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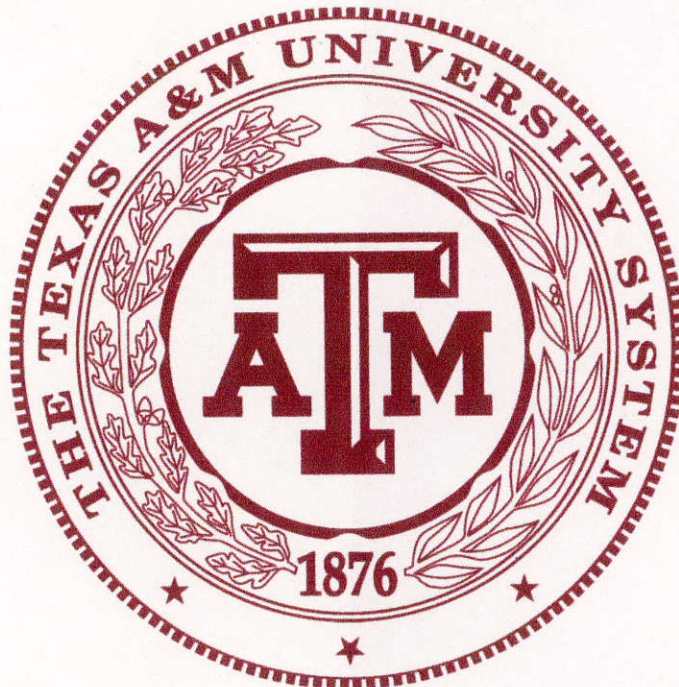
ANNUAL FINANCIAL REPORT

of

The Texas A&M University System

For the Year Ended August 31, 2017

With Comparative Totals for the Year Ended August 31, 2016



November 20, 2017

John Sharp, Chancellor

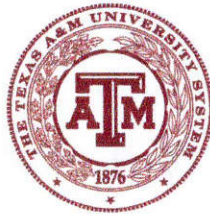
Billy C. Hamilton, Executive Vice Chancellor and Chief Financial Officer

Joseph Duron, Executive Director, Budgets and Accounting

Teresa Edwards, Controller

College Station, Texas





System Office of Budgets and Accounting
THE TEXAS A&M UNIVERSITY SYSTEM

November 20, 2017

John Sharp
Chancellor
The Texas A&M University System
301 Tarrow
College Station, Texas 77845

Dear Mr. Sharp,

We are submitting herewith the Annual Financial Report of The Texas A&M University System for the fiscal year ended August 31, 2017.

This report has been prepared in conformity with *Texas Government Code* §2101.011, and in accordance with the Annual Financial Reporting Requirements of the Texas 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 of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

Respectfully submitted,

Teresa Edwards, CPA
Controller

Joseph Duron, CPA
Executive Director, Budgets & Accounting



The Texas A&M University System

Board of Regents

Anthony G. Buzbee	Term Expires February 1, 2019
Morris E. Foster	Term Expires February 1, 2019
Charles W. Schwartz	Term Expires February 1, 2019
Phil Adams	Term Expires February 1, 2021
Robert L. Albritton	Term Expires February 1, 2021
Bill Mahomes	Term Expires February 1, 2021
Elaine Mendoza	Term Expires February 1, 2023
Tim Leach	Term Expires February 1, 2023
Cliff Thomas	Term Expires February 1, 2023
Stephen Schuchart (Student Regent)	Term Expires May 31, 2018

Officers of the Board

Charles W. Schwartz	Chairman
Elaine Mendoza	Vice Chairman

Administrative Officers

John Sharp	Chancellor
Billy C. Hamilton	Executive Vice Chancellor and Chief Financial Officer
Joseph Duron	Executive Director, Budgets & Accounting
Teresa L. Edwards	Controller

The Texas A&M University System

Chief Executive Officers

Texas A&M University	Michael K. Young, President
Texas A&M University at Galveston	Col. Michael Fussum (Retired)
Texas A&M Health Science Center	Carrie Byington
Prairie View A&M University	Ruth Simmons, Interim President
Tarleton State University	F. Dominic Dottavio, President
Texas A&M International University	Pablo Arenaz, President
Texas A&M University - Central Texas	Marc A. Nigliazzo, President
Texas A&M University - Commerce	Ray M. Keck III, President
Texas A&M University - Corpus Christi	Kelly M. Quintanilla, President
Texas A&M University - Kingsville	Steven H. Tallant, President
Texas A&M University - San Antonio	Cynthia Teniente-Matson, President
Texas A&M University - Texarkana	Emily Cutrer, President
West Texas A&M University	Walter V. Wendler, President

The Texas A&M University System

Chief Executive Officers

Texas A&M Agrilife	Mark Hussey, Vice Chancellor and Dean of Agriculture and Life Sciences
Texas A&M AgriLife Research	Craig Nessler, Director
Texas A&M AgriLife Extension Service	Douglas L. Steele, Director
Texas A&M Forest Service	Thomas G. Boggus, Director
Texas A&M Veterinary Medical Diagnostic Laboratory	Bruce L. Akey, Director
Texas A&M Engineering Experiment Station	M. Katherine Banks, Director, Vice Chancellor and Dean of Engineering and Director of TEES
Texas A&M Engineering Extension Service	Gary Sera, Director
Texas A&M Transportation Institute	Gregory D. Winfree, Director
Texas A&M University System Offices	John Sharp, Chancellor
Texas A&M System Shared Services Center	Billy Hamilton, Executive Vice Chancellor and Chief Financial Officer
Texas A&M Research Foundation	Karen Butler-Purry, President



The Texas A&M University System

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The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2017

Introduction

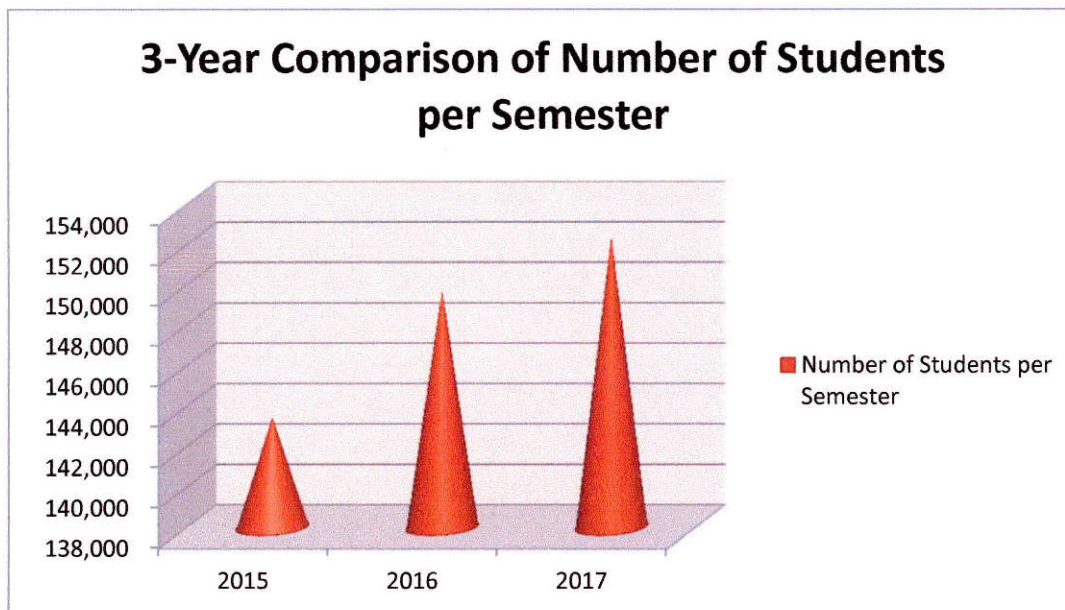
The Texas A&M University System (A&M System) was created by the Texas Legislature in 1948 to manage the evolution of a statewide educational, research and service system. Its roots lie in the founding of what are now Texas A&M University and Prairie View A&M University as land-grant colleges in 1876. Today, the A&M System provides oversight and leadership for eleven universities, seven state agencies, a comprehensive health science center, a service unit for shared services and the System administrative offices. The A&M System includes the Texas A&M Research Foundation as a blended component unit.

The A&M Health Science Center includes a college of medicine, a college of dentistry, a school of rural public health, a school of nursing, a pharmacy school and research divisions.

The agencies of the A&M System include both engineering and agricultural research and extension agencies. The agencies provide research, public service, and instruction to benefit the state.

The A&M System educates over 152,000 students and reaches another 22 million people through training and outreach programs each year. With over 24,000 faculty and staff, the A&M System has a physical presence in 251 of the state's 254 counties and a programmatic presence in every county in Texas.

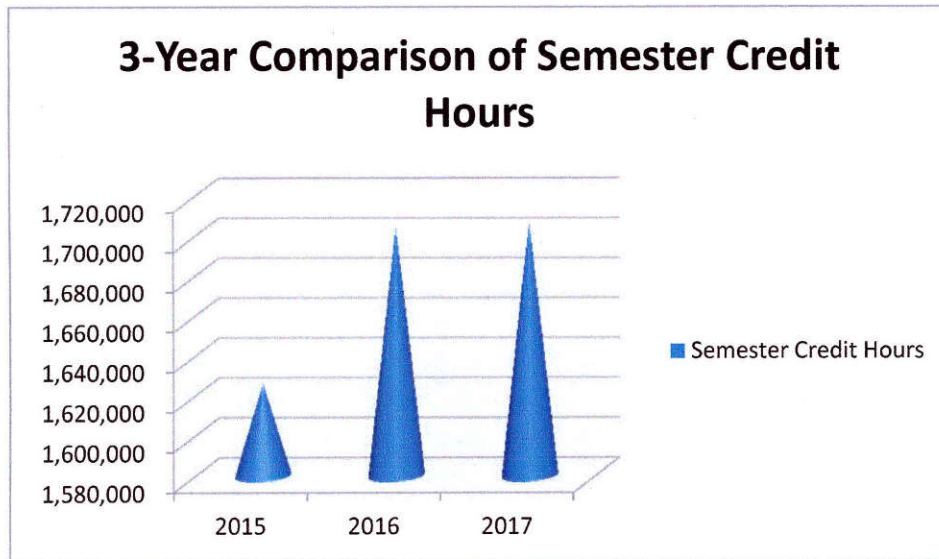
Overall student enrollment and semester credit hour production have grown over the last 3 years. In 2017 there were 152,415 students which was a 1.79% increase in students while in 2016 there were 149,740 students which was reported as a 4.39% increase in students from 2015. In 2015, there were 143,441 students.



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Management's Discussion and Analysis
For the Year Ended August 31, 2017

In 2017 there were 1.707 million semester credit hours which was a .18% increase compared to 2016 which reported 1.704 million semester credit hours provided. The most significant growth occurred between 2015 and 2016. In 2015, there were 1.626 million semester credit hours provided.



The A&M institutions of higher education offer a broad range of undergraduate and graduate degrees. With locations in Canyon, College Station, Commerce, Corpus Christi, Fort Worth, Galveston, Killeen, Kingsville, Laredo, Prairie View, San Antonio, Stephenville, and Texarkana, the A&M System strives to meet the education needs of Texas.

Overview of the Financial Statements and Financial Analysis

The objective of the Management's Discussion and Analysis (MD&A) is to provide an overview of the A&M System's financial position and activities for fiscal year ended August 31, 2017, with comparative data to fiscal year 2016 and some data for fiscal year 2015. The emphasis of discussion will be on the current year. The MD&A should be read in conjunction with the accompanying financial statements and notes. The primary financial statements presented are the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows.

The statements are prepared in accordance with Governmental Accounting Standards Board (GASB) pronouncements, the requirements of the Texas Comptroller of Public Accounts, and the guidelines from the National Association of College and University Business Officers.

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The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2017

Financial Highlights

Below are financial highlights for fiscal year 2017.

- The A&M System's financial condition improved modestly with an increase in net position of \$240 million which was \$182 million in 2016, which is an increase of \$58 million. Total non-operating and transfers increased by \$252 million plus operating revenues increased by \$39 million or 1.53%, due to the increase in students, tuition, plus room and board. Operating expenses increased by \$232 million or 5.4%.
- State appropriations totaled \$1.3 billion for 2017 which is a vital part of the A&M System's funding. The state appropriations including fringe benefits paid directly by the state increased slightly by \$97.6 million or 8.4% from 2016. In 2017, there were hiring freeze lapses totaling \$3.8 million due to a request by the Governor of Texas.
- The pension liability increased to \$458 million compared to \$399 million liability reported in 2016. This liability continues to increase based upon the Teacher's Retirement System (TRS) actuary report. This is the third year recording pension balances and it continues to have a significant impact on the financial position of the A&M System.
 - A \$45 million increase to deferred outflows of resources is related to the changes in pension assumptions, the difference between actual and expected experiences and current year TRS contributions.
 - A \$1.2 million decrease in deferred inflows of resources reflects the difference between projected and actual investment returns.
- A \$207.8 million increase in investment income included an increase in unrealized gains of \$197.4 million, an increase of \$18.3 million in realized gains and a decrease in interest income of \$7.9 million.
- A \$168 million increase in Net Change in Other Post Employment (OPEB), reporting an ending balance of \$1.3 billion OPEB liability which is an actuary calculation for the A&M System's retiree group insurance program.
- Total bonds and notes payable increased by \$679 million in 2017 due to the increased funding needs for construction projects. The A&M System issued taxable and tax-exempt bonds under the Revenue Financing System debt program to refund a portion of previously outstanding bonds and commercial paper, to provide funding for eligible projects, and to pay the costs of issuing the bonds. Several refundings associated with bond issuances resulted in approximately \$14.7 million of total savings.

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The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2017

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- Hurricane Harvey occurred the last week of August and was deemed the costliest tropical cyclone on record, inflicting damage and causing widespread flooding. Various teams throughout the A&M System were deployed for days to aid in disaster relief and to help ensure the safety of people, pets and livestock.
 - Members of the Texas A&M Forest Service, Texas Task Force 1, Texas A&M AgriLife Extension and the Texas A&M Veterinary Emergency Team were among the personnel from the A&M System to head into the disaster zone.
 - Financial impacts due to Hurricane Harvey will be reported in fiscal year 2018.

 - In fiscal year 2018, Governor Greg Abbott announced A&M System Chancellor John Sharp will lead the newly created Governor's Commission to Rebuild Texas, which will oversee and coordinate response and relief efforts throughout areas of the state recovering from Hurricane Harvey.

Statement of Net Position

The Statement of Net Position presents a snapshot of assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position for the A&M System as of the end of the fiscal year. The Statement of Net Position assets and liabilities are presented in the current and non-current format.

Increases or decreases in net position are one indicator of the overall condition of the A&M System's financial health when considered with nonfinancial factors such as enrollment, research, public service, patient levels, and the condition of facilities. The statement provides a picture of net position and the availability of funds for use by the A&M System.

Net position is divided into three major categories. The first category, Net Investment in Capital Assets, provides the equity in property, plant and equipment owned by the A&M System less the related debt.

The second category, Restricted, is divided into two categories, expendable and non-expendable. Expendable restricted resources are available for use by the A&M System, but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The corpus of the non-expendable restricted resources is available for investment purposes and the earnings are used to support the institutions or agencies.

The third category, Unrestricted, is available for any lawful purpose. Although Unrestricted Net Position is not subject to externally imposed stipulations, it has been internally designated for various academic and research programs and initiatives.

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**The Texas A&M University System
Management's Discussion and Analysis
For the Year Ended August 31, 2017**

Statement of Net Position			
(in millions)			
Assets and Deferred Outflows of Resources	2017	2016	2015
Current Assets	\$2,747	\$2,103	\$1,978
Capital Assets, Net	5,386	5,024	4,666
Other Assets	5,669	5,521	5,138
Deferred Outflows	185	145	102
Total Assets and Deferred Outflows of Resources	\$13,987	\$12,793	\$11,884
Liabilities and Deferred Inflows of Resources			
Current Liabilities	\$1,450	\$1,361	\$1,238
Non-Current Liabilities	6,331	5,465	4,859
Deferred Inflows	72	73	108
Total Liabilities and Deferred Inflows of Resources	\$7,853	\$6,899	\$6,205
Net Position			
Net Investment in Capital Assets	\$1,912	\$1,725	\$1,640
Restricted			
Expendable	1,221	1,239	1,209
NonExpendable	393	382	377
Unrestricted	2,608	2,548	2,453
Total Net Position	\$6,134	\$5,894	\$5,679

The Statement of Net Position indicates an increase in total assets of 9.34%. This increase in assets is mostly attributable to an increase of \$868 million in Investments plus Cash Equivalents plus a \$362 million increase in net capital assets and an increase of \$39 million mostly attributable to pension deferred outflow increase.

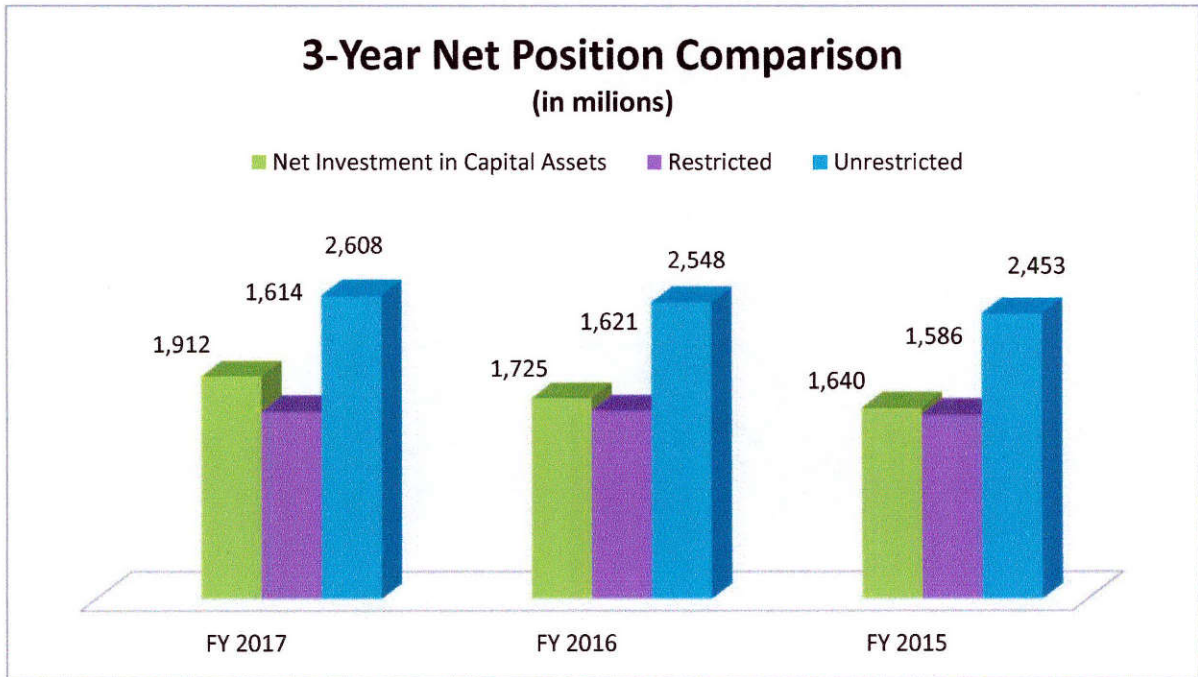
The \$868 increase in investments and cash equivalents includes a \$207.8 million increase in investment income which contains an increase in unrealized gains of \$197.4 million, an increase of \$18.3 million in realized gains and a decrease in interest income of \$7.9. Several non-A&M institutions continue to invest with the A&M System to manage on their behalf, for more details see *Note 3-Deposits, Investments and Repurchase Agreements*.

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Total liabilities increased \$954 million from the previous year. Notes, Loans and Bonds increased \$679 million, primarily attributable to funding needed for the increase in construction projects. The pension liability increased by \$58 million; this was the third year of implementation. The Other Postemployment Benefits (OPEB) liability increased \$168 million, reporting a balance of \$1.3 billion. This accrued liability is being amortized over 30 years. Fiscal year 2017 is the final year this liability will be amortized over 30 years, *GASB 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* changes the methodology and will required the full unamortized amount to be reported on the financial statements in 2018.

The final section of the statement reports the net position of the A&M System. Total net position increased 4% from the 2016 amount of \$5.894 billion to \$6.134 billion in 2017. Net Investment in Capital Assets increased 10.9% and by \$187 million, and unrestricted net position increased 2.4% and by \$60 million.



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Management's Discussion and Analysis
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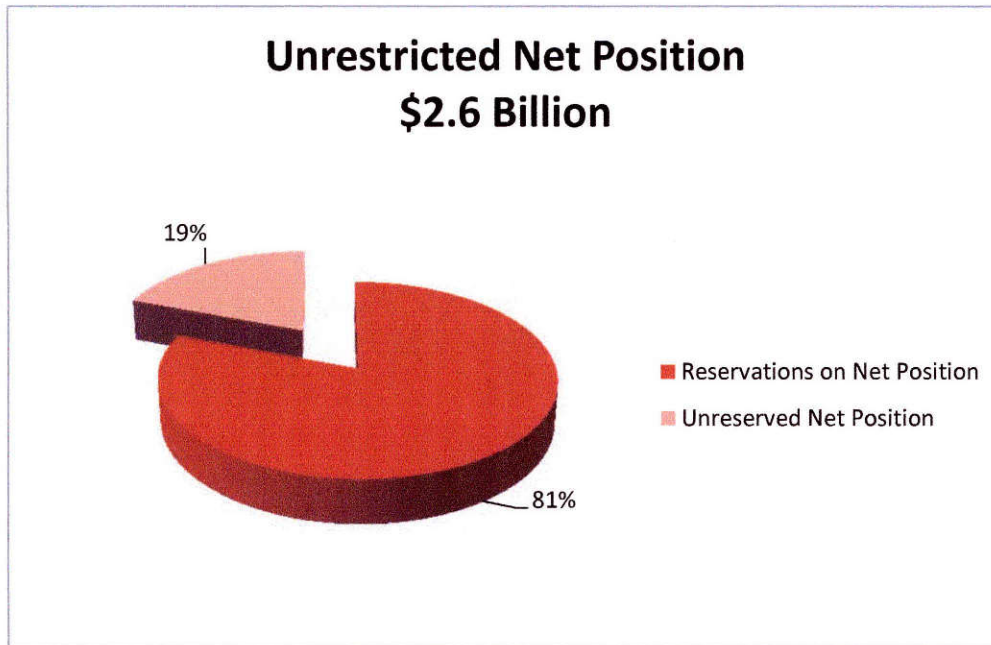
The balances defined as unrestricted do contain internal restrictions (reserves), as defined in the table below as well as the following graph.

