b>\$ <u><u>8,560,868.38</u></u></b>

Angelo State University #737  
Schedule 2A - Miscellaneous Bond Information  
For the Fiscal Year Ended August 31, 2023

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, 2023

<u>Description of Issue</u>	<u>Bonds Outstanding 9-1-22</u>	<u>Bonds Issued</u>	<u>Bonds Matured or Retired</u>	<u>Bonds Refunded or Extinguished</u>	<u>Bonds Outstanding 8-31-23</u>
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Schedule Not Applicable

Angelo State University #737  
Schedule 2C - Debt Service Requirements  
For the Year Ended August 31, 2023

<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, 2023

Pledged and Other Sources and Related Expenditures for FY 2023				
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



UNAUDITED

Angelo State University #737  
Schedule 2E - Defeased Bonds Outstanding  
For the Year Ended August 31, 2023

<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, 2023

<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

UNAUDITED

Angelo State University #737  
 Schedule 3 - Reconciliation of Cash in State Treasury  
 For the Year Ended August 31, 2023

<u>Cash in State Treasury</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Current Year Total</u>
Local Revenue Fund 0227	\$ 5,242,736.04	\$	\$ 5,242,736.04
Local Revenue Fund 0325 - COVID 19 Shared Cash Funds new FY21		27,558.69	27,558.69
<b>Total Cash in State Treasury</b>	<b>\$ 5,242,736.04</b>	<b>\$ 27,558.69</b>	<b>\$ 5,270,294.73</b>

**ANGELO STATE UNIVERSITY**

**DISCRETELY PRESENTED  
COMPONENT UNIT**

**DISCRETELY PRESENTED COMPONENT UNIT—ROBERT G. AND NONA K. CARR SCHOLARSHIP FOUNDATION**  
**STATEMENT OF NET POSITION (UNAUDITED)**  
**Year Ended August 31, 2023**

	FY 2023	FY 2022
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ -	\$ -
Restricted:		
Cash and Cash Equivalents	128,553.66	96,361.74
Accounts Receivable, net:		
Accounts Receivables	499,850.79	524,326.17
Total Current Assets	628,404.45	620,687.91
Non-current Assets:		
Restricted:		
Cash and Cash Equivalents	5,967.65	298,882.68
Investments (Note 3)	171,909,151.24	170,400,046.60
Total Non-Current Assets	171,915,118.89	170,698,929.28
Total Assets	\$ 172,543,523.34	\$ 171,319,617.19
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 4,342.50	\$ 44.50
Payroll Payable	13,765.95	14,875.78
Employees' Compensable Leave (Note 5)		
Total Current Liabilities	18,108.45	14,920.28
Non-current Liabilities:		
Employees Compensable Leave (Note 5)	22,420.82	21,301.95
Total Non-Current Liabilities	22,420.82	21,301.95
Total Liabilities	\$ 40,529.27	\$ 36,222.23
<b>NET POSITION</b>		
Invested in Capital Assets, Net of Related Debt	\$	\$
Restricted:		
Non-Expendable:		
Endowments	172,414,969.68	171,223,255.45
Expendable:		
Endowments		
Other	88,024.39	60,139.51
Total Net Position	\$ 172,502,994.07	\$ 171,283,394.96

**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)**  
**Year Ended August 31, 2023**

<b>OPERATING REVENUES</b>	<u><b>FY 2023</b></u>	<u><b>FY 2022</b></u>
Sales of Goods and Services		
Other Sales of Goods and Services - Pledged		
Total Operating Revenues	<u>-</u>	<u>-</u>
 <b>OPERATING EXPENSES:</b>		
Salaries and Wages	175,079.85	203,262.80
Payroll Related Costs	55,701.23	65,428.90
Professional Fees and Services	28,855.00	21,500.00
Travel	1,151.12	2,867.09
Materials and Supplies	52,988.81	60,490.20
Communication and Utilities	1,386.40	1,207.97
Repairs and Maintenance	-	6.74
Rentals and Leases	-	250.00
Printing and Reproduction	355.26	883.95
Other Operating Expenses	16,313.45	14,536.95
Total Operating Expenses	<u>331,831.12</u>	<u>370,434.60</u>
Operating Income (Loss)	<u>(331,831.12)</u>	<u>(370,434.60)</u>
 <b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment Income	2,609,431.49	9,310,513.04
Net Increase (Decrease) in Fair Value of Investments	4,418,188.89	(3,562,615.48)
Other Non-operating Revenues/(Expenses) - Pledged	<u>(5,476,190.15)</u>	<u>(1,561,997.07)</u>
Total Non-operating Revenues (Expenses)	1,551,430.23	4,185,900.49
 <b>Income (Loss) before Other Revenues, Expenses, Gains/Losses and Transfers</b>	1,219,599.11	3,815,465.89
 <b>OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS</b>		
Total Other Revenues, Expenses, Gains, Losses, and Transfers	<u>-</u>	<u>-</u>
<b>Total Changes in Net Position</b>	<u>\$ 1,219,599.11</u>	<u>\$ 3,815,465.89</u>
Beginning Net Position (September 1)	171,283,394.96	167,467,929.07
<b>Ending Net Position (August 31)</b>	<u><u>\$ 172,502,994.07</u></u>	<u><u>\$ 171,283,394.96</u></u>

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