Unrestricted Net Position	
(in millions)	
Reserved For	
Accounts Receivable	\$983
Encumbrances	194
Unrealized Gain on Investments	392
Annual Debt Service Payment	189
Inventories	25
Higher Education Fund	48
Self-Insured Plans	113
Prepaid Expenses and Other Reserves	58
Other State Funds	104
Total Unrestricted Reserves	2,106
Unreserved	
Available University Fund	60
Allocated	175
Funds Functioning as Endowments	267
Total Unreserved	502
Unrestricted Net Position	\$2,608

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The graph below depicts the overall unrestricted net position totaling \$2.6 billion for FY 2017 compared to \$2.5 billion in 2016. Internal reservations make up 81% of the total and the residual balance is considered unreserved and unallocated.



Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the revenues earned and the expenses incurred during the year. Activities are reported as operating or non-operating. The Governmental Accounting Standards Board (GASB) requires that state appropriations (Legislative Revenue) and Federal Pell Grants be reported as non-operating revenue. This will generally result in an operating deficit for most public institutions. The utilization of long-lived assets, referred to as Capital Assets, is reflected in the financial statements as depreciation or amortization, which amortizes the cost of an asset over its expected useful life.

The purpose of this statement is to present the revenues of the A&M System, and the expenses incurred by the A&M System, both operating and non-operating, and any other revenues, expenses, gains and losses received or spent. The change in total net position as presented on the Statement of Net Position is a result of these activities.

Generally, operating revenues are received for providing goods and services to the various customers and constituencies of the A&M System. Operating expenses are those expenses incurred to acquire goods and services provided in return for the operating revenues. Non-operating revenues are derived from sources not considered primary operations for an institution of higher education or state agency. State capital appropriations and capital grants and gifts are considered neither operating nor non-operating revenues and are reported after "Income (Loss) Before Other Revenues and Transfers".

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The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2017

The condensed Statement of Revenues, Expenses and Changes in Net Position reflect an increase in Net Position of \$240 million.

During the 2017 fiscal year the most significant changes are listed below.

- A \$207.8 million increase in investment income included an increase in unrealized gains of \$197.4 million, an increase of \$18.3 million in realized gains and a decrease in interest income of \$7.9 million.
- A \$41 million increase in net tuition and fee revenue due to the increase in student enrollment which corresponds to an increase in instruction expenses of \$77 million.
- In fiscal year 2017, the state appropriations including fringe benefits paid directly by the state increased slightly by \$97.6 million or 8.4%.

During the 2017 fiscal year, operating expenses increased by \$232 million or 5.4% due to an increase in salaries and wages for instruction costs. The most significant changes are listed below.

- Salaries & Wages had a slight increase of 7.1%, or \$157 million; and, the payroll related costs increased 7.9% or \$36 million.
- Depreciation and amortization expense increased 7.1%, or \$22 million due to the completion of several construction projects.
- Scholarships increased \$9.7 million due to the increase in student enrollment.
- Net Change in Other Post Employment increased by \$33.6 million, reporting an ending balance of \$1.3 billion OPEB liability which is an actuary calculation for the A&M System's retiree group insurance program.

Total Non-Operating Revenues and Expenses for 2017 increased to \$1.8 billion, compared to the 2016 amount of \$1.6 billion. The largest portion is attributable to a \$207.8 million growth in investment earnings which resulted in \$445 million in reported revenue. Legislative revenue totaled \$1.2 billion for 2017, an increase of 8.4%.

Other Revenues and Transfers increased by 16%, from the 2016 amount of \$365 million to \$422 million in 2017. Contributing factors include an increase in Legislative Transfers due to additional debt service funding from the State of \$62 million and an increase in Capital Appropriations by \$16 million and a \$38 million decrease in Transfers from Other State Agencies, attributable to a decrease in the Permanent University Fund accruals and additional Available University Fund transfers from the University of Texas.

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**The Texas A&M University System
Management's Discussion and Analysis
For the Year Ended August 31, 2017**

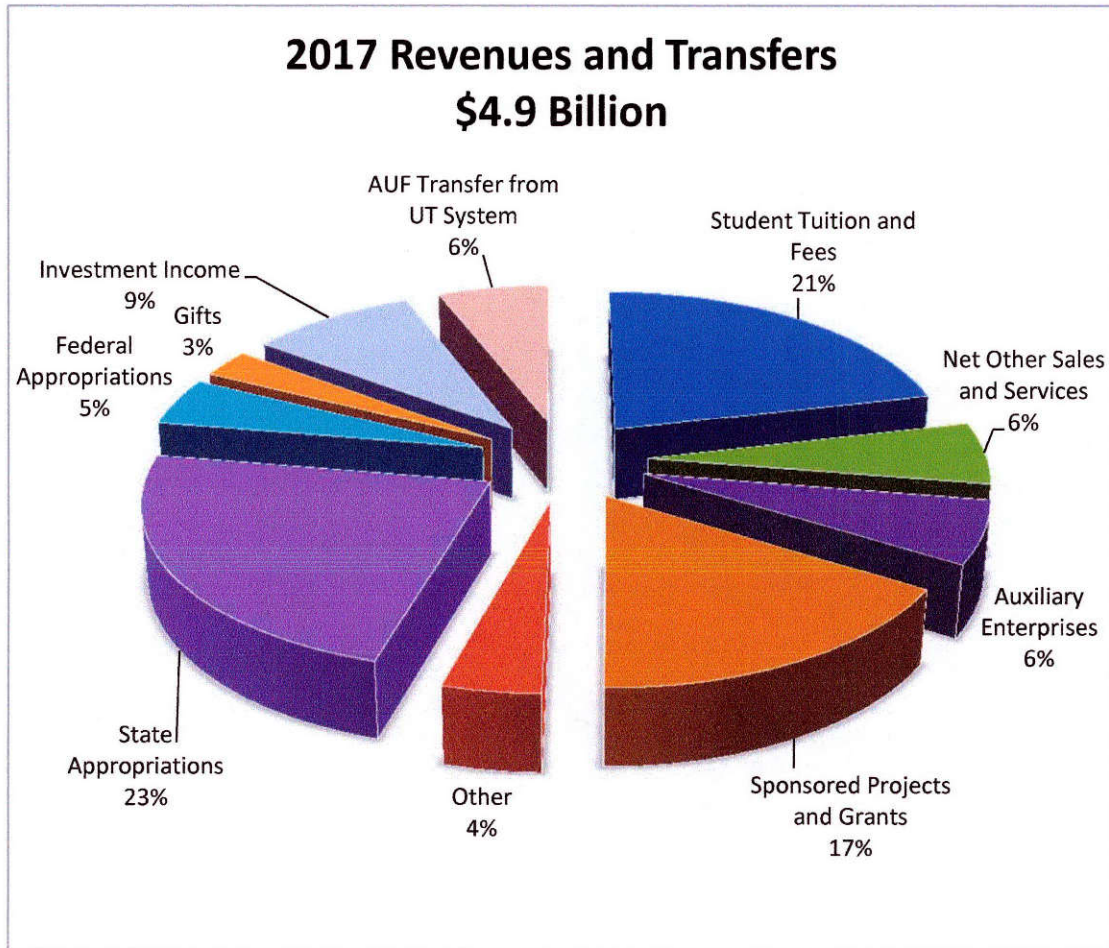
Statement of Revenues, Expenses and Changes in Net Position			
(in millions)			
	2017	2016	2015
Operating Revenues and Expenses			
Operating Revenues	\$2,586	\$2,547	\$2,472
Operating Expenses	(4,529)	(4,297)	(4,007)
Operating (Loss)	(1,943)	(1,750)	(1,535)
NonOperating Revenues	1,761	1,567	1,307
Income (Loss) Before Other Revenues and Transfers	(182)	(183)	(228)
Other Revenues and Transfers	422	365	525
Change in Net Position	240	182	297
Net Position, Beginning of Year	\$5,894	\$5,679	\$5,783
Restatement	0	33	(401)
Net Position as Restated	5,894	5,712	5,382
Net Position, End of Year	\$6,134	\$5,894	\$5,679

Certain internal activities embedded in the Statement of Revenues, Expenses and Changes in Net Position provide goods and services to internal customers and to other A&M System members. These activities include self-insured programs (health, dental, auto, etc.), repairs & maintenance, utilities, computer services, and other interdepartmental activities. The net operating revenues for these internal activities were eliminated to the extent of operating expenses. The total eliminated was approximately \$617 million. The majority of this activity relates to the self-insured programs which reported operating expenses of approximately \$327 million. Of the remaining \$290 million in operating expenses eliminated, \$118 million were professional fees & services; \$75 million included utilities and communications. Approximately \$77 million represented salaries and wages and \$21 million represented other payroll related costs.

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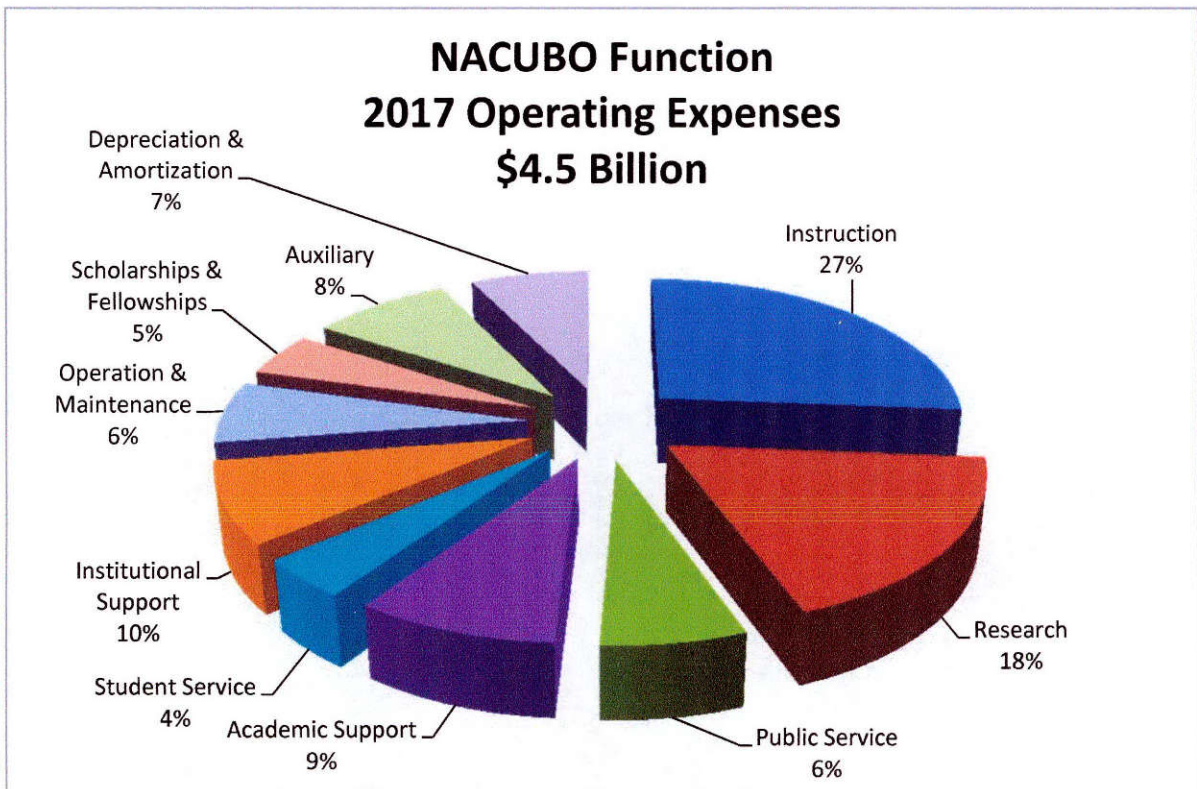
As presented below, state appropriations, student tuition and fees, as well as sponsored grants and projects are the primary sources of revenue for the A&M System.



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The following two graphs present operating expenses of \$4.5 billion. The first graph presents the operating expenses in the National Association of College and University Business Officers (NACUBO) functional classification and the second graph presents operating expenses in the natural classification. As presented below, instruction, research, academic support, auxiliary and institutional support are the primary expenses for the A&M System. Outsourcing continues to be analyzed for various functions to ensure the costs remain low.

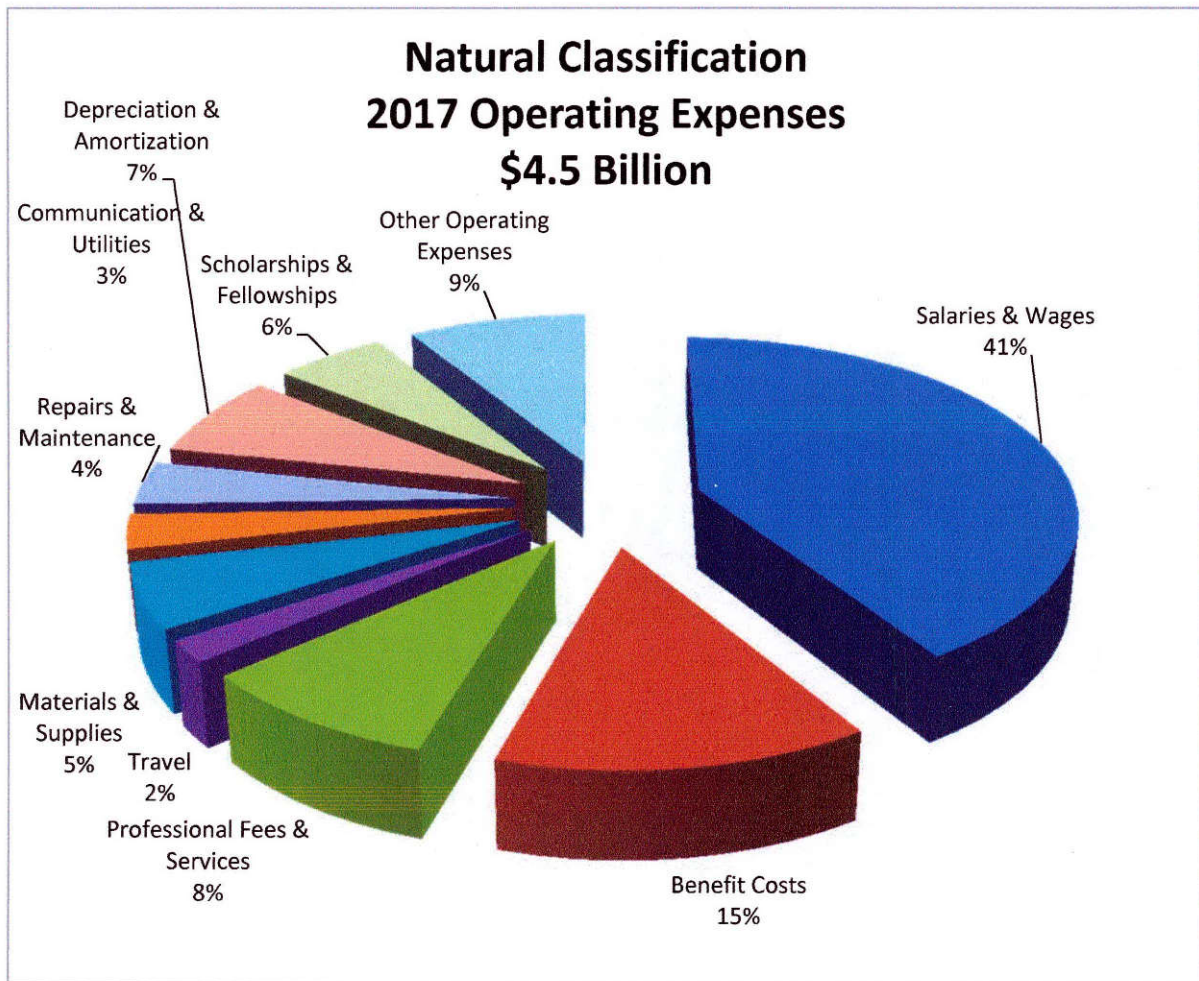


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Operating expenses totaled \$4.5 billion, as depicted in the graph, and non-operating expenses plus transfers out equaled \$364 million.

The A&M System salaries, wages and benefits are a critical part of the success of our students and the services provided. Each A&M member continues to analyze operating costs and ensure these expenses are appropriate. Outsourcing continues to be analyzed by each A&M member for various functions, programs and products offered to ensure costs remain as reasonable as possible.



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The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2017

Statement of Cash Flows

The final statement presented is the Statement of Cash Flows. This statement presents detailed information on the cash activity during the year. The first section presents operating cash flows and the net cash used by operating activities. The next section presents the results of non-capital financing activities. This section includes the cash flows from state appropriations and other non-operating activities. The capital and related financing activities section includes cash used for acquisition and construction of capital assets. The investing activities section reports purchases, proceeds, and earnings from investments. The final section is a reconciliation of net cash from operations to operating income.

Statement of Cash Flows			
(in millions)			
	2017	2016	2015
Cash Flows From			
Operating Activities	(\$1,365)	(\$1,261)	(\$1,151)
Non-Capital Financing Activities	2,013	1,951	1,679
Capital and Related Financing Activities	(181)	(601)	(476)
Investing Activities	(280)	64	(56)
Net Change in Cash & Cash Equivalents	187	153	(4)
Cash & Cash Equivalents, Beginning of Year	1,270	1,117	1,121
Cash & Cash Equivalents, End of Year	\$1,457	\$1,270	\$1,117

Capital Assets

The A&M System is committed to continuous improvements in the quality of its academic, research, and service programs through the development and renewal of its capital assets and infrastructure. The A&M System continues to implement its long-range plan to modernize existing teaching and research facilities along with plans for new construction.

Capitalized expenses had a slight increase for construction in progress during 2017 totaling \$581 million, as compared to \$519 million in 2016. This represents substantially completed projects where the Construction In Progress assets were reclassified to the capital asset categories.

The A&M System had significant capital asset additions for facilities in 2017. There are many construction projects in various stages of completion including major projects mostly managed by the System Offices and minor projects managed by the members. These projects represent \$730 million in payments for construction in progress during 2017.

The major construction projects exceeding \$10 million are listed below and are in progress or scheduled to be completed over the next two years.

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**The Texas A&M University System
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Member	Project	Projected Fiscal Year Completion	Projected Budget
Texas A&M System			
	RELLIS Campus Infrastructure	2019	\$ 53,175,000
Texas A&M University			
	Zachry Building Renovation and Expansion	2018	224,669,000
	Biocontainment Research Facility	2019	86,000,000
	McAllen MultiPurpose Academic Building	2019	40,000,000
	Aggie Track and Field Stadium	2019	39,800,000
	Aggie Softball Stadium	2019	28,640,000
	Agriculture Building #5	2019	24,100,000
	West Campus Support Building	2018	17,000,000
	HVAC Replacement, Mosher Hall	2019	15,028,100
	Sub-total		\$ 475,237,100
Texas A&M University-Galveston			
	Academic Building Complex Phase II and Infrastructure	2019	\$ 56,280,000
Tarleton State University			
	Memorial Football Stadium Renovation & Expansion	2019	26,400,000
	Utility and Infrastructure Improvements	2019	25,750,000
	Applied Science Building	2019	54,000,000
	Sub-total		\$ 106,150,000
Prairie View A&M University			
	Fabrication Center	2019	17,158,000
	Capital Improvements	2019	20,232,000
	Sub-total		\$ 37,390,000
Texas A&M AgriLife Research			
	Dallas AgriLife Center	2019	\$ 34,000,000

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Member	Project	Projected Fiscal Year Completion	Projected Budget
Texas A&M Transportation Institute			
	TTI State Headquarters Building	2019	\$ 70,000,000
Texas A&M University-Corpus Christi			
	Life Sciences Research and Engineering Complex Phase I	2019	\$ 60,000,000
Texas A&M International University			
	Addition of Instructional and Support Space	2019	\$ 71,000,000
Texas A&M University-Kingsville			
	Education Complex	2019	\$ 61,548,770
West Texas A&M University			
	Agricultural Sciences Complex	2018	49,036,000
	Renovate Jarrett Hall Phase 2	2019	14,330,000
	Amarillo Center Renovation Phase 2	2019	18,200,000
	Sub-total		\$ 81,566,000
Texas A&M University-Commerce			
	Nursing & Health Sciences Building	2019	\$ 54,000,000
Texas A&M University-Texarkana			
	Academic and Student Services Building	2019	\$ 32,000,000
Texas A&M Health Science Center			
	Dentistry Clinical Education Facility	2019	127,500,000
	Multidisciplinary Research and Education Facility Bryan	2019	103,800,000
	Sub-total		\$ 231,300,000

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Member	Project	Projected Fiscal Year Completion	Projected Budget
Texas A&M University-Central Texas			
	Multipurpose Building 3	2019	\$ 36,000,000
Texas A&M University-San Antonio			
	Science and Technology Building	2019	\$ 63,000,000
Texas A&M Engineering Experiment Station			
	Center for Infrastructure Renewal	2019	\$ 80,851,000
	TOTAL		\$ 1,603,497,870

Debt Administration

The A&M System understands its role of financial stewardship and works to manage its resources effectively, including the prudent use of debt to finance capital projects.

During fiscal year 2017, the A&M System issued taxable and tax-exempt bonds under the Revenue Financing System debt program to refund a portion of previously outstanding bonds and commercial paper, to provide funding for eligible projects, and to pay the costs of issuing the bonds. The Revenue Financing System Bonds, Series 2017A had a par amount of approximately \$388.71 million with a true interest cost of 3.17%. The Revenue Financing System Bonds, Series 2017B had a par amount of \$398.67 million with a true interest cost of 2.86%. The Revenue Financing System Bonds, Series 2017C had a par amount of approximately \$97.43 million with a true interest cost of 2.73%. Refundings associated with this bond issue resulted in approximately \$14.6 million of total savings or approximately \$12.1 million of net present value savings equating to a net present value benefit of 11.44%.

Revenue Financing System Commercial Paper Notes in the amount of \$182 million, and Permanent University Fund Taxable Commercial Paper Notes in the amount of \$30 million were issued to fund eligible projects.

The A&M System has sufficient debt capacity to finance planned facilities and other capital improvements. In addition, the State appropriated amounts are sufficient for the reimbursement of debt service on all outstanding and planned Tuition Revenue Bond debt for the FY2018-19 biennium. For additional information concerning Capital Assets and Debt Administration, see the Notes to the Financial Statements.

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The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2017

Economic Outlook

Capital markets ended the year with double digit increases globally in equities and relatively flat performance in fixed income for the same period. Global growth and central bank actions will continue to influence markets. The A&M System has built diversified portfolios across asset classes which have the potential to perform reasonably well in a wide variety of capital market environments. The portfolios are not immune to large market dislocations, and may experience declines in market value from time to time; however, market declines may provide opportunities to acquire assets at discounts which will benefit performance over longer-term investment periods.

Significant Events

Several leadership changes occurred in the A&M System during fiscal year 2017, these changes are included below.

- Dr. Walter V. Wendler was named as the President of West Texas A&M University in September, 2016.
- Dr. Raajkumar "Raaj" S. Kurapati was named Vice President for Finance and Chief Financial Officer for Texas A&M-Kingsville in September, 2016.
- Dr. Carrie L. Byington, M.D. was appointed by the A&M System Board of Regents as the Vice Chancellor for Health Services, Dean of the College of Medicine and Senior Vice President for the Health Science Center at Texas A&M University in September, 2016.
- Dr. William (Bill) Spindle assumed the role of VP for Business Affairs and Chief Financial Officer at Texas A&M University-San Antonio in October, 2016.
- Dr. Pablo Arenas, Provost and Vice President for Academic Affairs of Texas A&M International University, succeeded Dr. Keck and was named as the President in November, 2016.
- Dr. Ray M. Keck was appointed as President at Texas A&M University-Commerce in November, 2016.
- Dr. Kelly Quintanilla was named the President of Texas A&M University-Corpus Christi, effective June, 2017.
- Mr. Gregory D. Winfree, J.D., was appointed the Agency Director of the Texas A&M Transportation Institute (TTI) in December, 2016; he was the former Assistant Secretary, Office of the Assistant Secretary for Research and Technology at the U.S. Department of Transportation.
- Mr. Charles W. Schwartz of Houston was elected Chairman, of the Board of Regents in May, 2017. Schwartz succeeds former Board of Regents Chairman Cliff Thomas of Victoria, who remains on the board.
- Ms. Elaine Mendoza of San Antonio was re-elected as its Vice Chairman of the Board of Regents in May, 2017.

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- Dr. George Wright announced in June, 2017 he was stepping down as President of Prairie View A&M University and returning to teaching history full-time after an interim President is named.
 - Dr. Ruth Simmons was named interim President of Prairie View A&M University in June, 2017. She is an accomplished university president with administrative experience in Ivy League schools, a women's university and a historically black college.
 - Mr. Stephen Shuchart of Houston was appointed the next student regent for the A&M System by Governor Greg Abbott.

In fiscal year 2018, there was an additional change, included below.

- In October, 2017, Dr. Ruth Simmons was named the sole finalist for the position of President of Prairie View A&M University.

In fiscal year 2015, A&M System Chancellor John Sharp announced a new contract with Workday, Inc. to replace 35-year-old technology with a cloud-based human resources and payroll system. This project is underway and \$17 million has been recorded as construction in progress for fiscal year 2017.

On May 2, 2016 Chancellor Sharp announced the A&M System is investing \$150 million to revamp the old Bryan Air Base (Riverside Campus) and create a research and development campus focused on robotics, driverless and connected vehicles, and other cutting-edge technologies. The Board of Regents will also consider putting an education center there that will offer a path to a college degree for students who want to study and live in the Brazos Valley. The site for the new campus is the former Bryan Air Base, a World War II facility Texas A&M University acquired in 1962, and was called the Riverside Campus. In September 2015, the 2,000-acre tract was transferred to the A&M System and was named RELLIS Campus, from an acronym for the Texas Aggies' core values of respect, excellence, leadership, loyalty, integrity and selfless service.

On October 26, 2016 the Texas Higher Education Coordinating Board awarded the 2016 Star Award for the Texas Affordable Baccalaureate program at Texas A&M University-Commerce. Launched in 2014, the Texas Affordable Baccalaureate program is the state's first entirely competency-based bachelor-level degree from a public institution. It was created in response to a challenge issued by then-Gov. Rick Perry in 2011 to develop a low-cost alternative for completing a college degree. The entire program is offered online and allows students to earn a bachelor of applied science degree with an emphasis in organizational leadership at their own pace. The Coordinating Board received 39 nominations and 35 applications for this year's Star Award. There were ultimately six finalists, including the Tarleton State University's Intern 2 Learn program.

On October 21, 2016 the A&M System Chancellor John Sharp announced the Texas Higher Education Coordinating Board has approved the establishment of a new higher education center in the Rio Grande Valley. The announcement of the Texas A&M Higher Education Center-

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McAllen marks the latest step in fulfilling the Rio Grande Valley-focused vision of Chancellor Sharp and Texas A&M University President Michael K. Young. Top community and industry leaders from across the region joined university officials at the announcement at the McAllen Convention Center. Classes are scheduled to begin in the fall of 2017 in temporary facilities, and the multipurpose academic building is expected to open in the fall of 2018. Accreditation approvals will need to occur as degree programs are finalized.

On December 13, 2016 the A&M System, the Texas A&M Engineering Extension Service (TEEX) and Blinn College announced a Memorandum of Understanding outlining their partnership to meet Brazos County's growing demand for workforce training programs. "The Texas A&M University System and TEEX are eager to work in conjunction with Blinn College to meet the needs of Brazos County," A&M System Chancellor John Sharp said. "In partnership, TEEX and Blinn College will offer the highest quality training programs, including some at the premiere facilities on the new RELLIS campus."

On February 26, 2017 A&M System Chancellor John Sharp joined State Rep. John Cyrier and officials with the Texas A&M Forest Service to unveil the newly established Austin Airtanker Base at the Austin-Bergstrom International Airport. The base is the first, state-funded portable airtanker base in Central Texas and is able to accommodate even the largest of aircraft used to drop fire retardant during wildfires. While it is based in Austin, it is portable in order to move to other parts of the state as needed.

On February 9, 2017 the members of the A&M System Board of Regents and Chancellor John Sharp thanked Regent Judy Morgan at her final board meeting for her years of service to the students, faculty and staff throughout the System. Regent Morgan, who received a bachelor's degree from the University of Houston and a Master of Business Administration from Texas A&M University-Texarkana, is stepping down after six years of helping to lead the A&M System through a period of extraordinary growth and advancement.

On March 10, 2017 the A&M System increased its total research expenses by more than \$26 million from last fiscal year, reaching a total of almost \$1 billion across the System's eleven campuses and seven agencies, Texas A&M University System Chancellor John Sharp announced. The System's total research spending jumped to more than \$972 million in fiscal year 2016, compared with nearly \$946 million in the previous fiscal year, as reported to the National Science Foundation Higher Education Research & Development Survey.

On April 19, 2017 collaboration was announced between West Texas A&M University (WTAMU) and one of the country's premier music business schools, Belmont University in Nashville, which has caught the attention of music industry leaders in Texas. Brendon Anthony, the director of the Texas Music Office, and A&M System Chancellor John Sharp recently traveled to Canyon to learn more about a new agreement that allows WTAMU students to participate in and complete courses offered by Belmont's Mike Curb College of Entertainment and Music Business.

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On May 5, 2017 the Kubota Tractor Corporation and the A&M System announced a strategic venture within its Research and Development program to test equipment performance in various applications within The Texas A&M University System on land and within its testing facilities. "In keeping with Kubota's global brand statement 'For Earth, For Life', we have a vested interest in furthering Texas A&M's mission of preparing youth for leadership, responsibility, and service to a global society," said Masato Yoshikawa, president and CEO of Kubota Tractor Corporation. "Through this relationship we are committed to harnessing the research-intensive power of the university system to help improve our agriculture, construction and turf equipment – and, together, our innovations will work to improve people's lives in Texas, across the United States, and all over the world."

On May 15, 2017 the A&M System announced it is stepping up to address the critical challenge of cyber-attacks by creating a system-wide initiative on cybersecurity education, research and outreach led by the Texas A&M Engineering Experiment Station. The Associate Vice Chancellor and Engineering Professor of Practice Stephen A. Cambone, Ph.D. has been appointed to lead the system-wide cybersecurity initiative. Cambone is the former U.S. Department of Defense Undersecretary of Defense for Intelligence and founder of Adirondack Advisors, LLC.

On June 28, 2017 the A&M System Chancellor John Sharp and other officials broke ground on a new terminal at the Easterwood Airport in College Station, as part of a \$10.5 million airport renovation project. The new Fixed Base Operations, or FBO, terminal will include improvements that will turn the aged facility into a world-class regional airport that serves the general aviation community and one of the nation's top research universities.

On July 31, 2017 Mr. Rod Davis, co-founder and former director of the A&M System's Veterans Support Office, has received the prestigious Bill Pearson Outstanding Lifetime Achievement Award from the Western Association of Veterans Education Specialists (WAVES). The honor was announced at the 2017 WAVES Conference held in July. WAVES is the largest national organization of higher education veteran support providers and works closely with educational, veteran, and military institutions, and the Department of Veterans Affairs.

On August 23, 2017 the A&M System Board of Regents authorized the creation of the Gateway Education Center at the emerging RELLIS Campus in Bryan, which will allow students to obtain bachelor degrees from Texas A&M System's 10 regional universities from around the state without leaving the Bryan campus.

On August 23, 2017 the A&M System Board of Regents enacted one of the most restrictive conflict-of-interest rules in Texas higher education, extending state law to hundreds of senior administrators and their close family members. "The Texas A&M System now goes far beyond what the law requires to be sure we provide transparency and a level playing field for anyone doing business with the System," said Chancellor John Sharp.

On August 28, 2017 the members of various teams throughout the vast A&M System were deployed for several days to aid in disaster relief and to help ensure the safety of people, pets and

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The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2017

livestock. Members of the Texas A&M Forest Service, Texas Task Force 1, Texas A&M AgriLife Extension and the Texas A&M Veterinary Emergency Team were among the personnel from the A&M System to head into the disaster zone. "The Texas A&M University System stands ready to help in any way," Chancellor Sharp said.

The A&M System continues to focus on its mission to serve the needs of the state of Texas. The continued enrollment growth, quality education, expansion of sponsored project activity, and the successful capital improvements are an integral part of the future of the A&M System.

Fiscal Year 2018 Announcement

On September 7, 2017 Governor Greg Abbott announced A&M System Chancellor John Sharp will lead the newly created Governor's Commission to Rebuild Texas, which will oversee and coordinate response and relief efforts throughout areas of the state recovering from Hurricane Harvey. After making landfall near Rockport as a Category 4 hurricane on August 25, Harvey inflicted days of catastrophic flooding and devastation along the Gulf Coast. The Governor has tasked the Commission with ensuring that local communities that are now rebuilding have streamlined access to the resources and expertise necessary to be successful, as well as effective advocates at all levels of government.

Upcoming Accounting Pronouncements

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018, requires a change in the Other Post Employment Benefit (OPEB) calculation. OPEB are benefits provided to the A&M System's retirees under the A&M System group insurance program. It is projected this standard will increase the OPEB liability since this standard changes the methodology used by the actuary to calculate the liability. There will also be an increase in note disclosures and Required Supplementary Information. Potentially, the ending OPEB liability will increase from \$1.3 billion to over \$4.5 billion due to the change in GASB methodology. The A&M System continues to evaluate the impact of this statement.

GASB 84 Fiduciary Activities effective for Fiscal Year 2019 will change the financial statements for our fiduciary activity. The investment trust funds and custodial funds held on other's behalf will be required to have separate financial statements. These activities will be removed from the balance sheet of our single column report and will be reported in separate columns. This is a structural change to our financial statements.

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Exhibit III

The Texas A&M University System

Combined Statement of Net Position
For the Year Ended August 31, 2017

	Current Year Total	Prior Year Total
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents (Schedule Three)	\$ 829,099,962.46	\$ 820,666,812.25
Investments	104,110,151.17	
Restricted		
Cash & Cash Equivalents (Schedule Three)	628,015,625.59	449,194,918.95
Investments	298,014,805.05	
Legislative Appropriations	134,570,104.29	125,759,425.60
Receivables, Net (Note 24)		
Federal	131,365,073.14	120,182,513.06
Other Intergovernmental	12,794,278.95	4,719,847.12
Interest and Dividends	10,181,219.09	8,059,994.77
Gifts	73,626,683.13	71,643,119.56
Self-Insured Health and Dental	31,919,586.74	31,869,492.35
Student	50,399,827.01	42,470,654.20
Investment Trades	66,185,382.24	69,067,138.96
Accounts	102,838,373.62	110,688,712.38
Other	2,611,838.92	3,595,751.54
Due From Other Agencies	20,509,890.03	31,756,219.18
Consumable Inventories	18,755,992.55	18,283,597.92
Merchandise Inventories	6,465,006.95	6,688,114.05
Loans and Contracts	25,418,596.92	23,578,039.26
Interfund Receivable (Note 12)	84,930,000.00	48,475,000.00
Other Current Assets	114,993,650.21	115,681,056.77
Total Current Assets	\$ 2,746,806,048.06	\$ 2,102,380,407.92
Non-Current Assets		
Restricted		
Investments (Note 3)	\$ 1,319,226,026.87	\$ 1,261,269,710.88
Loans, Contracts and Other	4,799,323.71	4,259,169.84
Gifts Receivable	404,710,624.67	455,591,190.15
Loans and Contracts	14,674,650.68	17,174,132.66
Investments (Note 3)	3,023,849,161.51	2,803,509,055.37
Interfund Receivable (Note 12)	891,586,119.86	971,261,060.04
Capital Assets, Non-Depreciable (Note 2)		
Land and Land Improvements	146,380,570.36	144,048,041.76
Construction In Progress	987,438,079.13	947,461,519.98
Other Tangible Capital Assets	57,923,826.94	54,850,041.24
Land Use Rights	92,817.00	92,817.00
Capital Assets, Depreciable (Note 2)		
Buildings and Building Improvements	5,313,010,416.73	4,905,524,916.95
Infrastructure	760,131,231.57	695,054,626.76
Facilities and Other Improvements	959,999,721.11	887,240,940.60
Furniture and Equipment	898,269,881.55	856,369,996.01
Vehicles, Boats, and Aircraft	143,660,202.77	139,564,808.82
Other Capital Assets	228,874,015.38	224,403,077.00
Intangible Capital Assets, Amortized (Note 2)		
Land Use Rights	255,457.00	255,457.00
Computer Software	70,923,810.95	66,614,781.52
Accumulated Depreciation/Amortization	(4,180,803,954.27)	(3,897,791,759.38)
Assets Held in Trust	362,100.00	362,100.00
Other Non-Current Assets	10,053,878.19	7,746,459.16
Total Non-Current Assets	\$ 11,055,417,961.71	\$ 10,544,862,143.36
Deferred Outflows of Resources (Note 28)		
Unamortized Loss On Refunding Debt	\$ 37,094,320.38	\$ 38,812,671.80
Government Acquisition	23,374,004.37	27,296,914.19
Pensions	124,267,852.00	79,160,948.00
Total Deferred Outflows of Resources	\$ 184,736,176.75	\$ 145,270,533.99
Total Assets and Deferred Outflows	\$ 13,986,960,186.52	\$ 12,792,513,085.27

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Exhibit III

The Texas A&M University System

Combined Statement of Net Position

For the Year Ended August 31, 2017

	Current Year Total	Prior Year Total
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 203,822,163.34	\$ 175,185,824.31
Payroll	148,707,199.01	135,705,763.58
Investment Trades	70,969,701.34	122,134,467.38
Self-Insured Health and Dental	17,675,000.00	15,995,000.00
Student	12,162,316.20	9,169,902.02
Other	5,309,767.52	5,257,434.60
Interfund Payable (Note 12)	2,519,837.04	2,953,192.38
Due to Other Agencies	2,771,337.01	2,028,744.27
Unearned Revenue	572,979,991.71	547,638,314.27
Employees Compensable Leave	12,533,668.80	11,405,722.43
Claims and Judgments	3,144,816.00	3,619,000.00
Notes and Loans Payable (Note 5)	34,740,333.34	29,509,287.34
Bonds Payable (Note 6)	220,310,747.82	181,865,242.06
Capital Lease Obligations (Note 8)	4,070,920.24	5,388,011.94
Liabilities Payable From Restricted Assets	60,766,728.60	26,493,447.82
Funds Held for Others	53,287,500.72	57,617,473.41
Other Current Liabilities	24,375,150.53	28,669,426.05
Total Current Liabilities	\$ 1,450,147,179.22	\$ 1,360,636,253.86
Non-Current Liabilities		
Interfund Payable (Note 12)	\$ 4,661,079.60	\$ 7,361,965.98
Employees Compensable Leave	101,700,720.10	101,885,149.06
Other Post Employment Benefits (Note 11)	1,285,351,239.00	1,117,799,433.00
Pension Liability (Note 9)	457,523,817.00	399,241,902.00
Claims and Judgments	8,372,325.00	7,564,000.00
Notes and Loans Payable (Note 5)	262,900,333.28	151,452,712.62
Bonds Payable (Note 6)	3,751,597,471.19	3,227,306,356.03
Assets Held In Trust	362,100.00	362,100.00
Liabilities Payable From Restricted Assets	13,722,416.23	20,922,144.22
Funds Held for Others	375,493,180.92	333,936,608.21
Capital Lease Obligations (Note 8)	43,418,790.01	36,135,881.95
Other Non-Current Liabilities	25,705,580.85	61,022,481.34
Total Non-Current Liabilities	\$ 6,330,809,053.18	\$ 5,464,990,734.41
Deferred Inflows of Resources (Note 28)		
Pension	\$ 71,750,702.00	\$ 72,953,213.00
Total Deferred Inflows of Resources	\$ 71,750,702.00	\$ 72,953,213.00
Total Liabilities and Deferred Inflows	\$ 7,852,706,934.40	\$ 6,898,580,201.27
Net Position		
Net Investment In Capital Assets	\$ 1,912,439,598.74	\$ 1,724,453,009.00
Restricted for		
Debt Service		340,000.00
Capital Projects	531,607,992.81	552,992,506.43
Education	351,399,009.31	367,759,654.74
Endowment and Permanent Funds		
Nonexpendable	393,032,527.63	382,661,859.66
Expendable	337,476,976.62	317,750,297.42
Unrestricted	2,608,297,147.01	2,547,975,556.75
Total Net Position (Exhibit IV)	\$ 6,134,253,252.12	\$ 5,893,932,884.00

The Accompanying Summary of Significant Accounting Policies and Notes to Financial Statements are an integral part of this statement.

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Exhibit IV

The Texas A&M University System
 Combined Statement of Revenues, Expenses, and Changes in Net Position
 For the Year Ended August 31, 2017

	Current Year Total	Prior Year Total
Operating Revenues		
Tuition and Fees	\$ 1,420,127,808.99	\$ 1,332,350,073.96
Discounts and Allowances	(358,288,599.01)	(311,240,484.24)
Professional Fees	1,706,155.48	1,839,264.56
Auxiliary Enterprises	346,788,570.71	337,293,276.96
Discounts and Allowances	(38,382,484.85)	(32,669,681.32)
Other Sales of Goods and Services	307,421,781.91	303,390,278.32
Discounts and Allowances	(6,498,892.26)	(5,974,786.16)
Interest Revenue	3,076,064.53	3,408,152.62
Federal Revenue - Operating	407,520,187.18	396,738,597.81
Federal Pass Through Revenue	24,575,482.95	31,272,011.72
State Grant Revenue	6,128,362.86	5,218,785.79
State Pass Through Revenue	111,900,215.76	111,011,681.75
Other Grants and Contracts - Operating	273,767,223.05	294,580,668.06
Other Operating Revenue	85,721,868.22	79,460,781.72
Total Operating Revenues	\$ 2,585,563,745.52	\$ 2,546,678,621.55
Operating Expenses		
Instruction	\$ 1,205,521,177.82	\$ 1,128,341,057.28
Research	797,132,037.68	780,656,177.61
Public Service	281,797,875.13	273,694,726.37
Academic Support	384,452,595.78	380,278,522.40
Student Services	195,528,036.47	180,903,371.03
Institutional Support	448,249,119.37	376,125,849.15
Operation & Maintenance of Plant	288,121,246.04	286,443,714.72
Scholarships & Fellowships	219,741,822.61	206,299,166.35
Auxiliary	370,767,707.23	368,525,863.25
Depreciation/Amortization	337,349,275.58	314,921,728.52
Total Operating Expenses (Schedule IV-1)	\$ 4,528,660,893.71	\$ 4,296,190,176.68
Total Operating Loss	\$ (1,943,097,148.19)	\$ (1,749,511,555.13)
Nonoperating Revenues (Expenses)		
Legislative Revenue	\$ 1,152,038,217.45	\$ 1,128,329,914.20
Federal Revenue Non-Operating	234,208,970.23	215,820,452.58
Gifts	137,174,314.37	180,207,210.72
Investment Income	444,742,069.21	236,859,148.68
Investing Activities Expense	(13,272,521.70)	(11,779,962.89)
Interest Expense	(141,376,052.93)	(158,762,365.37)
Borrower Rebates and Agent Fees	(4,265,202.68)	(5,090,806.43)
Gain (Loss) On Sale or Disposal of Capital Assets	(105,677,695.24)	(3,597,030.61)
Settlement of Claims	(185,180.83)	(706,399.90)
Other Nonoperating Revenues	111,510,435.57	26,503,815.47
Other Nonoperating (Expenses)	(53,613,819.40)	(41,115,859.68)
Total Nonoperating Revenues (Expenses)	\$ 1,761,283,534.05	\$ 1,566,668,116.77
Loss Before Other Revenues and Transfers	\$ (181,813,614.14)	\$ (182,843,438.36)

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Exhibit IV

The Texas A&M University System
Combined Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2017

	<u>Current Year Total</u>	<u>Prior Year Total</u>
Other Revenues and Transfers		
Capital Contributions	\$ 17,465,463.82	\$ 9,190,562.32
Capital Appropriations (Higher Education Fund)	46,586,914.00	31,057,942.00
Additions to Permanent and Term Endowments	5,182,561.58	2,938,728.00
Transfers In		
Transfers From Other State Agencies	336,451,890.40	324,151,386.03
Transfers Out		
Transfers to Other State Agencies	(44,992,261.93)	(6,189,412.94)
Nonmandatory Transfers to Other State Agencies-Capital Assets	(476,612.72)	(186,651.30)
Legislative Transfers - In	65,757,250.00	3,571,725.00
Legislative Appropriations Lapsed	(3,841,222.89)	(3,714.30)
Total Other Revenues and Transfers	\$ 422,133,982.26	\$ 364,530,564.81
Change In Net Position	\$ 240,320,368.12	\$ 181,687,126.45
Net Position, Beginning of Year	\$ 5,893,932,884.00	\$ 5,678,711,362.93
Restatement		33,534,394.62
Net Position, Beginning of Year, Restated	\$ 5,893,932,884.00	\$ 5,712,245,757.55
Net Position, End of Year	\$ 6,134,253,252.12	\$ 5,893,932,884.00

The Accompanying Summary of Significant Accounting Policies and Notes to
Financial Statements are an integral part of this statement.

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Schedule IV-1

The Texas A&M University System
 Combined NACUBO Function to Natural Classification Matrix
 For the Year Ended August 31, 2017

	<u>Instruction</u>	<u>Research</u>	<u>Public Service</u>	<u>Academic Support</u>	<u>Student Services</u>
Natural Classification					
Cost of Goods Sold	\$ 99,003.06	\$ 658,392.23	\$ 363,398.88	\$ 310,211.57	\$ 38,519.46
Salaries & Wages	806,852,453.91	360,603,952.17	130,171,570.08	191,462,133.57	88,929,136.42
Payroll Related Costs	206,500,498.78	87,216,215.92	48,828,110.22	49,654,199.36	26,579,918.37
Professional Fees & Services	57,373,999.15	65,325,674.71	15,845,466.62	45,747,380.01	12,655,355.84
Travel	20,902,447.31	22,967,998.43	7,435,395.49	8,783,003.62	6,173,118.74
Materials & Supplies	47,909,832.91	73,538,410.39	17,144,329.12	48,300,796.08	13,840,448.70
Communication & Utilities	5,307,291.81	13,831,062.06	4,021,324.82	9,091,568.38	2,648,400.76
Repairs & Maintenance	7,942,621.61	17,593,874.39	4,319,566.17	5,401,258.73	5,687,311.64
Rentals & Leases	16,668,062.47	11,966,739.90	7,632,762.19	3,558,459.23	6,048,235.12
Printing & Reproduction	2,591,369.36	2,232,369.36	1,390,655.45	1,760,180.42	2,257,328.13
Federal Pass-Through	168,450.17	3,383,874.06	129,402.52	7,985.48	
State Pass-Through		1,285,198.96	96,598.34		
Depreciation & Amortization					
Bad Debt Expense					3,210,130.82
Interest	13,257.54	20,956.49	3,398.15	9,872.25	3,353.33
Scholarships	3,534,354.57	24,369,523.78	535,836.27	1,328,038.30	1,608,933.22
Claims & Losses			130.00		
Net Change In OPEB Obligation					
Other Operating Expenses	29,657,535.17	112,137,794.83	43,879,930.81	19,037,508.78	25,847,845.92
Total Operating Expenses	\$ 1,205,521,177.82	\$ 797,132,037.68	\$ 281,797,875.13	\$ 384,452,595.78	\$ 195,528,036.47

Institutional Support	Operation & Maintenance of Plant	Scholarships & Fellowships	Auxiliary	Depreciation & Amortization	Total	Prior Year
\$ 42,210.54	\$ (208,097.71)	\$ 553.80	\$ 5,219,888.90	\$	\$ 6,524,080.73	\$ 7,937,332.64
138,942,643.25	26,525,747.47	11,251,915.21	112,707,320.56		1,867,446,872.64	1,763,684,145.02
45,713,929.61	9,876,923.35	788,510.18	25,904,804.39		501,063,110.18	447,675,204.72
54,445,568.86	56,339,497.56	470,684.31	69,025,255.90		377,228,882.96	390,392,980.72
3,038,050.86	318,741.34	878,910.90	16,055,709.37		86,553,376.06	84,929,256.82
10,593,670.40	11,038,510.17	509,150.74	21,266,316.16		244,141,464.67	245,731,576.62
3,791,253.54	68,386,171.23	70,842.02	27,468,998.71		134,616,913.33	134,161,589.71
3,978,075.37	85,048,953.21	27,819.03	25,548,504.98		155,547,985.13	166,073,323.26
3,720,952.12	7,243,046.91	275,488.61	15,154,269.95		72,268,016.50	75,893,923.38
1,437,838.11	119,120.09	34,292.41	1,241,471.23		13,064,624.56	13,210,502.09
103,231.25		259.42			3,793,202.90	3,049,946.92
		302,038.65			1,683,835.95	1,461,573.75
				337,349,275.58	337,349,275.58	314,921,728.52
					3,210,130.82	688,883.88
8,956.08	15,482.63	183.92	6,100.22		81,560.61	102,829.71
61,550.04	69,650.00	202,091,605.97	12,996,216.02		246,595,708.17	236,809,017.35
8,007.84					8,137.84	630,605.78
167,551,806.00					167,551,806.00	133,925,088.00
14,811,375.50	23,347,499.79	3,039,567.44	38,172,850.84		309,931,909.08	274,910,667.79
\$ 448,249,119.37	\$ 288,121,246.04	\$ 219,741,822.61	\$ 370,767,707.23	\$ 337,349,275.58	\$ 4,528,660,893.71	\$ 4,296,190,176.68

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Exhibit V
The Texas A&M University System
 Combined Statement of Cash Flows
 For the Year Ended August 31, 2017

	Current Year Total	Prior Year Total
Cash Flows From Operating Activities		
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 1,036,529,283.63	\$ 1,003,194,352.80
Proceeds Received From Customers	312,779,385.76	298,516,473.28
Proceeds From Grants and Contracts	877,132,137.03	903,124,253.68
Proceeds From Auxiliary Enterprises	305,402,351.36	304,732,788.02
Proceeds From Loan Programs	6,579,763.56	8,492,964.40
Proceeds From Other Operating Revenues	125,134,290.75	111,303,121.97
Payments to Suppliers for Goods and Services	(1,369,739,648.60)	(1,343,122,370.14)
Payments to Employees	(2,343,700,632.75)	(2,205,310,247.58)
Payments for Loans Provided	(9,069,415.08)	(7,824,897.16)
Payments for Other Operating Expenses	(306,354,523.15)	(333,565,530.29)
Net Cash Used By Operating Activities	\$ (1,365,307,007.49)	\$ (1,260,459,091.02)
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 1,216,313,191.50	\$ 1,111,398,834.54
Proceeds From Gifts	187,340,541.38	186,276,632.05
Proceeds From Endowments	5,113,452.99	2,938,728.00
Proceeds From Transfers From Other Funds	380,235,464.16	318,893,684.05
Proceeds From Other Grant Receipts	232,526,711.79	251,654,412.29
Proceeds From Other Noncapital Financing Activities	96,678,678.12	186,424,581.75
Payments of Interest		(477,626.80)
Payments for Transfers to Other Funds	(44,992,261.93)	(8,002,203.33)
Payments for Other Noncapital Financing Uses	(59,551,162.09)	(97,771,723.82)
Net Cash Provided By Noncapital Financing Activities	\$ 2,013,664,615.92	\$ 1,951,335,318.73
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 4,468,156.72	\$ 1,925,213.61
Proceeds From Debt Issuance	1,100,307,758.37	1,237,885,795.69
Proceeds From State Grants and Contracts	39,965,016.42	28,996,234.60
Proceeds From Other Financing Activities	8,942,779.11	1,501,518.78
Payments for Additions to Capital Assets	(763,789,068.92)	(719,246,654.96)
Payments of Principal On Debt	(420,892,470.79)	(954,358,057.54)
Payments for Capital Leases	(2,847,942.41)	(931,779.12)
Payments of Interest On Debt Issuance	(138,269,463.13)	(187,940,469.13)
Payments for Interfund Receivables	(3,226,282.33)	(2,710,651.57)
Payments of Other Costs On Debt Issuance	(5,690,527.39)	(6,547,369.80)
Net Cash Used By Capital and Related Financing Activities	\$ (181,032,044.35)	\$ (601,426,219.44)
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$ 2,793,903,085.27	\$ 3,043,740,503.99
Proceeds From Interest and Investment Income	112,674,464.24	117,891,991.61
Payments to Acquire Investments	(3,186,649,256.74)	(3,098,095,199.22)
Net Cash Provided (Used) By Investing Activities	\$ (280,071,707.23)	\$ 63,537,296.38
Net Increase In Cash and Cash Equivalents	\$ 187,253,856.85	\$ 152,987,304.65
Cash and Cash Equivalents, Beginning of Year	\$ 1,269,861,731.20	\$ 1,116,874,426.55
Cash and Cash Equivalents, End of Year (Sch Three)	\$ 1,457,115,588.05	\$ 1,269,861,731.20

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Exhibit V
The Texas A&M University System
 Combined Statement of Cash Flows
 For the Year Ended August 31, 2017

	Current Year Total	Prior Year Total
Reconciliation of Operating Loss to Net Cash Used By Operating Activities		
Operating Loss	\$ (1,943,097,148.19)	\$ (1,749,511,555.13)
Adjustments to Reconcile Operating Loss to Net Cash Used By Operating Activities		
Amortization and Depreciation	337,349,275.58	314,921,728.52
Bad Debt Expense	8,941,415.91	4,865,461.17
Changes In Assets and Liabilities		
(Increase) Decrease In Receivables	(28,967,858.36)	13,011,661.91
(Increase) Decrease In Due From Agencies/Funds	9,533,472.37	(3,853,454.55)
(Increase) Decrease In Inventories	(249,287.53)	138,399.20
(Increase) Decrease In Prepaid Expenses	705,660.07	(17,885,831.82)
(Increase) Decrease In Loans and Contracts	(3,174,150.46)	1,350,286.87
(Increase) Decrease In Other Assets	5,734,165.27	6,721,331.08
Increase (Decrease) In Payables	46,661,548.60	47,371,958.05
Increase (Decrease) In Due to Other Agencies/Funds	742,592.74	(315,681.50)
Increase (Decrease) In Unearned Revenue	23,583,230.15	3,475,335.44
Increase (Decrease) In Deposits	487,071.69	786,513.30
Increase (Decrease) In Employees Compensable Leave	943,517.41	(290,766.06)
Increase (Decrease) In OPEB Liability	167,551,806.00	133,925,088.00
Increase (Decrease) In Pension Liability	11,972,500.00	(4,563,036.68)
Increase (Decrease) In Self Insured Accrued Liability	2,014,141.00	(4,569,101.89)
Increase (Decrease) In Other Liabilities	(6,038,959.74)	(6,037,426.93)
Total Adjustments	\$ 577,790,140.70	\$ 489,052,464.11
Net Cash Used By Operating Activities	\$ (1,365,307,007.49)	\$ (1,260,459,091.02)
Non-Cash Transactions		
Donation of Capital Assets	\$ 17,465,463.82	\$ 9,190,562.32
Net Change In Fair Value of Investments	260,544,738.77	59,185,648.29
Refunding of Long Term Debt	126,350,000.00	674,595,000.00
Amortization of Bond Premiums and Discounts	38,481,206.13	57,887,652.71
Other	(105,887,714.41)	(3,544,989.25)

The Accompanying Summary of Significant Accounting Policies and Notes to
 Financial Statements are an integral part of this statement.



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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Notes to the Combined Financial Statements

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2017

Note 1 - Summary of Significant Accounting Policies

Basis of Accounting

For financial reporting purposes, the A&M System is considered a special-purpose government engaged in business-type activities. Accordingly, the A&M System's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation is incurred. Operating items are distinguished from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with ongoing operations.

Cash and Cash Equivalents

All highly liquid investments with a maturity of three months or less at the time of purchase are considered cash and cash equivalents. With the exception of residual cash which results from the management of investment portfolios, the A&M System maintains cash and cash equivalents for the purpose of meeting short-term disbursement requirements.

Investments

Current and noncurrent investments are reported at fair value. Fair value is defined as the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. Measuring fair value requires gathering information, or inputs, about the asset or liability being measured. The fair value hierarchy categorizes the inputs used to measure fair value into three levels. Level 1 inputs are quoted prices in active markets for assets or liabilities identical to the ones being measured, Level 2 inputs are observable for similar assets or liabilities, and Level 3 inputs are unobservable inputs.

The notes to the financial statements disclose the input levels used to determine fair value, and also display the deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

Current Assets

On the Statement of Net Position, items classified as current are defined as resources expected to be realized or consumed within one year.

Receivables

Receivable balances are grouped into several receivable categories. Accounts receivable reflects amounts owed for goods and services provided. Self-insured health and dental represents August premiums for the A&M System's self-insured arrangement for group health and dental plan insurance coverage. The investment trades category reports pending security sales that have been traded and not settled as of the end of the reporting period. Other receivables include items such as travel advances, returned checks, and various items accrued.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2017

Receivable balances are presented net of an allowance for uncollectible accounts. The allowance is based on management's judgment of potential uncollectible amounts, which includes such factors as historical experience and type of receivable. Refer to Note 24, Disaggregation of Receivable Balances, for additional details.

Capital Assets

Capital assets are recorded at cost at the date of acquisition or fair value at the date of donation in the case of gifts. Livestock held for educational purposes is recorded at estimated fair value. The capitalization threshold for personal property is \$5,000. The capitalization threshold is \$100,000 for buildings and building improvements, facilities and other improvements, purchased software, land use rights with terms, and leasehold improvements. Infrastructure has a capitalization threshold of \$500,000. Internally developed software has a capitalization threshold of \$1,000,000. All land, land improvements, permanent land use rights, library books/materials, museums/collections, and works of art/historical treasures are capitalized.

Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets; generally, 10 to 30 years for buildings and building improvements, 10 to 45 years for infrastructure, 4 to 15 years for equipment, and 15 years for library books.

Payables

Payable balances are grouped into various payable categories on the Statement of Net Position. Accounts payable represents the liability for the value of assets or services received, as of the date of the financial statements, for which payment is pending. Payroll payable includes accrued salary, wages, and benefits. The investment trades category reports pending security purchases traded and not settled as of the end of the reporting period. Self-insured health and dental payable represents a liability for self-insured group health and dental insurance plan coverage. Other payables include a variety of items, including payables for investment manager fees, sales taxes, and student liabilities.

Pension Liability, Deferred Outflows and Deferred Inflows of Resources

The pension values provided by the Texas Comptroller's Office define the Texas A&M System's proportional share of the Teacher Retirement System of Texas (TRS) unfunded pension liability. TRS is a public employee retirement system (PERS) that is a multiple-employer, cost sharing, defined benefit pension plan. The plan is administered through a trust.

For more information, see Note 9-Pension Plans and Optional Retirement Program.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of TRS plan and additions to/deductions from TRS' fiduciary net position have been determined on the full accrual basis. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2017

Revenues and Expenses

Operating revenues include activities such as student tuition and fees, net sales and services of auxiliary enterprises, and most federal, state and local grants and contracts. Operating expenses include salaries and wages, payroll related costs, professional fees and services, materials and supplies, and scholarships.

Nonoperating revenues include activities such as State appropriations, gifts and contributions, investment income and other revenue sources that are defined as nonoperating revenues by GASB (Governmental Accounting Standards Board). Nonoperating expenses include activities such as interest expense on capital asset financings, and other expenses.

Unearned Revenue

The A&M System members record receivables when revenue is earned but not collected. Unearned revenue is recognized when cash is received prior to revenue recognition, and is considered a liability.

Other Postemployment Benefits (OPEB)

The liability and associated expenses for the A&M System's single-employer postemployment health care and life insurance benefit plan is recorded by the A&M System Offices. The OPEB liability is classified as noncurrent. Additionally, the net change in OPEB obligation is recorded as a natural classification of expense.

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources are defined as the consumption of net assets applicable to a future reporting period, and have a positive effect on net position, similar to assets. Deferred inflows of resources are defined as the acquisition of net assets applicable to a future reporting period, and have a negative effect on net position, similar to liabilities.

The A&M System reports the following as deferred outflows of resources or deferred inflows of resources, as detailed in Note 28.

- The excess consideration given over the net position acquired in the acquisition of the Texas Wesleyan University Law School is reported as deferred outflows of resources.
- The unamortized losses on bond refunding transactions are reported as deferred outflows of resources.
- The A&M System's proportional share of changes related to the TRS pension liability (additional details provided in Note 9) is reported as deferred outflows and deferred inflows of resources.

Net Position

Net Position is the difference between assets plus deferred outflows of resources, less liabilities plus deferred inflows of resources.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2017

Net Investment in Capital Assets

Net investment in capital assets, consists of capital assets, net of accumulated depreciation/amortization 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 on net resources are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted assets are available for use, restricted resources are used first, then unrestricted resources are used as needed.

Unrestricted Net Position

Unrestricted net position consists of net resources that do not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management but can be removed or modified.

Other Significant Accounting Policies

The combined financial statements for the A&M System include the primary financial statements of each member of the A&M System, including the A&M System Offices, as well as the Texas A&M Research Foundation (Research Foundation). Transfers, federal and state pass throughs between A&M System members have been eliminated.

Certain operations provide goods and services to internal customers. These operations include activities such as self-insured programs, repairs & maintenance, utilities, computer services, and other services with interdepartmental activities. The revenues were eliminated to the extent of expenses for these internal transactions in the Statement of Revenues, Expenses, and Changes in Net Position to avoid inflating revenues and expenses. Receivables and payables between A&M System members were eliminated except those arising from service department operations and auxiliary enterprises, which are considered to be exchange in nature.

An endowment appreciation reserve was created in fiscal year 1997 for the purpose of providing a consistent and predictable income stream for the System Endowment Fund. The appreciation reserve is administered by the A&M System Offices. All realized gains and losses are deposited to or funded from the appreciation reserve, and distributions from the reserve are used to supplement current income when the income received is insufficient to meet the required distribution in accordance with the System Endowment Fund spending policy.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Note 2 - Capital Assets

A summary of changes in Capital Assets for the year ended August 31, 2017 is presented below.

Capital Asset Activity						
	Beginning Balance	Completed CIP	Interagency Transactions	Additions	Deletions	Ending Balance
Business-Type Activities						
Non-Depreciable/Amortizable Assets						
Land and Land Improvements	\$ 144,048,041.76	\$ 656,899.65	\$ -	\$ 6,515,713.24	\$ (4,840,084.29)	\$ 146,380,570.36
Construction in Progress	947,461,519.98	(581,861,647.00)	-	730,161,216.89	(108,323,010.74)	987,438,079.13
Other Tangible Capital Assets	54,850,041.24	51,615.00	-	3,187,338.22	(165,167.52)	57,923,826.94
Land Use Rights	92,817.00	-	-	-	-	92,817.00
Total Non-Depreciable/Amortizable	1,146,452,419.98	(581,153,132.35)	-	739,864,268.35	(113,328,262.55)	1,191,835,293.43
Depreciable Assets						
Buildings & Building Improvements	4,905,524,916.95	423,976,441.00	-	7,217,483.38	(23,708,424.60)	5,313,010,416.73
Infrastructure	695,054,626.76	65,572,659.73	-	1,009,496.64	(1,505,551.56)	760,131,231.57
Facilities and Other Improvements	887,240,940.60	72,235,162.17	-	1,045,399.94	(521,781.60)	959,999,721.11
Furniture and Equipment	856,369,996.01	19,116,204.79	(951,186.04)	77,761,907.85	(54,027,041.06)	898,269,881.55
Vehicles, Boats and Aircraft	139,564,808.82	215,348.00	(83,733.95)	11,547,750.78	(7,583,970.88)	143,660,202.77
Other Capital Assets	224,403,077.00	37,316.66	-	7,987,759.04	(3,554,137.32)	228,874,015.38
Total Depreciable Assets	7,708,158,366.14	581,153,132.35	(1,034,919.99)	106,569,797.63	(90,900,907.02)	8,303,945,469.11
Less Accumulated Depreciation						
Buildings & Building Improvements	(2,366,964,480.43)	-	-	(194,026,388.22)	8,360,370.25	(2,552,630,498.40)
Infrastructure	(341,595,716.19)	-	-	(27,584,630.99)	-	(369,180,347.18)
Facilities and Other Improvements	(265,062,845.31)	-	-	(26,938,628.28)	230,716.54	(291,770,757.05)
Furniture and Equipment	(599,739,567.06)	-	474,573.32	(66,372,487.06)	36,465,055.79	(629,172,425.01)
Vehicles, Boats and Aircraft	(98,864,468.13)	-	83,733.95	(10,134,800.86)	6,044,533.98	(102,871,001.06)
Other Capital Assets	(166,314,730.54)	-	-	(8,851,977.51)	1,984,060.99	(173,182,647.06)
Total Accumulated Depreciation	(3,838,541,807.66)	-	558,307.27	(333,908,912.92)	53,084,737.55	(4,118,807,675.76)
Depreciable Assets, Net	3,869,616,558.48	581,153,132.35	(476,612.72)	(227,339,115.29)	(37,816,169.47)	4,185,137,793.35
Intangible Assets - Amortizable						
Land Use Rights	255,457.00	-	-	-	-	255,457.00
Computer Software	66,614,781.52	-	-	5,110,344.20	(801,314.77)	70,923,810.95
Total Intangible Assets-Amortizable	66,870,238.52	-	-	5,110,344.20	(801,314.77)	71,179,267.95
Less Accumulated Amortization						
Land Use Rights	(166,047.18)	-	-	(25,545.72)	-	(191,592.90)
Computer Software	(59,083,904.54)	-	-	(3,522,095.84)	801,314.77	(61,804,685.61)
Total Accumulated Amortization	(59,249,951.72)	-	-	(3,547,641.56)	801,314.77	(61,996,278.51)
Intangible Amortizable Assets, Net	7,620,286.80	-	-	1,562,702.64	-	9,182,989.44
Business-Type Activities						
Capital Assets, Net	\$ 5,023,689,265.26	\$ -	\$ (476,612.72)	\$ 514,087,855.70	\$ (151,144,432.02)	\$ 5,386,156,076.22

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2017

Note 3 - Deposits, Investments and Repurchase Agreements

The *Texas Education Code*, Title III, Chapter 51.0031 grants authority for a governing board to invest funds under prudent person standards "if a governing board has under its control at least \$25 million in book value of endowment funds."

The A&M System's investment policy authorizes the following types of investments: U.S. Government obligations, U.S. Government Agency obligations, other government obligations, corporate obligations, equity, international obligations, international equity, certificates of deposit, banker's acceptances, negotiable certificates of deposit, money market mutual funds, mutual funds, repurchase agreements, venture capital, private equity, hedge funds, Real Estate Investment Trusts (REITs), securities lending, derivatives, timber, bank loans, energy and real estate.

Deposits of Cash in Bank

As of August 31, 2017, the carrying amount of deposits was \$24,044,870.03. This amount consists of all cash in local and foreign banks. This amount is included on the Combined Statement of Net Position as part of the "Cash and Cash Equivalents" line items. The total bank balance was \$25,079,177.22.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the agency will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The A&M System's policy requires collateral of 102% pledged against all deposits and limits the amounts of funds which may be deposited with any bank to the lesser of \$100,000,000 or 10% of total deposits. The A&M System regulation applicable to working fund bank accounts requires the Chancellor, or designee, to approve a working fund in any bank with which the System Member does not have a depository agreement. As permitted by the Texas Education Code, Title III, Chapter 51.003, the A&M System maintained foreign bank accounts to accommodate operational needs for educational programs in Qatar. As of August 31, 2017, the A&M System held bank accounts in Doha, Qatar for the operation of Texas A&M University at Qatar. The daily average exposure during fiscal year 2017 was \$1,333,339.69. No appropriated or tuition funds other than those collected from students enrolled in the affected programs are deposited with the foreign bank. The funds held in Qatar were not insured or collateralized. As of August 31, 2017 the balance was \$789,594.42.

Incidental amounts of various foreign currencies are temporarily held through Bank of New York Mellon, its foreign branches, and/or foreign sub-custodian banks. These amounts represent funds related to trade settlement, interest, and/or dividend payments received in foreign currencies that are not yet converted to U.S. dollars. Such deposits of foreign currency are not insured or collateralized and are subject to custodial risk and the risk of fluctuations in exchange rates. The average month-end exposure to these deposits during fiscal year 2017 was \$383,662.71 and as of August 31, 2017 the balance was \$241,060.68.

Funds received by the A&M System's custodian after the cut-off time for investment in the money market fund (due to late wire deposits and/or failed transactions) remain as cash and are not invested until the following business day. The first \$250,000.00 of uninvested cash is insured by the FDIC. During fiscal year 2017, the average balance of uninvested cash was \$51,942.01. The balance exceeded the FDIC insurance on 21 occasions and the excess amount was collateralized with securities held by the pledging

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financial institution (Bank of New York Mellon). In addition, on Thursday, June 22, 2017, the custodian failed to properly code an incoming wire transfer of \$56,000,000.00 causing the funds not to transfer to the sweep vehicle. The collateral pledged by the custodian for the uninvested cash was adequate to cover the full amount of the wire and the cash was invested in the government money market sweep vehicle the following day. As of August 31, 2017, the uninvested cash balance was \$47.16.

Included in the bank cash balance is an escrow account for Texas A&M University-Corpus Christi in the amount of \$6,895,145.00. The segregated escrow account is a requirement of an equipment lease purchase agreement for the purpose of completing energy savings improvement projects. The first \$250,000.00 of the account is covered by FDIC insurance and the balance is uninsured and uncollateralized. The lease purchase agreement is dated July 28, 2017.

The bank balances (including foreign currency balances), exposed to custodial credit risk as of August 31, 2017 are presented in the table below.

Bank Balances Exposed to Custodial Credit Risk	
Uninsured and uncollateralized	\$ 7,675,800.10

Foreign currency risk for deposits is the risk that changes in exchange rates will adversely affect the deposits. The A&M System does not have a deposit policy for foreign currency risk. The exposure to foreign currency risk for deposits as of August 31, 2017 is presented below.

Bank Balances Exposed to Foreign Currency Risk	
<u>Currency</u>	<u>Balance</u>
Australian Dollar	\$ 10,485.91
Brazilian Real	14,325.36
British Pound	38,997.97
Canadian Dollar	10,565.23
Danish Kronc	1,094.69
Euro	127,910.90
Hong Kong Dollar	987.41
Japanese Yen	4,747.28
New Turkish Lira	1,036.06
New Zealand Dollar	796.21
Qatar Riyal	523,444.58
Singapore Dollar	1,092.56
South Korean Won	3,270.84
Swedish Krona	25,033.88
Swiss Franc	886.06
Thai Baht	(169.68)
Total	<u>\$ 764,505.26</u>

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2017

Investments

Investments are presented according to the hierarchy of inputs used to measure fair value.

- Level 1 has been assigned to investments for which quoted prices (unadjusted) are available for identical assets in active markets on the measurement date. These assets include equities (common stock, listed ADR's and listed preferred stock), exchange traded mutual funds, exchange-traded options, money market funds and U.S. Treasury securities.
- Level 2 has been assigned to investments for which there are inputs, other than quoted prices, that are observable for an asset or liability, either directly or indirectly. These assets include cash equivalents, collateralized mortgage obligations, corporate bonds, mortgage-backed securities, municipal bonds, non-exchange traded options, short-term obligations, U.S. agency securities.
- Level 3 has been assigned to assets to which there are unobservable inputs. Examples of these assets are commingled funds and private equity technology partnerships (discussed below).

The net asset value per share (NAV), or its equivalent, may be used for an investment that does not have a readily determined fair value, provided the NAV is calculated consistent with the Financial Accounting Standards Board's (FASB) measurement principles for investment companies. The NAV is commonly used for certain alternative investments (such as private equity funds and hedge funds). The A&M System invests in certain private investments and limited partnerships including hedge funds, private equity, venture capital, natural resources, energy, and real estate. The fair value of these investments is based on the investment manager determined NAV as allowed by the standard. The valuations at the date provided by the investment managers have been adjusted by rolling forward to August 31, 2017 to include the following events: capital contributions or distributions since the investment manager valuation date reported to the A&M System, changes in the composition of assets or liabilities reported by the investment manager since the valuation date of the NAV, and fair value changes of assets or liabilities reported since the investment manager valuation date. In the case of hedge funds, the A&M System has adjusted the reported July 31, 2017 NAV by the estimated performance as of August 31, 2017 as reported by the investment manager.

The repurchase agreement held by Texas Treasury Safekeeping Trust Company (TTSTC) and money market funds that maintain a stable \$1.00 share price are reported at amortized cost.

Mineral rights held for the purpose of generating income are reported at fair value based on three times the previous twelve months of income. The fair value reported as of August 31, 2017 is \$25,355,096.86.

The A&M System invests in private equity technology partnerships through Texas A&M Technology Commercialization. The fair value of these investments is estimated based on the cost (pro-rata share of contributed capital based on percentage ownership in the company) or 3rd party pricing of stock (based on fund raising). Adjustments are made for impairments, such as the termination of a license agreement or inactivity of the company. The fair value reported as of August 31, 2017 is \$21,461,623.87.

The A&M System provides investment services to Midwestern State University (MWSU), Stephen F. Austin University (SFA), and Texas Woman's University (TWU). As of August 31, 2017, the A&M System managed investments valued at \$38,829,771.66 for MWSU, \$66,587,345.65 for SFA, and \$165,552,432.37 for TWU. The investment totals and all disclosures presented below include the amounts invested on behalf of MWSU, SFA, and TWU.

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The following tables display the fair value of investments as of August 31, 2017 as reported in the financial statements and detailed by investment type. The investment type table includes categories to show the level of inputs used in determining the fair value of investments.

Investments per Financial Statements	
Schedule Three	
Cash Equivalents	\$ 232,491,181.82
Restricted Cash Equivalents	613,028,843.29
Statement of Net Position	
Current Investments	104,110,151.17
Current Restricted Investments	298,014,805.05
Non-Current Restricted Investments	1,319,226,026.87
Non-Current Investments	<u>3,023,849,161.51</u>
Total Investments	<u>\$ 5,590,720,169.71</u>

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Investment Fair Value						
Investment Type	Fair Value Hierarchy					Total Fair Value
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Amortized Cost	Net Asset Value	
U.S. Treasury Securities	\$ 264,115,726.19	\$ -	\$ -	\$ -	\$ -	\$ 264,115,726.19
U.S. Treasury TIPS	21,149,410.03					21,149,410.03
U.S. Government Agency Obligations		124,645,301.96				124,645,301.96
Corporate Obligations		401,434,195.72				401,434,195.72
Corporate Asset and Mortgage Backed Securities		170,754,024.79				170,754,024.79
U.S. Equity	711,781,782.73					711,781,782.73
Fixed Income Money Market & Bond Mutual Fund	1,076,239,559.68			267,483,721.48		1,343,723,281.16
International Bond Mutual Funds	2,017.72					2,017.72
International Obligations		142,668,585.60				142,668,585.60
International Equity	576,691,492.84					576,691,492.84
Mutual Funds - U.S. Equity	999,778.11					999,778.11
Mutual Funds - International Equity	534,851,398.47					534,851,398.47
Repurchase Agreements - TTSTC				403,079.23		403,079.23
Other Commingled Funds - Equity			30,437,619.44			30,437,619.44
Other Commingled Funds - Fixed Income	26,388,231.74		38,058,858.40			64,447,090.14
Real Estate - Mineral Rights & REITS	5,962.19		25,355,096.86			25,361,059.05
Derivatives		77,680.87				77,680.87
Alternative Investments - Hedge Funds						
Domestic					409,032,219.46	409,032,219.46
International					409,069,150.91	409,069,150.91
Alternative Investments - Limited Partnerships						
Private Equity			21,461,623.87		135,559,544.48	157,021,168.35
International Private Equity					85,286,215.36	85,286,215.36
Real Estate					25,470,301.62	25,470,301.62
International Real Estate					2,051,631.26	2,051,631.26
Natural Resources					82,488,852.87	82,488,852.87
International Natural Resources					5,860,268.24	5,860,268.24
Other Investments						
Political Subdivisions		896,837.59				896,837.59
Total Investments	\$ 3,212,225,359.70	\$ 840,476,626.53	\$ 115,313,198.57	\$ 267,886,800.71	\$ 1,154,818,184.20	\$ 5,590,720,169.71

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Investments Reported at Net Asset Value (NAV)						
Investment Strategy for Alternative Investments	Fair Value	Redemption				Unfunded Commitment
		Frequency Range Low	Frequency Range High	Notice Period Range Low	Notice Period Range High	
Hedge Funds						
Domestic	\$ 409,032,219.46	Monthly	Semi-annually	65 days	1.75 years	N/A
International	409,069,150.91	Monthly	Semi-annually	65 days	1.75 years	N/A
Limited Partnerships						
Private Equity	135,559,544.48	N/A	N/A	N/A	N/A	46,499,409.69
International Private Equity	85,286,215.36	N/A	N/A	N/A	N/A	51,762,322.31
Real Estate	25,470,301.62	N/A	N/A	N/A	N/A	28,856,786.33
International Real Estate	2,051,631.26	N/A	N/A	N/A	N/A	623,627.67
Natural Resources	82,488,852.87	N/A	N/A	N/A	N/A	30,093,974.18
International Natural Resources	5,860,268.24	N/A	N/A	N/A	N/A	439,092.82
Total	<u>\$ 1,154,818,184.20</u>					<u>\$ 158,275,213.00</u>

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the agency will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The A&M System's investment policy requires that direct repurchase agreements and security lending transactions be fully collateralized by obligations authorized under the A&M System investment policy and such collateral be held by a third party. There was no custodial credit risk related to securities lending or repurchase agreements as of August 31, 2017. The A&M System did not participate in a securities lending program during fiscal year 2017 and the only repurchase agreements were held through Texas Treasury Safekeeping Trust Company.

Foreign investments are administered in book entry form by the A&M System's custodian, Bank of New York (BNY) Mellon Asset Servicing, through a network of international securities depositories and subcustodians. Non-U.S. securities held at international securities depositories are processed through these entities (Euroclear and Clearstream). Securities held at local non-U.S. market depositories are processed through BNY Mellon's subcustodian network. Subcustodians settle transactions based on instructions from BNY Mellon Asset Servicing. BNY Mellon Asset Servicing settles transactions directly in the U.K., the U.S., Germany, the Netherlands, Ireland, the Cayman Islands and the Channel Islands. Funds are received upon the delivery of securities in connection with sale transactions and funds are paid in connection with purchase transactions upon receipt of the securities, unless contrary to market practice or client instruction. In the event that funds are not received or delivered on the settlement date, the settlement "fails." Failed trades are monitored daily, weekly, or monthly (as appropriate) via the applicable custody system to help facilitate resolution in a timely manner. On a daily basis, the subcustodians send a confirmation of settlement to the custodian which is reconciled to the custody system. Subcustodians are evaluated by the custodian prior to selection and reviewed throughout the year to ensure overall service performance is maintained and verify compliance with various regulatory requirements. Subcustodians are selected on their securities processing and operational capabilities, financial strength, reputation and market standing, risk management, and legal and regulatory compliance.

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Foreign currency risk for investments is the risk that changes in exchange rates will adversely affect the investments. The A&M System's policy authorizes the utilization of derivatives for the purpose of hedging currency risk, but does not otherwise address foreign currency risk. The exposure to foreign currency risk as of August 31, 2017 is presented below.

Investments Exposed to Foreign Currency Risk				
Foreign Currency	International Obligations	International Equity	International Equity Mutual Funds	International Alternative Investments
U.S. Dollar Denominated				
Foreign Securities	\$ 130,120,386.18	\$ 210,668,901.44	\$ 534,851,398.47	\$ 487,229,311.78
Australian Dollar		9,448,316.28		
Brazilian Real		10,984,325.51		
British Pound	978,262.29	69,844,333.54		
Canadian Dollar		25,724,631.06		
Danish Krone		9,017,987.86		
Euro	167,811.32	92,607,040.42		15,037,953.99
Hong Kong Dollar		11,001,521.88		
Japanese Yen		62,426,911.41		
New Taiwan Dollar		5,222,571.97		
New Zealand Dollar	11,404,143.53			
Singapore Dollar		3,330,225.33		
South Korean Won		5,162,496.45		
Swedish Krona		7,468,177.95		
Swiss Franc		44,315,019.90		
Thailand Baht		7,140,542.49		
Turkish Lira		2,328,489.35		
Total	<u>\$ 142,670,603.32</u>	<u>\$ 576,691,492.84</u>	<u>\$ 534,851,398.47</u>	<u>\$ 502,267,265.77</u>

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The A&M System's investment policy requires that securities have a long-term rating of B or better at the time of purchase and the fixed income portfolio have an overall credit rating of A or better. Securities using short-term credit ratings must be rated at least A-2, P-2, F-2 or equivalent. As of August 31, 2017, the A&M System's credit quality distribution for securities with credit risk exposure is presented in the table on the following page.

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Investments Exposed to Credit Risk – Standard & Poor’s (in thousands)								
Investment Type	AAA	AA	A	BBB	BB	B	CCC	Unrated
U. S. Government Agency Obligations		115,454						9,191
Corporate Obligations	12,432	37,987	51,967	231,312	37,517	21,451		8,768
Corporate Asset and Mortgage Backed Securities	26,087	20,175	21,861	32,772			3,386	66,473
International Obligations	10,094	23,363	27,886	56,799	9,124	677		14,727
Repurchase Agreements (TTSTC)		403						
Fixed Income Money Market and Bond Mutual Fund	941,538							402,185
Other Commingled Funds – Fixed Income								64,447
Other Investments (municipals)								897

Concentration of credit risk is the risk of loss attributable to the magnitude of investment in a single issuer. As of August 31, 2017, no more than 5% of the A&M System’s total investments are represented by a single issuer. The A&M System’s investment policy states that no more than 4.9% of the voting stock of any one corporation be owned by the A&M System at any given time.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Through its investment policy, the A&M System manages its exposure to fair value losses arising from changing interest rates by requiring fixed income managers to maintain duration of +/- 30% of the effective duration of the appropriate index. In addition, the A&M System’s policy limits the duration of its short-term investment portfolio to a maximum of one year. The A&M System’s exposure to interest rate risk is presented on the following page using the effective duration method.

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Investment Type	Effective Duration	Fair Value
U.S. Treasury Securities	4.633	\$ 264,115,726.19
U.S. Treasury TIPS	3.409	21,149,410.03
U.S. Government Agency Obligations	2.066	124,645,301.96
Corporate Obligations	6.113	401,434,195.72
Corporate Asset and Mortgage Backed Securities	3.599	170,754,024.79
International Obligations	4.897	142,668,585.60
Repurchase Agreements - TTSTC	0.003	403,079.23
Bond Mutual Funds	0.130	402,135,044.44
International Bond Mutual Funds	7.280	2,017.72
Other Commingled Funds	1.830	64,447,090.14
Miscellaneous - Political Subdivision	1.772	896,837.59
Total	3.449	<u>\$ 1,592,651,313.41</u>

Securities Lending

The A&M System did not participate in a securities lending program during fiscal year 2017.

Derivative Investing

The A&M System Investment Policy allows investment in certain derivative securities. A derivative security is a financial instrument which derives its value from another security, currency, commodity or index.

The A&M System entered into forward currency contracts for the purpose of hedging international currency risk on its non-U.S. dollar denominated investment securities and to facilitate trading strategies primarily as a tool to increase or decrease market exposure to various foreign currencies. When entering into a forward currency contract, the A&M System agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. These contracts are valued daily and the A&M System's net equity in the contracts, representing unrealized gain or loss on the contracts as measured by the differences between the forward foreign exchange rates at the dates of entry into the contracts and the forward rates at the reporting date, is reported on the Statement of Net Position as derivative investments.

These investments involve market and/or credit risk in excess of the amount recognized in the consolidated Statement of Net Position. Risks arise from the possibility that counterparties will be unable to meet the terms of their contracts and from movement in currency, securities values and interest rates. The table on the following page summarizes the pending foreign exchange contracts as of August 31, 2017.

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Foreign Exchange Contracts				
Currency	Sell	Buy	Unrealized Gain on Foreign Exchange Contract	Unrealized Loss on Foreign Exchange Contract
British Pound	\$ 1,563,723.70	\$ -	\$ 1,617.72	\$ 1,457.96
Canadian Dollar	656,453.34		2,544.70	
Euro	449,410.92	948,991.61	264.77	3,250.57
New Zealand	11,231,584.75		77,259.77	
Swiss Franc	625,941.66	-	759.77	57.33
	<u>\$ 14,527,114.37</u>	<u>\$ 948,991.61</u>	<u>\$ 82,446.73</u>	<u>\$ 4,765.86</u>

The fair value of open foreign currency exchange contracts as of August 31, 2017 was \$77,680.87, which is included in investment income on the consolidated Statement of Revenues, Expenses and Changes in Net Position.

The gross counterparty exposure for the A&M System, as of August 31, 2017, is presented in the table below.

Foreign Exchange Contract Exposure to Counterparty Risk			
	Assets	Liabilities	
Notional Amount	Fair Value as of August 31, 2017	Fair Value as of August 31, 2017	Counterparty Rating
\$ 12,445,732.60	\$ 81,422.19	\$ 57.33	A+
1,227,814.23	264.77	1,293.73	A
1,802,559.15	759.77	3,414.80	A-
<u>\$ 15,476,105.98</u>	<u>\$ 82,446.73</u>	<u>\$ 4,765.86</u>	

The A&M System's policy does not address master netting arrangements and the A&M System has not entered into such an arrangement. The A&M System policy does not require collateral or other security for currency forward contracts.

Several limited partnerships in which the A&M System invests may employ the use of forward currency exchange contracts as a hedge in connection with portfolio purchases and sales of securities denominated in foreign currencies. Risks are consistent with those described in an above paragraph regarding direct currency hedging. The contracts are valued at the prevailing forward exchange rate of the underlying currencies and the unrealized gain (loss) is recorded daily. Unrealized gains and losses that represent the difference between the value of the forward contract to buy and the forward contract to sell are included in the net unrealized gain (loss) from the forward contracts.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2017

Hedge fund pools are invested in private partnerships with external managers who invest in equity and fixed income securities of both domestic and international issuers. These investment managers may invest in both long and short term securities and may utilize leverage in their portfolios. They may also utilize credit default swaps and total return swaps as part of their investment strategies. The funds invested may be subject to a lock-up restriction of one or more years before the investment may be withdrawn from the manager without significant penalty. There are certain risks associated with these private partnerships, some of which include investment manager risk, market risk and liquidity risk, as well as the risk of utilizing leverage in the portfolios. When credit default swaps or total return swaps are used, there is additional risk of counterparty non-performance and unanticipated movements in the fair value of the underlying securities. As of August 31, 2017, the A&M System's investment in hedge funds was \$818,101,370.37.

Private investment pools are invested in limited partnerships with external investment managers or general partners who invest primarily in private equity transactions. These investments, both domestic and international, are illiquid and may not be realized for a period of several years after the investments are made. There are certain risks associated with these investments, some of which are liquidity risk, market risk, event risk and investment manager risk. Certain funds may utilize credit default swaps which have additional risk, including the risk of counterparty non-performance. Collateral in the form of cash or securities may be required to be held in segregated accounts with the fund's custodian. Bi-lateral agreements and daily settlement with counterparties reduce the risk of counterparty non-performance. As of August 31, 2017, the A&M System has committed \$630,635,302.00 to various private investments, of which \$474,216,133.00 has been funded. The fair value of the investments, net of distributions, as of August 31, 2017 was \$336,716,813.83. In addition, the A&M System has invested directly in companies and partnerships to promote research technology. As of August 31, 2017, the value of the investments in research technology was \$21,461,623.87. The fair value is estimated based on the cost (pro-rata share of contributed capital based on percentage ownership in the company) or 3rd party pricing of stock (based on fund raising). Adjustments are made for impairments, such as the termination of a license agreement or inactivity of the company. Associated risks include those applicable to other private investments as well as the risk of enterprise failure.

Hedge funds, private investment and public market funds including investments in private placement vehicles, are subject to risks, which could include the loss of invested capital. The risks include the following:

- Non-regulation risk – The A&M System's general partners and investment managers are registered with the Securities and Exchange Commission with the exception of four general partners that are exempt reporting advisers and are not required to comply with most rules that apply to registered advisers.
- Key personnel risk – The success of certain funds is substantially dependent upon key investment managers and the loss of those individuals may adversely impact the fund's performance.
- Liquidity risk – Many of the A&M System's investment funds may impose lock-up periods, which would cause the A&M System to incur penalties to redeem its investment or prevent the System from redeeming its shares until a certain period of time has elapsed.
- Limited transparency – As private placement vehicles, these funds may not fully disclose the holdings of their portfolios.
- Investment strategy risk – These funds often employ sophisticated investment strategies and the use of leverage, which could result in the loss of invested capital.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2017

Permanent University Fund

The Permanent University Fund (PUF) is administered by the University of Texas System and is not reflected in the financial statements of the A&M System. Prior to changes in the arbitrage laws, bond proceeds were appropriated only after the bonds had been sold and cash was on hand. Currently, receipt of cash may or may not precede appropriations of bond or note proceeds.

The total carrying value of the PUF assets at August 31, 2017, was \$16,345,253,669.19 excluding PUF land grants. By acts of the Legislature and provisions of the State Constitution, the net income of the PUF is divided one-third to the A&M System and two-thirds to the University of Texas System. The A&M System's one-third share of the net revenues was \$299,458,731.32 for the fiscal year ended August 31, 2017, and was credited to the A&M System Available University Fund.

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Note 4 - Short-Term Debt

There was no reportable activity for short-term debt during the year ended August 31, 2017.

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Note 5 - Long-Term Liabilities

Long-term liabilities are defined as liabilities whose average maturity is greater than one year. The table below presents a summary of changes in these liabilities.

Long-Term Liabilities Activity						
	<u>Balance 9/1/16</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 8/31/17</u>	<u>Amounts Due Within One Year</u>	<u>Amounts Due Thereafter</u>
Employees' Compensable Leave	\$ 113,290,871.49	\$ 3,085,361.40	\$ (2,141,843.99)	\$ 114,234,388.90	\$ 12,533,668.80	\$ 101,700,720.10
Claims & Judgments	11,183,000.00	2,490,309.00	(2,156,168.00)	11,517,141.00	3,144,816.00	8,372,325.00
Notes and Loans Payable	180,961,999.96	212,014,000.00	(95,335,333.34)	297,640,666.62	34,740,333.34	262,900,333.28
Bonds Payable	3,409,171,598.09	868,376,620.92	(305,640,000.00)	3,971,908,219.01	220,310,747.82	3,751,597,471.19
Liabilities Payable from Restricted Assets	47,415,592.04	34,273,280.78	(7,199,727.99)	74,489,144.83	60,766,728.60	13,722,416.23
Capital Lease Obligations	41,523,893.89	8,269,716.65	(2,303,900.29)	47,489,710.25	4,070,920.24	43,418,790.01
Total	<u>\$ 3,803,546,955.47</u>	<u>\$1,128,509,288.75</u>	<u>\$ (414,776,973.61)</u>	<u>\$ 4,517,279,270.61</u>	<u>\$ 335,567,214.80</u>	<u>\$4,181,712,055.81</u>

The net amount of interest cost for qualifying assets is capitalized. The total interest cost for the year ended August 31, 2017 was \$133,272,874.84. Of this amount, \$9,736,851.51 associated with financing projects during the construction phase was capitalized. The remaining amount of \$123,536,023.33 was reported as interest expense.

UNAUDITED

**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Notes and Loans Payable

Notes payable consists of amounts used to make permanent improvements at various institutions in the A&M System, to refund and retire the Board's Permanent University Fund Commercial Paper Notes, to provide interim financing for capital improvements and acquisition of equipment and land, to pay interest on the notes, to refund outstanding notes as they mature and to pay the costs of issuing the notes.

The Revenue Financing System Note (2007 TIPS Project) was issued on July 12, 2007 to fund \$4 million of costs for the Texas Institute for Preclinical Studies (TIPS) within Texas A&M University. The note is structured as a loan with the Office of the Governor, Economic Development and Tourism Division through the Texas Economic Development Bank; all authorized debt has been issued. The outstanding balance at August 31, 2017, is \$1,666,666.62.

Notes and Loans Payable-Debt Service Requirements

<u>Description</u>	<u>Balances</u>			<u>Balances</u> <u>August 31, 2017</u>
	<u>September 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	
Permanent University Fund Commercial Paper Notes	\$ -	\$ 30,000,000.00	\$ -	\$ 30,000,000.00
Permanent University Fund Commercial Paper Taxable Notes	53,300,000.00	-	27,650,000.00	25,650,000.00
Revenue Financing System Commercial Paper Notes, Series B	43,670,000.00	145,000,000.00	1,992,000.00	186,678,000.00
Revenue Financing System Commercial Paper Taxable Notes, Series B	81,992,000.00	37,014,000.00	65,360,000.00	53,646,000.00
Revenue Financing System Note (2007 TIPS Project)*	1,999,999.96	-	333,333.34	1,666,666.62
Total	\$ 180,961,999.96	\$212,014,000.00	\$ 95,335,333.34	\$ 297,640,666.62

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest**</u>	<u>Total</u>
2018	\$ 34,740,333.34	\$ 7,342,210.57	\$ 42,082,543.91
2019	34,998,333.34	6,781,140.21	41,779,473.55
2020	10,261,333.34	6,213,072.75	16,474,406.09
2021	10,533,333.34	5,935,232.79	16,468,566.13
2022	10,811,333.26	5,650,013.54	16,461,346.80
2023-2027	56,844,000.00	23,774,232.30	80,618,232.30
2028-2032	65,037,000.00	15,579,782.40	80,616,782.40
2033-2037	74,415,000.00	6,203,870.40	80,618,870.40
Total	\$297,640,666.62	\$ 77,479,554.96	\$ 375,120,221.58

* Private Placement note with the Office of the Governor, Economic Development and Tourism Division through the Texas Economic Development Bank. For fiscal years 2018 - 2022, actual principal and interest payments for this note are included in the debt service schedule above.

** For this schedule, assumption is that Permanent University Fund Commercial Paper Notes, Permanent University Fund Commercial Paper Taxable Notes, Revenue Financing System Commercial Paper Notes and Revenue Financing System Commercial Paper Taxable Notes in the amount of \$245,974 million will be refunded into long term bonds. For estimated debt service on this exhibit, the rate of 2.73% corresponds to the municipal market data published on August 31, 2017. Revenue Financing System Commercial Paper Taxable Notes in the amount of \$50 million will be paid off over 2 years, and the rate of 1.19% was used to estimate the debt service. Notes are remarketed in commercial paper mode at current market rates with maturities between 1 and 270 days.

UNAUDITED

The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2017

Compensated Absences

Full-time State employees earn eight to twenty-one hours per month annual leave depending on years of State employment. Under the State's policy, an employee with 35 or more years of State service may carry up to 532 hours accrued leave forward from one fiscal year to another.

Employees with at least six months of State service who terminate employment are entitled to payment for all accumulated annual leave up to the maximum allowed. The A&M System accrues the dollar value of annual leave benefits which are payable upon retirement, termination, or death of its employees. The amounts of these liabilities and their related benefits are reported in the statement of net position. The estimated liability, \$114,234,388.90 as of August 31, 2017, is based on calculations from the A&M System centralized leave tracking system and employer estimates. The A&M System made lump sum payments of \$10,495,464.59 for accrued vacation to employees who separated from State service during the fiscal year ended August 31, 2017.

Sick leave accumulation is not limited. Sick leave is earned at the rate of eight hours per month and is paid only when an employee is absent due to illness or to the estate of an employee in the event of his/her death. The maximum sick leave payment to an employee's estate is the lesser of one-half of the employee's accumulated entitlement or 336 hours. The A&M System policy is to recognize the cost of sick leave when paid. The liability is not shown in the financial statements since historical use of sick leave has been minimal.

Claims and Judgments

Claims and judgments related to the A&M System self-insured worker's compensation plan include a current portion of \$3,144,816.00 and a non-current portion totaling \$8,372,325.00, for a total worker's compensation liability of \$11,517,141.00. This liability represents the current and non-current portion of the incurred but not reported (IBNR) liability based on actuarial analysis of the plan. The IBNR represents claims that will be paid out over future fiscal years. This current portion was estimated based on actual claims paid out over the last five fiscal years.

Pollution Remediation Obligations

The Texas A&M System has reviewed activities for potential pollution remediation obligations and determined that no reportable obligations exist as of August 31, 2017. The Texas A&M System has been named as a primary responsible party for two hazardous waste sites. It is unknown at this time if there will be any future costs associated with the Texas A&M System's status as a primary responsible party.

Liabilities Payable from Restricted Assets

Liabilities payable from restricted assets represent payables at year-end from assets with external restrictions. The balance reported represents payables from bond proceeds.

UNAUDITED

The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017

Note 6 - Bonded Indebtedness

A. Financial Reporting

The A&M System has established a financing program known as the Revenue Financing System. Members of the A&M System may use the Revenue Financing System as a long-term debt program to finance new facilities or as a short-term debt program to finance equipment or to interim finance construction projects. Members' financing requests are evaluated for adequate revenue streams and bonding capacity.

Assets created as a result of the expenses of Permanent University Fund and Revenue Financing System Bonds and Notes (see Note 5) proceeds, which are subsequently capitalized, are reported on the applicable members' Statement of Net Position in the Capital Assets category. The associated bond liability is reported in total by the A&M System Offices.

As of August 31, 2017, \$370,474,859.74 of Revenue Financing System debt proceeds had been appropriated prior to the receipt of the proceeds. As of August 31, 2017, \$174,848,343.93 of Permanent University Fund debt proceeds had been appropriated prior to the receipt of the proceeds.

B. General Information

At August 31, 2017, the A&M System had outstanding bonds payable of \$3,793,055,000.00 as detailed below, which does not include unamortized premium of \$178,853,219.01.

Bonds payable are due in annual installments varying from \$55,000.00 to \$35,135,000.00 with interest rates ranging from 0.813% to 5.75%, with the final installment due in 2045. The debt service requirements table summarizes the principal and interest expense for the next five years and beyond for bonds issued and outstanding.

Revenue for debt service on the Permanent University Fund Bonds and Notes is derived from liens on and pledges of payout distributions from the Permanent University Fund allocable to the A&M System.

Sources of revenue for debt service on the Revenue Financing System Bonds and Notes are pledged revenue from any or all of the revenues, funds, and balances now or hereafter lawfully available to the Board and derived from or attributable to any participant of the Revenue Financing System which are lawfully available to the Board for the payment of Parity Obligations, including unrestricted funds and reserve balances.

All bonds are for the benefit of business-type activities. General information related to bonds payable is summarized in the following tables.

Bonds Payable	Interest Rates	Maturity Dates	Outstanding Principal
Permanent University Fund Bonds	1.25-5.75%	2018-2036	\$ 877,200,000.00
Revenue Financing System Bonds	0.813-5.50%	2018-2045	2,915,855,000.00
			<u>\$ 3,793,055,000.00</u>

UNAUDITED

**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Debt Service Requirements			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 195,765,000.00	\$ 146,021,425.44	\$ 341,786,425.44
2019	200,325,000.00	140,544,305.98	340,869,305.98
2020	205,050,000.00	133,734,063.24	338,784,063.24
2021	209,150,000.00	126,575,645.18	335,725,645.18
2022	210,195,000.00	119,427,844.98	329,622,844.98
2023-2027	1,039,840,000.00	480,992,586.50	1,520,832,586.50
2028-2032	973,730,000.00	278,382,000.84	1,252,112,000.84
2033-2037	447,050,000.00	122,381,214.96	569,431,214.96
2038-2042	259,025,000.00	42,244,061.44	301,269,061.44
2043-2045	52,925,000.00	3,435,945.82	56,360,945.82
Total	<u>\$ 3,793,055,000.00</u>	<u>\$ 1,593,739,094.38</u>	<u>\$ 5,386,794,094.38</u>

Permanent University Fund Bonds, Series 1998

- Issued September 9, 1998, to refund \$65,000,000.00 of the Board's previously issued and outstanding Permanent University Fund Variable Rate Notes, Series B, and \$27,860,000.00 of Permanent University Fund Bonds, Series 1992B then outstanding in the aggregate principal amount of \$36,360,000.00; and to pay the costs of issuing the bonds.
- \$92,520,000.00 authorized; all authorized bonds have been issued. \$12,335,000.00 was refunded by Permanent University Fund Bonds, Series 2006. \$9,735,000.00 was refunded by Permanent University Fund Bonds, Series 2009AB. \$1,015,000.00 was refunded by Permanent University Fund Bonds, Series 2011. Outstanding balance at August 31, 2017 was \$28,795,000.00.

Permanent University Fund Bonds, Series 2009AB

- Issued April 7, 2009, to refund \$100,000,000.00 of the Board's previously issued and outstanding Permanent University Fund Commercial Paper Notes; to currently refund \$9,735,000.00 of Permanent University Fund Bonds, Series 1998; to provide funding for project costs of approximately \$113,700,000.00; and to pay the costs of issuing the bonds.
- \$218,895,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2017 was \$210,220,000.00.

Permanent University Fund Bonds, Series 2011

- Issued October 18, 2011, to refund \$96,000,000.00 of the Board's previously issued and outstanding Permanent University Fund Commercial Paper Notes; to refund \$1,015,000.00 of Permanent University Fund Bonds, Series 1998; and to pay the cost of issuing the bonds.
- \$87,145,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2017 was \$74,380,000.00.

UNAUDITED

The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2017

Permanent University Fund Bonds, Series 2012A

- Issued July 18, 2012, to refund \$79,715,000.00 of the Board's previously issued and outstanding Permanent University Fund Bonds, Series 2004; and to pay the cost of issuing the bonds.
- \$70,680,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2017 was \$70,680,000.00.

Permanent University Fund Bonds, Taxable Series 2012B

- Issued July 18, 2012, to refund \$125,000,000.00 of the Board's previously issued and outstanding Permanent University Fund Commercial Paper Notes; and to pay the cost of issuing the bonds.
- \$125,750,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2017 was \$98,485,000.00.

Permanent University Fund Bonds, Series 2013

- Issued December 11, 2013, to currently refund \$76,965,000.00 of Permanent University Fund Bonds, Series 2003; to provide funding for eligible projects; and to pay the costs of issuing the bonds.
- \$208,465,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2017 was \$127,020,000.00.

Permanent University Fund Bonds, Series 2015A

- Issued April 23, 2015, to advance refund \$103,880,000.00 of Permanent University Fund Bonds, Series 2006; to provide funding for eligible projects; and to pay the costs of issuing the bonds.
- \$143,555,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2017 was \$141,430,000.00.

Permanent University Fund Bonds, Taxable Series 2015B

- Issued April 23, 2015, to advance refund \$8,175,000.00 of Permanent University Fund Bonds, Series 2006; to provide funding for eligible projects; and to pay the costs of issuing the bonds.
- \$145,445,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2017 was \$126,190,000.00.

UNAUDITED

The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2017

Revenue Financing System Bonds, Series 2008

- Issued February 7, 2008, to refund approximately \$127,912,303.00 of the Board's previously issued and outstanding Revenue Financing System Commercial Paper Notes, Series B; to provide funding for project costs of approximately \$55,000,000.00; and to pay the costs of issuing the bonds.
- \$169,515,000.00 authorized; all authorized bonds have been issued. \$82,670,000.00 was refunded by Revenue Financing System Bonds, Taxable Series 2016A. Outstanding balance at August 31, 2017 was \$7,685,000.00.

Revenue Financing System Bonds, Series 2009A

- Issued March 11, 2009, to refund approximately \$49,819,793.00 of the Board's previously issued and outstanding Revenue Financing System Commercial Paper Notes, Series B; to provide funding for project costs of approximately \$221,400,000.00; and to pay the costs of issuing the bonds.
- \$251,735,000.00 authorized; all authorized bonds have been issued. \$132,540,000.00 was refunded by Revenue Financing System Bonds, Series 2016C; and \$13,885,000.00 was refunded by Revenue Financing System Bonds, Taxable Series 2016D. Outstanding balance at August 31, 2017 was \$21,810,000.00.

Revenue Financing System Bonds, Series 2009B

- Issued March 11, 2009, to refund approximately \$14,070,207.00 of the Board's previously issued and outstanding Revenue Financing System Commercial Paper Notes, Series B; to currently refund \$2,050,000.00 of Revenue Financing System Bonds, Series 1997; to provide funding for project costs of approximately \$64,700,000.00; and to pay the cost of issuing the bonds.
- \$78,085,000.00 authorized; all authorized bonds have been issued. \$49,420,000.00 was refunded by Revenue Financing System Bonds, Series 2016C; and \$2,925,000.00 was refunded by Revenue Financing System Bonds, Taxable Series 2016D. Outstanding balance at August 31, 2017 was \$5,325,000.00.

Revenue Financing System Bonds, Series 2009C

- Issued November 10, 2009, to provide funding for project costs of approximately \$57,300,000.00; and to pay the cost of issuing the bonds.
- \$54,240,000.00 authorized; all authorized bonds have been issued. \$5,995,000.00 was refunded by Revenue Financing System Bonds, Taxable Series 2016D; and \$21,300,000.00 was refunded by Revenue Financing System Bonds, Series 2016E. Outstanding balance at August 31, 2017 was \$4,075,000.00.

Revenue Financing System Bonds, Series 2009D

- Issued November 10, 2009, to provide funding for project costs of approximately \$344,600,000.00; and to pay the cost of issuing the bonds.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2017

- \$320,760,000.00 authorized; all authorized bonds have been issued. \$43,225,000.00 was refunded by Revenue Financing System Bonds, Series 2016C; \$60,495,000.00 was refunded by Revenue Financing System Bonds, Taxable Series 2016D; and \$122,735,000.00 was refunded by Revenue Financing System Bonds, Series 2016E. Outstanding balance at August 31, 2017 was \$22,465,000.00.

Revenue Financing System Bonds, Series 2010A

- Issued June 3, 2010, to advance refund \$1,418,558.00 of the Board's previously issued and outstanding Revenue Financing System Bonds, Series 2002; to advance refund \$28,560,000.00 of Revenue Financing System Bonds, Series 2003A; to provide funding for project costs of approximately \$71,000,000.00; and to pay the cost of issuing the bonds.
- \$95,065,000.00 authorized; all authorized bonds have been issued. \$4,580,000.00 was refunded by Revenue Financing System Bonds, Taxable Series 2017B and \$35,915,000.00 was refunded by Revenue Financing System Bonds, Series 2017C. Outstanding balance at August 31, 2017 was \$21,415,000.00.

Revenue Financing System Bonds, Series 2010B

- Issued June 3, 2010, to advance refund \$38,936,442.00 of the Board's previously issued and outstanding Revenue Financing System Bonds, Series 2002; to advance refund \$13,210,000.00 of Revenue Financing System Bonds, Series 2003B; to provide funding for project costs of approximately \$105,200,000.00; and to pay the cost of issuing the bonds.
- \$146,120,000.00 authorized; all authorized bonds have been issued. \$10,890,000.00 was refunded by Revenue Financing System Bonds, Taxable Series 2017B and \$69,965,000.00 was refunded by Revenue Financing System Bonds, Series 2017C. Outstanding balance at August 31, 2017 was \$23,215,000.00.

Revenue Financing System Bonds, Series 2011A

- Issued March 10, 2011, to currently refund \$5,980,000.00 of the Board's previously issued and outstanding Revenue Financing System Bonds, Series 2001A; to currently refund \$16,975,000.00 of Revenue Financing System Bonds, Series 2001B; and to pay the cost of issuing the bonds.
- \$22,335,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2017 was \$6,995,000.00.

Revenue Financing System Bonds, Series 2011B

- Issued March 10, 2011, to refund \$20,000,000.00 of the Board's previously issued and outstanding Revenue Financing System Commercial Paper Notes, Series B; to provide funding for project costs of approximately \$87,771,000.00; and to pay the cost of issuing the bonds.
- \$105,365,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2017 was \$92,580,000.00.

UNAUDITED

The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2017

Revenue Financing System Bonds, Series 2013A

- Issued July 3, 2013, to refund \$435,881.00 of Revenue Financing System Bonds, Series 2002; to refund \$45,510,000.00 of Revenue Financing System Bonds, Series 2003A; and to pay the cost of issuing the bonds.
- \$40,955,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2017 was \$24,015,000.00.

Revenue Financing System Bonds, Series 2013B

- Issued July 3, 2013, to refund \$267,675,000.00 of the Board's previously issued and outstanding Revenue Financing System Commercial Paper Notes; to refund \$3,989,119.00 of Revenue Financing System Bonds, Series 2002; to refund \$26,775,000.00 of Revenue Financing System Bonds, Series 2003B; to pay capitalized interest on the Series 2013B Bonds; and to pay the costs of issuing the bonds.
- \$265,405,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2017 was \$210,165,000.00.

Revenue Financing System Bonds, Taxable Series 2013C

- Issued October 1, 2013, to provide construction funds for the redevelopment of Kyle Field football stadium at Texas A&M University; to fund capitalized interest; and to pay the cost of issuing the bonds.
- \$239,965,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2017 was \$230,525,000.00.

Revenue Financing System Bonds, Series 2013D

- Issued October 1, 2013, to provide construction funds for the redevelopment of Kyle Field football stadium at Texas A&M University; to fund capitalized interest; and to pay the cost of issuing the bonds.
- \$94,365,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2017 was \$89,110,000.00.

Revenue Financing System Bonds, Series 2015A

- Issued February 18, 2015, to currently refund \$71,240,000.00 of Revenue Financing System Bonds, Series 2005A and to pay the cost of issuing the bonds.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

- \$64,670,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2017 was \$40,235,000.00.

Revenue Financing System Bonds, Series 2015B

- Issued February 18, 2015, to currently refund \$155,972,000.00 of the Board's previously issued and outstanding Revenue Financing System Commercial Paper Notes and to pay the cost of issuing the bonds.
- \$142,155,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2017 was \$130,195,000.00.

Revenue Financing System Bonds, Taxable Series 2015C

- Issued January 27, 2015, to currently refund \$149,395,000.00 of Revenue Financing System Bonds, Series 2005B; to refund \$24,115,000.00 of the Board's previously issued and outstanding Revenue Financing System Commercial Paper Notes; and to pay the cost of issuing the bonds.
- \$176,925,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2017 was \$139,555,000.00.

Revenue Financing System Bonds, Taxable Series 2015D

- Issued July 23, 2015, to provide funding for eligible projects and to pay the cost of issuing the bonds.
- \$67,250,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2017 was \$64,045,000.00.

Revenue Financing System Bonds, Taxable Series 2016A

- Issued April 12, 2016, to advance refund \$82,670,000.00 of Revenue Financing System Bonds, Series 2008 and to pay the cost of issuing the bonds.
- \$91,520,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2017 was \$88,555,000.00.

Revenue Financing System Bonds, Taxable Series 2016B

- Issued April 12, 2016, to refund \$139,405,000.00 of the Board's previously issued and outstanding Revenue Financing System Commercial Paper Notes; to provide funding for eligible projects; and to pay the cost of issuing the bonds.

UNAUDITED

The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2017

- \$325,575,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2017 was \$320,905,000.00.

Revenue Financing System Bonds, Series 2016C

- Issued July 20, 2016, to advance refund \$132,540,000.00 of Revenue Financing System Bonds, Series 2009A; to advance refund \$49,420,000.00 of Revenue Financing System Bonds, Series 2009B; to advance refund \$43,225,000.00 of Revenue Financing System Bonds, Series 2009D; and to pay the cost of issuing the bonds.
- \$207,445,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2017 was \$204,985,000.00.

Revenue Financing System Bonds, Taxable Series 2016D

- Issued July 20, 2016, to advance refund \$13,885,000.00 of Revenue Financing System Bonds, Series 2009A; to advance refund \$2,925,000.00 of Revenue Financing System Bonds, Series 2009B; to advance refund \$5,995,000.00 of Revenue Financing System Bonds, Series 2009C; to advance refund \$60,495,000.00 of Revenue Financing System Bonds, Series 2009D; to provide funding for eligible projects; and to pay the cost of issuing the bonds.
- \$176,860,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2017 was \$171,710,000.00.

Revenue Financing System Bonds, Series 2016E

- Issued July 20, 2016, to advance refund \$21,300,000.00 of Revenue Financing System Bonds, Series 2009C; to advance refund \$122,735,000.00 of Revenue Financing System Bonds, Series 2009D; and to pay the cost of issuing the bonds.
- \$139,350,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2017 was \$138,365,000.00.

Revenue Financing System Bonds, Taxable Series 2017A

- Issued January 31, 2017, to refund approximately \$5,000,000.00 of the Board's previously issued and outstanding Revenue Financing System Commercial Paper Notes, Series B; to provide funding for eligible projects; and to pay the cost of issuing the bonds.
- \$388,705,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2017 was \$361,830,000.00.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2017

Revenue Financing System Bonds, Taxable Series 2017B

- Issued June 21, 2017, to advance refund \$4,580,000.00 of Revenue Financing System Bonds, Series 2010A; to advance refund \$10,890,000.00 of Revenue Financing System Bonds, Series 2010B; to provide funding for eligible projects; and to pay the cost of issuing the bonds.
- \$398,670,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2017 was \$398,670,000.00.

Revenue Financing System Bonds, Series 2017C

- Issued June 21, 2017, to advance refund \$35,915,000.00 of Revenue Financing System Bonds, Series 2010A; to advance refund \$69,965,000.00 of Revenue Financing System Bonds, Series 2010B; and to pay the cost of issuing the bonds.
- \$97,425,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2017 was \$97,425,000.00.

C. Advance Refunding Bonds

The A&M System has defeased certain revenue bond issues by placing the proceeds of new bond issues in irrevocable trusts to provide for all future debt service payments on the issues. Accordingly, the liability for the bonds is not included in the financial statements. At August 31, 2017, the principal balance outstanding for the defeased bonds is \$656,540,000.00.

Revenue Financing System Bonds, Taxable Series 2017B

- Advance refunding of \$4,580,000.00 of Revenue Financing System Bonds, Series 2010A and \$10,890,000.00 of Revenue Financing System Bonds, Series 2010B to allow the Board of Regents of the Texas A&M University System to reduce its debt service requirements and realize a present value debt service savings.
- Refunded by Revenue Financing System Bonds, Taxable Series 2017B issued June 21, 2017.
- Average interest rate of bonds refunded was 5.00%.
- Net proceeds from refunding bonds of \$0.00 after payment of \$1,789,950.28 which represents issuance costs and underwriter's discount.
- Current refunding of the bonds reduced The Texas A&M University System's debt service payments over the next five years by approximately \$192,481.10.
- Economic gain was \$196,900.26, the difference between the net present value of the old and new debt service payments.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

- Current refunding resulted in the removal of \$15,470,000.00 of bond liability from the balance sheet and the addition of \$17,164,148.00 of bond liability, the net of which is an accounting loss of \$1,694,148.00.

Revenue Financing System Bonds, Series 2017C

- Advance refunding of \$35,915,000.00 of Revenue Financing System Bonds, Series 2010A and \$69,965,000.00 of Revenue Financing System Bonds, Series 2010B to allow the Board of Regents of the Texas A&M University System to reduce its debt service requirements and realize a present value debt service savings.
- Refunded by Revenue Financing System Bonds, Series 2017C issued June 21, 2017.
- Average interest rate of bonds refunded was 4.96%.
- Net proceeds from refunding bonds of \$0.00 after payment of \$475,697.30 which represents issuance costs and underwriter's discount.
- Current refunding of the bonds reduced The Texas A&M University System's debt service payments over the next 22 years by approximately \$14,630,980.43.
- Economic gain was \$12,109,760.79, the difference between the net present value of the old and new debt service payments.
- Current refunding resulted in the removal of \$105,880,000.00 of bond liability from the balance sheet and the addition of \$97,425,000.00 of bond liability, the net of which is an accounting gain of \$8,455,000.00.

D. Pledged Future Revenues

Sources of pledged revenues include tuition and fees, auxiliary enterprises, sales of goods and services, and other non-operating activities. The table below provides the pledged future revenue information for the Texas A&M University System Permanent University Fund and Revenue Financing System bonds.

Pledged Future Revenue Information	
Pledged revenue required for future principal and interest on existing revenue bonds	\$5,386,794,094.38
Term of commitment year ending 8/31	2045
Percentage of revenue pledged	100%
Current year pledged revenue	\$2,594,913,822.35
Current year principal and interest paid	\$317,562,874.84

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Note 7 - Derivative Instruments

The A&M System Investment Policy allows investment in certain derivative securities. A derivative security is a financial instrument which derives its value from another security, currency, commodity or index. Investment derivatives are entered into with the intention of managing transaction or currency exchange risk in purchasing, selling or holding investments. These include futures contracts and forward contracts.

The following disclosure summarizes the A&M System's derivative activity as reported in the financial statements.

Summary of Investment Derivative Activity					
<u>Type of Activity</u>	<u>Changes in Fair Value</u>		<u>Fair Value at August 31, 2017</u>		
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	<u>Notional Amount</u>
Forwards	Investment Income	\$ 77,680.87	Investments	\$ 77,680.87	\$ 15,476,105.98

Hedging Derivatives

The A&M System did not enter into hedging derivatives in fiscal year 2017.

Investment Derivatives

Investment derivatives expose the A&M System to certain investment related risks. More detail about investment derivatives is disclosed in Note 3.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Note 8 - Leases

Capital Leases

Certain leases to finance the purchase of property are capitalized at the present value of future minimum lease payments. At August 31, 2017, the A&M System had various capital lease obligations relating to the acquisition of capital assets. The original capitalized cost of the capital assets under capital lease as of August 31, 2017, is \$57,212,210.49. The following is a schedule of the future minimum lease payments and the present value of net minimum lease payments.

Assets Under Capital Leases			
Class of Property	Assets under Capital Lease	Accumulated Depreciation/ Amortization	Total
Buildings	\$ 32,558,402.22	\$ (3,083,182.00)	\$ 29,475,220.22
Furniture and Equipment	14,949,333.23	(6,951,189.12)	7,998,144.11
Vehicles	52,978.25	(6,306.90)	46,671.35
Computer Software	9,651,496.79	(2,759,738.10)	6,891,758.69
Total	\$ 57,212,210.49	\$ (12,800,416.12)	\$ 44,411,794.37

Future Capital Lease Payments			
Fiscal Year	Principal Payments	Interest Payments	Minimum Future Lease Payments
2018	\$ 4,070,920.24	\$ 1,652,965.08	\$ 5,723,885.32
2019	3,664,078.64	2,133,359.34	5,797,437.98
2020	2,732,845.03	1,724,162.89	4,457,007.92
2021	2,982,254.89	1,600,206.34	4,582,461.23
2022	2,501,486.07	1,487,732.72	3,989,218.79
2023-2027	9,560,033.44	6,076,789.80	15,636,823.24
2028-2032	13,715,398.21	3,508,607.20	17,224,005.41
2033-2035	8,262,693.73	478,694.26	8,741,387.99
Total	\$ 47,489,710.25	\$ 18,662,517.63	\$ 66,152,227.88

Summary	
Total: Minimum Lease Payments	\$ 66,152,227.88
Less: Interest at Various Rates	(18,662,517.63)
Present Value of Net Minimum Lease Payments	<u>\$ 47,489,710.25</u>

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Operating Leases

The A&M System has included operating expenses for rent paid under operating leases for space, vehicles, and equipment in the amount of \$22,424,323.08 for the year ended August 31, 2017. Of this amount, \$366,233.81 was paid for sublease rentals.

Future minimum lease rental payments under non-cancelable operating leases having an initial term in excess of one year as of August 31, 2017 are presented below. For fiscal years 2018 through 2021, the lease payment amount includes sublease rental payments totaling \$948,582.07.

Operating Lease Obligations	
Fiscal Year	Minimum Future Lease Payments
2018	\$ 18,241,135.54
2019	13,233,101.35
2020	8,869,165.16
2021	6,465,591.36
2022	3,644,229.66
2023-2027	4,744,144.74
2028-2032	2,121,626.40
2033-2034	<u>848,650.56</u>
Total Minimum Future Lease Payments	<u>\$ 58,167,644.77</u>

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

The A&M System has also leased vehicles, portions of buildings and land to outside parties under various operating leases. Operating lease income in the amount of \$4,734,283.96 has been recorded for the year ended August 31, 2017. There are no contingent rentals included in this amount.

Future minimum lease rentals under non-cancelable operating leases having an initial term in excess of one year as of August 31, 2017, are presented below.

Carrying Value of Leased Assets			
Class of Property	Leased Assets	Accumulated Depreciation	Total
Land	\$ 1,369,505.37	\$ -	\$ 1,369,505.37
Vehicles	86,715.96	(83,395.25)	3,320.71
Buildings	<u>104,961,915.01</u>	<u>(43,430,509.23)</u>	<u>61,531,405.78</u>
Total	<u>\$ 106,418,136.34</u>	<u>\$ (43,513,904.48)</u>	<u>\$ 62,904,231.86</u>

Operating Lease Rentals	
Fiscal Year	Minimum Future Rentals
2018	\$ 4,582,118.92
2019	3,935,105.61
2020	3,118,786.30
2021	2,291,284.88
2022	2,307,705.68
2023-2027	11,682,698.02
2028-2032	13,035,817.57
2033-2037	14,293,975.08
2038-2042	11,194,332.58
2043-2047	1,212,469.78
2048-2051	653,495.00
Total Minimum Future Rentals	<u>\$ 68,307,789.42</u>



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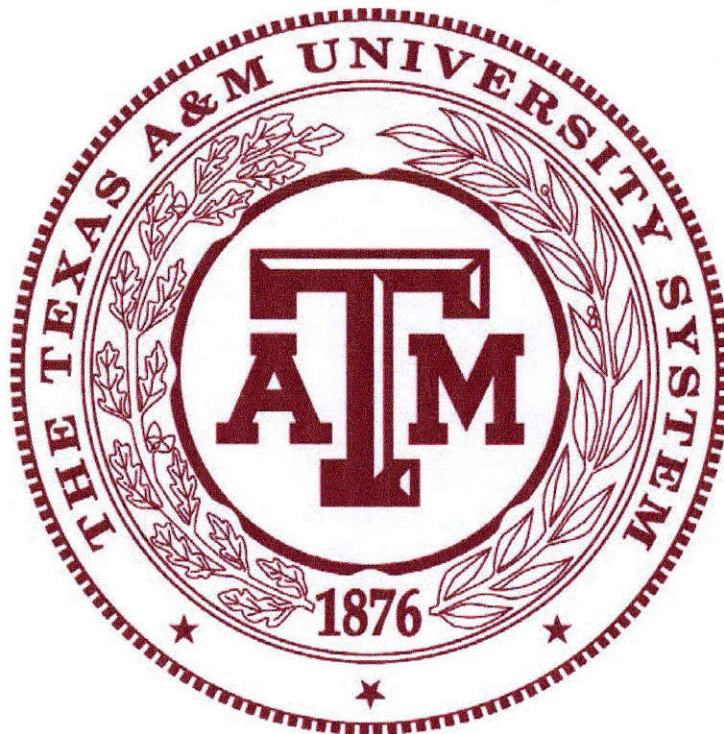
ANNUAL FINANCIAL REPORT

of

Texas A&M University

For the Year Ended August 31, 2017

With Comparative Totals for the Year Ended August 31, 2016



Mr. Michael K. Young, President

**Dr. Jerry Strawser, Vice President for Finance and Administration
& Chief Financial Officer**

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TEXAS A&M UNIVERSITY

STUDENT ENROLLMENT DATA

CURRENT YEAR

<u>TYPE OF STUDENT</u>	<u>NUMBER OF STUDENTS BY SEMESTER</u>	
	<u>FALL 2016</u>	<u>FALL 2017</u>
Texas Resident	51,832	54,022
Out-of-State	3,386	3,510
Foreign	5,217	5,271
Total Students	<u>60,435</u>	<u>62,803</u>

HISTORICAL
(Fall Semester)

<u>FISCAL YEAR</u>	<u>HEADCOUNT</u>	<u>SEMESTER CREDIT HOURS</u>
2012-13	50,227	617,387
2013-14	53,219	653,342
2014-15	56,507	703,409
2015-16	58,515	714,796

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Note 9 - Pension Plans and Optional Retirement Program

Teacher Retirement System (TRS)

The State of Texas has joint contributory retirement plans for substantially all its employees. The primary plan the A&M System participates in is the cost-sharing, multiple-employer defined benefit pension plan with a special funding situation administered by the Teacher Retirement System of Texas. All employees of the A&M System who are employed for one-half or more of the standard work load and not exempted from membership under the Texas Government Code, Title 8, Section 822.002 are covered by the 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 benefits 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 employees who were hired on or before August 31, 2005 and meet certain criteria, the standard annuity is based on the average of the three highest annual salaries. The plan does not provide automatic cost of living adjustments.

During the 2016 measurement period for fiscal year 2017 reporting, the amount of the A&M System contributions recognized by the plan was \$38,633,263. The A&M System's contributions to TRS for years ended August 31, 2016 were \$38,024,480. Contributions by employees were 7.2 percent of gross earnings. Depending upon the source of funding for the employee's compensation, the state or the A&M System members contribute a percentage of participant salaries totaling 6.8 percent of annual compensation for 2016 and 2015.

The total pension liability is determined by the annual actuarial valuation. The table below presents the actuarial methods and assumptions used to measure the total pension liability as of the August 31, 2016 measurement date.

Summary of Actuarial Methods and Assumptions-TRS Plan	
Actuarial Valuation Date	August 31, 2016
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent, Open
Actuarial Assumptions	
Discount Rate	8.00%
Investment Rate of Return	8.00%
Inflation	2.50%
Salary Increase	3.50% to 9.50% including inflation
Mortality	
Active	90% of the RP 2014 Employees Mortality Tables for males and females
Post-Retirement	2015 TRS Healthy Pensioner Mortality Tables
Ad Hoc Post-Employment Benefit Changes	None

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

The actuarial assumptions used in the valuation were primarily based on the result of an actuarial experience study for the four-year period ending August 31, 2014 and adopted September, 2015. The mortality rates were based on 90 percent of the RP 2014 employee Mortality Tables for the active members. The Post-retirement mortality rates were based on 2015 TRS Healthy Pensioner Mortality Tables.

The discount rate of 8 percent was applied to measure the total pension liability. There has been no change in the discount rate since the prior measurement period. The projected cash flows into and out of the pension plan assumed that members, employers, and non-employer contributing entity make their contributions at the statutorily required rates. Under this assumption, the pension plan's fiduciary net position is projected to be sufficient to make all future pension benefit payments of current plan members. Therefore, the 8 percent long-term expected rate of return on pension plan investments was used as the discount rate without incorporating the municipal bond rate.

The long-term expected rate of return on plan investments was developed using a building-block method with assumptions including asset class of investment portfolio, target allocation, real rate of return on investments, and inflation factor. Under this method, best estimate ranges of expected future real rates of return (net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of geometric real rates of return for each major asset class for the plan's investment portfolio are presented below.

TRS Asset Class	TRS Target Allocation	TRS Long-term Expected Geometric Real Rate of Return
Global Equity		
U.S.	18%	4.6%
Non-U.S. Developed	13%	5.1%
Emerging Markets	9%	5.9%
Directional Hedge Funds	4%	3.2%
Private Equity	13%	7.0%
Stable Value		
U.S. Treasury	11%	0.7%
Absolute Return	0%	1.8%
Stable Value Hedge Funds	4%	3.0%
Cash	1%	-0.2%
Real Return		
Global Inflation Linked Bonds	3%	0.9%
Real Assets	16%	5.1%
Energy and Natural Resources	3%	6.6%
Commodities	0%	1.2%
Risk Parity	5%	6.7%
Total	100%	

Sensitivity analysis was performed on the impact of changes in the discount rate on the proportionate share of the A&M System's net pension liability. The result of the analysis is presented in the table below.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Sensitivity of A&M System's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate		
1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
\$708,092,746	\$457,523,817	\$244,990,713

The pension plan's fiduciary net position is determined using economic resources measurement focus and the accrual basis of accounting, which is the same basis used by TRS. Benefits and refunds of contributions are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Fair value is a market-based measurement, not an entity-specific measurement. TRS utilizes one or more of the following valuation techniques in order to measure fair value: the market approach, the cost approach, and the income approach. More detailed information on the plan's investment policy, assets, and fiduciary net position, may be obtained from TRS' fiscal 2016 Comprehensive Annual Financial Report.

At August 31, 2017, the A&M System reported a liability of \$457,523,817 for its proportionate share of the collective net pension liability. The collective net pension liability was measured as of August 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The A&M System's proportion at August 31, 2017 was 1.2107484 percent which was an increase from the 1.1294397 percent measured at the prior measurement date. The A&M System's proportion of the collective net pension liability was based on its contributions to the pension plan relative to the contributions of all the employers and non-employer contributing entity to the plan for the period September 1, 2015 through August 31, 2016.

For the year ending August 31, 2017, the A&M System recognized pension expense of \$50,953,135. At August 31, 2017, the A&M System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$7,173,887	\$13,661,396
Changes of assumptions	13,944,506	12,681,953
Net difference between projected and actual investment return	38,742,175	0
Change in proportion and contribution difference	25,774,021	45,407,353
Contributions subsequent to the measurement date	38,633,263	0
Total	\$124,267,852	\$71,750,702

The \$38,633,263 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending August 31, 2018.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense in the following years.

Portions of Deferred Outflows and Inflows in Pension Expense	
2018	\$ (919,130)
2019	\$ (919,130)
2020	\$ 23,792,518
2021	\$ (2,817,468)
2022	\$ (7,966,916)
Thereafter	\$ 2,714,010

Further information regarding actuarial assumptions and conclusions, together with the audited Comprehensive Annual Financial Report (CAFR) for TRS may be obtained from the address below or on the TRS website.

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

Optional Retirement Program (ORP)

The State has also established an Optional Retirement Program (ORP) for institutions of higher education. Participation in the Optional Retirement Program is in lieu of participation in the Teacher Retirement System. The Optional Retirement Program provides for the purchase of annuity contracts and mutual funds. The contributory percentages of participant salaries during the fiscal year provided by the State and by each participant who was enrolled in the plan on or before August 31, 1995 were 8.5% and 6.65%, respectively. The 8.5% is composed of 6.6% contributed by the State and an additional 1.90% contributed by the A&M System. For participants who enrolled on or after September 1, 1995, the State and participant contributions were 6.6% and 6.65%, respectively.

The contributions for the A&M System ORP retirement program are presented below.

ORP Contributions for the Plan Year Ended August 31, 2017	
Employer	\$ 45,554,963.00
Employee	\$ 41,896,972.00
Total	\$ 87,451,935.00

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2017

Note 10 - Deferred Compensation

State employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in *Texas Government Code*, Section 609.001. All payroll deductions have been invested in approved plans during the fiscal year. Two deferred compensation plans are available for A&M System employees.

The State's 457 Plan complies with *Internal Revenue Code* Section 457. This plan is referred to as the TexaSaver Deferred Compensation Plan (DCP) and is available to all employees. The DCP is an employer-sponsored plan administered by the Employees Retirement System of Texas (ERS). A&M System employees are permitted to participate in the plan as an agency of the State. The deductions, purchased investments and earnings attributed to the 457 Plan are held in trust and belong to the participants. The State has no liability under the 457 Plan beyond the administrative requirements outlined in the corresponding provisions of the IRC.

The A&M System also administers a Tax-Deferred Account (TDA) Program, created in accordance with IRC Section 403(b). All employees are eligible to participate. The TDA is an employer-sponsored plan. The deductions, purchased investments, and earnings attributed to each employee's 403(b) plan are held by vendors chosen by the employee from an approved vendor list provided by the A&M System. The funds held in the accounts belong to the individual participants. The vendors can include insurance companies, banks, or approved non-bank trustees such as mutual fund companies. The assets of this plan do not belong to the A&M System or the State and thus do not have a liability related to this plan beyond the administrative requirements outlined in the corresponding provisions of the IRC.

The 457(f) Deferred Compensation Plan allows the A&M System to defer income for eligible participants without regard to the amount deferred or an adverse impact on other retirement plans in which the participant is enrolled. The plan is structured under Section 457(f) of the *Internal Revenue Code* of 1986, as amended. It is authorized for use by Texas institutions of higher education in Title 109, Article 6228a-5, Section 3 of Vernon's Texas Civil Statutes. All employees of the A&M System are eligible to participate in this plan subject to the approval of the Board of Regents, the Chancellor, or any Chancellor-designated A&M System member Chief Executive Officer.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Note 11 - Postemployment Health Care and Life Insurance Benefits

Plan Description and Funding Policy

In addition to providing pension benefits, the State provides certain health care and life insurance benefits for retired employees in accordance with State statutes. Substantially all of the employees may become eligible for those benefits if they reach normal retirement age while working for the State. Those and similar benefits for active employees are provided through the group insurance program, and premiums are based on benefits paid during the previous year. As of August 31, 2017, the A&M System had 8,687 retirees and 24,035 active employees. For the year ended August 31, 2017, the employer and retiree contribution rates are presented below.

Required Contribution Rates Retiree Health and Basic Life Premium		
Level of Coverage	Employer	Retiree (Health Premium only)
Retiree Only	\$593.77	\$ 0.00
Retiree/Spouse	\$874.83	\$281.05
Retiree/Children	\$789.02	\$195.25
Retiree/Family	\$989.24	\$395.47

Other Postemployment Benefits (OPEB) are provided to the A&M System's retirees under the A&M System group insurance program. The authority under which the obligations of the plan members and the A&M System are established, and may be amended, is Chapter 1601, *Texas Insurance Code*. Retiree eligibility for insurance continuation is determined by the Legislature and is subject to change.

The A&M System and member contribution rates are determined annually by the A&M System based on the recommendations of the A&M System Office of Risk Management and Benefits Administration staff and consulting actuary. The contribution rates are determined based on the benefit and administrative costs that are expected to be incurred, the funds appropriated for the plans, and the funding policy established by the Texas Legislature in connection with benefits provided through the plan. The plan is operated on a pay-as-you-go basis and is unfunded.

For the year ended August 31, 2017, the contributions for the self-funded plan by the state per full-time retired employee are shown in the following table. The retiree contributes any premium over and above state contributions.

Three-Year History of Annual OPEB Cost and Net OPEB Obligation				
Fiscal Year Ending	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at End of Fiscal Year
08/31/15	\$186,757,980	\$62,619,823	33.5%	\$ 983,874,345
08/31/16	\$198,140,212	\$64,215,124	32.4%	\$1,117,799,433
08/31/17	\$241,975,251	\$74,423,445	30.8%	\$1,285,351,239

The OPEB expense reflected in the Statement of Revenues, Expenses and Changes in Net Position is net of the Employer Contributions, as these costs are included as a portion of Payroll Related Costs expense.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Annual OPEB Cost, Employer Contributions and Net OPEB Obligation

The annual OPEB cost of the plan is calculated and based on the Annual Required Contribution (ARC). The ARC is the amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period of years, not to exceed 30 years. The following table shows the components of the annual OPEB cost for the year for the plan.

Annual OPEB Cost and Net OPEB Obligation	
Annual Required Contribution (ARC)	\$221,649,003
Interest on Net OPEB Obligation	\$78,245,960
Adjustment to ARC	\$(57,919,212)
Annual OPEB Cost	\$241,975,251
Employer Contributions	\$(74,423,445)
Increase in Net OPEB Obligation	\$167,551,806
Net OPEB Obligation at Beginning of Year	\$1,117,799,433
Net OPEB Obligation at End of Year	\$1,285,351,239

Schedule of Funding Progress of the Plan

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The amounts determined for the funded status of the plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The multiyear schedule of funding progress is presented in the table below.

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Annual Covered Payroll (c)	Ratio of UAAL to Covered Payroll ((b-a)/c)
09/01/2012	\$0	\$1,924,980,271	\$1,924,980,271	0.0%	\$1,149,300,305	167.50%
09/01/2014	\$0	\$2,002,648,687	\$2,002,648,687	0.0%	\$1,440,510,210	139.02%
09/01/2016	\$0	\$2,548,478,008	\$2,548,478,008	0.0%	\$1,607,610,763	158.53%

The plan benefit obligation as of September 1, 2013 was determined based on an actuarial roll-forward of the September 1, 2012 valuation results, and the plan benefit obligations as of September 1, 2015 was determined based on an actuarial roll-forward of the September 1, 2014 valuation results.

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The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used in the plan valuation include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional detail about the actuarial assumptions used in the plan valuation is outlined in the table below.

Summary of Actuarial Methods and Assumptions - OPEB Plan	
Actuarial Valuation Date (Biennial Valuation)	September 1, 2016
Actuarial Cost Method	Entry Age Normal (Level percent of pay)
Asset Valuation Method	Market
Amortization Method	Level percent of pay
Amortization Period	30 year open period
Actuarial Assumptions	
Annual investment return (discount rate) ¹	7.40%
Projected annual salary increases ¹	4.50% to 10.50%
Weighted-average at valuation date ¹	6.09%
Annual Healthcare Trend Rates ¹	8.00% in Fiscal Year 2018 declining to 5.50% in Fiscal Year 2023

¹ Includes inflation assumption of 3.50%.

Medicare Part D

In fiscal year 2017 the plan received payments from the federal government pursuant to the retiree drug subsidy provisions of Medicare Part D. These on-behalf payments were recorded as revenues and expenses of each plan. In fiscal year 2017 the system received \$4,728,141.15 of Medicare Part D payments from the federal government.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Note 12 - Interfund Activity and Transactions

As of August 31, 2017, amounts to be received or paid between funds and agencies are to be reported as Interfund Receivable or Interfund Payable.

Individual balances and activity at August 31, 2017 are presented below.

Interfund Receivable/Payables - Current			
Current Portion	Interfund Receivable	Interfund Payable	Purpose
Enterprise Fund (05)			
Agency 710 Appd Fund 0047, D23 Fund 0047 From Agency 720, D23 Fund 0011	\$84,930,000.00		Permanent University Fund
Agency 711, Appd Fund 0001, D23 Fund 0001 From Agency 907, D23 Fund 0515		\$2,519,837.04	SECO LoanStar
Total Current Interfund Receivable/Payable	\$84,930,000.00	\$2,519,837.04	

Interfund Receivable/Payables - Non-Current			
Non-Current Portion	Interfund Receivable	Interfund Payable	Purpose
Enterprise Fund (05)			
Agency 710 Appd Fund 0047, D23 Fund 0047 From Agency 720, D23 Fund 0011	\$891,586,119.86		Permanent University Fund
Agency 711, Appd Fund 0001, D23 Fund 0001 From Agency 907, D23 Fund 0515		\$4,661,079.60	SECO LoanStar
Total Non-Current Interfund Receivable/Payable	\$891,586,119.86	\$4,661,079.60	

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Note 13 - Continuance Subject to Review

This note does not apply to the A&M System.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Note 14 - Restatement of Net Position

There were no restatements to beginning net position.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2017

Note 15 - Commitments and Contingencies

At August 31, 2017, various lawsuits and claims involving the A&M System and its members had arisen in the course of conducting A&M System business. While the ultimate liability with respect to litigation and other claims cannot be reasonably estimated at this time, management is of the opinion that the liability not provided for by insurance or otherwise, if any, for these legal actions will not have a material adverse effect on the A&M System's financial position.

Private investment pools are invested in limited partnerships with external investment managers or general partners who invest primarily in private equity transactions. These investments, both domestic and international, are illiquid and may not be realized for a period of several years after the investments are made. There are certain risks associated with these investments, some of which are liquidity risk, market risk, event risk and investment manager risk. Certain funds may utilize credit default swaps which have additional risk, including the risk of counterparty nonperformance. Collateral in the form of cash or securities may be required to be held in segregated accounts with the fund's custodian. Bi-lateral agreements and daily settlement with counterparties reduce the risk of counterparty nonperformance. As of August 31, 2017, the A&M System has committed \$630,635,302 to various private investments, of which \$158,275,213 is unfunded.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Note 16 - Subsequent Events

The A&M System is authorized to issue up to \$704 million of Revenue Financing System Bonds during fiscal year 2018 to provide funding for project costs, refund previously issued bonds, refund commercial paper and pay the costs of issuing the bonds. The A&M System is authorized to issue up to \$663 million of Permanent University Fund Bonds during fiscal year 2018 to provide funding for eligible projects, refund previously issued bonds, refund commercial paper and pay the costs of issuing the bonds.

Following the issuance of the Permanent University Fund Bonds, Series 2017A and Taxable Series 2017B, approximately \$262 million of this authorization remains. In addition, the A&M System expects to issue Revenue Financing System Commercial Paper and/or Permanent University Fund Commercial Paper for interim financing of projects, as needed.

The table below lists debt issued after the balance sheet date, August 31, 2017.

Debt Issuance	Amount	Date of Issuance	Purpose
Permanent University Fund Taxable Commercial Paper Notes	\$ 69,350,000	09/07/17	Provide interim financing for construction projects.
Revenue Financing System Taxable Commercial Paper Notes	\$ 59,600,000	09/07/17	Provide interim financing for construction projects.
Permanent University Fund Bonds, Series 2017A	\$ 90,365,000	10/31/17	Refund \$30,000,000 of outstanding Commercial Paper Notes; refund \$61,760,000 of the Permanent University Fund Bonds, Series 2011; and pay the costs of issuing the bonds.
Permanent University Fund Bonds, Taxable Series 2017B	\$ 310,515,000	10/31/17	Provide construction funds for eligible projects; refund \$69,350,000 of outstanding Taxable Commercial Paper Notes; refund \$675,000 of the Permanent University Fund Bonds, Series 2011; and pay the costs of issuing the bonds.

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2017

Note 17 - Risk Management

The A&M System is exposed to various risks of loss related to property – fire, windstorm or other loss of capital assets; general and employer liability – resulting from alleged wrongdoings by employees and others; net income – due to fraud, theft, administrative errors or omissions, and business interruptions; and personnel – unexpected expense associated with employee health, termination or death. As an agency of the State of Texas, the A&M System and its employees are covered by various immunities and defenses which limit some of these risks of loss, particularly in liability actions brought against the A&M System or its employees. Remaining exposures are managed by self-insurance arrangements, contractual risk transfers, the purchase of commercial insurance, or a combination of these risk financing techniques.

All commercial insurance policies include retention amounts (deductibles) for which the A&M System is responsible and for which A&M System members maintain funding reserve pools. On-going analysis of the risks facing the A&M System results in the continual evaluation of insurance policies purchased.

The A&M System has self-insured arrangements for coverage in the areas of workers compensation, group health and dental and certain areas of medical malpractice. Liabilities for claims have been reported where information prior to issuance of the financial statements indicated that it was probable that a liability had been incurred and the amount of the loss could be reasonably estimated.

Worker's Compensation Insurance

The worker's compensation insurance (WCI) plan is considered a funded employer liability pool. The workers' compensation incurred but not reported (IBNR) liability is based on actuarial analysis of all historical claims data. The plan provides claims servicing and claims payments by charging an assessment to each A&M System member based on a percentage of payroll.

Group Health and Dental Insurance

The A&M System's self-insured health and dental plan is also considered a funded employer liability pool. The IBNR liability is based on actuarial analysis of all historical claims data. Premiums are determined through an actuarial pricing process that takes place each spring. Dental benefits under the plan are limited to \$1,500 per individual per year.

Automobile Plan

The A&M System's automobile plan provides payment for third party property damage and bodily injury proximately caused by the negligence of an employee acting within the course and scope of his/her employment. The property damage and/or bodily injury must occur from the operation or use of a covered vehicle and when the protected party would be personally liable to the third party according to Texas law. It provides payments up to the statutory limits of \$250,000 per person/\$500,000 per accident/\$100,000 property liability damage as outlined in the Texas Civil Practice and Remedies Code; Title 5 Governmental Liability; Chapter 101 Tort Claims.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Property Shared Retention Plan

For property covered by the A&M System’s property insurance program, retention payments apply to all losses under this policy and are assessed to any claim submitted by a Participant in the event of building and/or contents damage caused by a covered peril as defined by the commercial insurance policy. In the event of a multiple Participant claim for a single occurrence, the shared retention payments will be shared equally among the total number of Participants sustaining a compensable loss.

Other Self-Insured Plans

The Texas A&M Health Science Center College of Medicine has established a medical student liability self-insurance plan to provide eligible medical students of the Texas A&M University System Health Science Center College of Medicine with medical malpractice liability indemnity from and against medical malpractice claims. Limits of liability are \$25,000 per claim, \$75,000 aggregate per participant, and \$100,000 annual aggregate. This plan is funded through a student participation fee. At August 31, 2017, the plan had no accrued liabilities.

The Texas A&M Forest Service has established a self-insured liability plan for prescribed burn liability as required by Natural Resources Code§ 153.082 and 4 TAC 227.1. This plan provides loss payment on behalf of Texas A&M Forest Service and its employees for a claim resulting from the professional activities of a Texas A&M Forest Service prescribed burn manager employee in the course and scope of employment. The plan will provide \$1 million of liability coverage for each single occurrence of bodily injury to or destruction of property, and a policy period minimum aggregate limit of at least \$2 million. Funding for the plan is provided by the creation and maintenance of a reserve fund by Texas A&M Forest Service. At August 31, 2017, the plan had no accrued liabilities.

The Texas A&M Forest Service provides low-cost vehicle liability insurance at a greatly reduced cost to qualified volunteer fire departments through the Volunteer Fire Department Motor Vehicle Self Insurance Program, as described in Texas Insurance Code, Chapter 2154. The vehicle insurance coverage is offered at coverage levels of \$100,000 per person for bodily injury (with a maximum of \$300,000 per occurrence), and \$100,000 for property damage (with a maximum of \$100,000 per occurrence). As of August 31, 2017, the plan had no accrued liabilities.

Changes in the A&M System’s claims liabilities for the last two years are presented in the following tables.

Current Year Changes in Claims and IBNR				
Plan Type	Liability Balance 09/01/16	Claims and Changes in Estimates	Claims Payments	Liability Balance 08/31/17
WCI	\$ 11,183,000.00	\$ 2,490,309.00	\$ (2,156,168.00)	\$ 11,517,141.00
Group Health and Dental Insurance	15,995,000.00	306,885,126.00	(305,205,126.00)	17,675,000.00
Total	\$ 27,178,000.00	\$ 309,375,435.00	\$ (307,361,294.00)	\$ 29,192,141.00

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Prior Year Changes in Claims and IBNR				
Plan Type	Liability Balance 09/01/15	Claims and Changes in Estimates	Claims Payments	Liability Balance 08/31/16
WCI	\$ 7,486,000.00	\$ 5,734,000.00	\$ (2,037,000.00)	\$ 11,183,000.00
Group Health and Dental Insurance	22,029,692.00	262,440,983.00	(268,475,675.00)	15,995,000.00
Total	<u>\$ 29,515,692.00</u>	<u>\$ 268,174,983.00</u>	<u>\$ (270,512,675.00)</u>	<u>\$ 27,178,000.00</u>

The WCI liability is reported on the balance sheet as Current and Non-Current Claims and Judgments, and is also reported in Note 5. The liability for group health and dental insurance claims is included in the Current Liabilities section of the balance sheet as Self-Insured Health and Dental Payable.

The claims and losses reported in the financial statements include various settlements paid during the year where there was no beginning or ending liability. These claims and losses totaled \$8,137.84 for the fiscal year ended August 31, 2017.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Note 18 - Management's Discussion and Analysis (MD&A)

This note is not used by the Texas A&M University System. The A&M System's Management Discussion and Analysis is included as a separate section of the report.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Note 19 - The Financial Reporting Entity

The A&M System is composed of a series of distinct members, each of which was created to render a specific service for the State within the limits of the A&M System's objectives, and all of which are under the control and direction of the Board of Regents of the A&M System. The combined financial statements include the Texas A&M University System Office and all members of the A&M System.

Blended Component Unit

The Texas A&M Research Foundation (Research Foundation) is included as a blended component unit in the combined financial statements of the A&M System. This determination is based on the close relationship and joint agreements in effect between the Research Foundation and the A&M System in regard to research grant/contract administration. The Research Foundation has a fiscal year end of August 31, 2017 and is Fund Type 05, Appropriated Fund 9999. Complete financial statements of the Research Foundation may be obtained from their administrative offices at 400 Harvey Mitchell Parkway South, Suite 100, College Station, Texas, 77845.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Note 20 - Stewardship, Compliance and Accountability

The A&M System has no material violations of finance related legal and contract provisions.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Note 21 - Tobacco Settlement

This note is reserved for State Comptroller of Public Accounts' use.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Note 22 - Donor Restricted Endowments

The purpose of The Texas A&M University System Endowment Fund (the Fund) is to provide for the collective investment of all endowment and trust funds held by the A&M System or by the Board of Regents of the A&M System in a fiduciary capacity. The Fund is used to provide funding for scholarships, fellowships, professorships, academic chairs and other uses as specified by donors.

Distribution is made quarterly after the last calendar day of November, February, May, and August of each fiscal year to the endowment and trust funds participating in the Fund during the respective quarter. Income consists of interest earnings, dividends and realized capital gains. The income distribution per unit for each fiscal year will be to distribute, excluding fees, 5% of the 20-quarter average market value per unit as of the end of the previous February.

The amount of net appreciation for donor restricted true endowments presented in the table below is available for authorization and expense by the A&M System.

Net Appreciation - Donor-Restricted Endowments		
Donor-Restricted Endowments	Amount of Net Appreciation¹	Reported in Net Position
True Endowments	\$115,130,340.41	Restricted for Expendable
Term Endowments	16,014.16	Restricted for Expendable
Total	\$115,146,354.57	

¹The total fiscal year 2017 fair value adjustment to the Fund was \$37,564,830.22.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Note 23 - Extraordinary and Special Items

The A&M System does not have any special or extraordinary items to report for the year ended August 31, 2017.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Note 24 - Disaggregation of Receivable and Payable Balances

A summary of accounts receivable, associated allowances for doubtful accounts balances, and other payables for the year ended August 31, 2017, is presented below.

Accounts Receivable			
<u>Description</u>	<u>Gross Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivable</u>
Current Receivables			
Federal	\$ 131,365,073.14	\$ -	\$ 131,365,073.14
Other Intergovernmental	12,794,278.95	-	12,794,278.95
Interest and Dividends	10,181,219.09	-	10,181,219.09
Gifts	73,699,280.88	(72,597.75)	73,626,683.13
Self Insured Plans	31,919,586.74	-	31,919,586.74
Student	65,421,981.96	(15,022,154.95)	50,399,827.01
Investment Trades	66,185,382.24	-	66,185,382.24
Accounts	105,901,820.87	(3,063,447.25)	102,838,373.62
Other	2,634,422.75	(22,583.83)	2,611,838.92
Total Current Receivables	<u>\$ 500,103,046.62</u>	<u>\$ (18,180,783.78)</u>	<u>\$ 481,922,262.84</u>
Non-Current Receivables			
Gifts	<u>\$ 404,710,624.67</u>	<u>\$ -</u>	<u>\$ 404,710,624.67</u>
Total Non-Current Receivables	<u>\$ 404,710,624.67</u>	<u>\$ -</u>	<u>\$ 404,710,624.67</u>

Other Payables are detailed by type of activity in the table below.

Other Payables	
<u>Description</u>	<u>Amount</u>
Sales Tax Payable	\$ 2,830,636.28
External Investment Manager Fee Payable	2,211,184.39
Miscellaneous Payables	<u>267,946.85</u>
Total Other Payables	<u>\$ 5,309,767.52</u>

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Note 25 - Termination Benefits

Health Care Related Termination Benefits

Healthcare continuation under the Consolidated Omnibus Budget Reconciliation Act (COBRA) is provided for both voluntary and involuntary terminations. COBRA participants are eligible to continue group coverage for 18 to 36 months, depending on the circumstances leading to the loss of coverage.

For the fully-insured dental plan and vision plan, the carrier and/or third party vendor is responsible for the billing and collection from all COBRA participants. The carrier retains all premiums and is liable for all claims and expenses. For the fiscal year ended August 31, 2017, the fully-insured plan had 23 enrolled participants for the dental plan, and 111 participants for the vision plan.

For the self-insured health and dental plans offered by the A&M System, the carrier and/or third party vendor performs the billing and collections process for COBRA participants. The premiums are then forwarded to the A&M System, net of the 2% administrative fee. Since the plan is self-insured, the A&M System is responsible for any claims or administrative costs associated with COBRA participants. The table below summarizes the self-insured plan COBRA benefits for the fiscal year ended August 31, 2017.

Self-Insured Health and Dental Plan - COBRA	
Number of Participants	228
Premium Revenue	\$ 701,236
2% Administrative Fee Revenue	14,138
Total COBRA Premium	<u>715,374</u>
Claims Paid	(1,281,974)
Administrative Expenses	(21,911)
Total COBRA Expenses	<u>(1,303,885)</u>
Total Cost to State	<u>\$ (588,511)</u>

Non-Health Care Related Termination Benefits

Texas A&M University, Texas A&M University at Galveston, and Texas A&M Health Science Center offered voluntary separation programs for faculty and staff in specific colleges and units. The programs were designed to facilitate an opportunity for eligible employees to voluntarily separate from employment with lump sum payments representing either six months of salary for staff or twelve months of salary for faculty. A total of 161 faculty and staff completed agreements in accordance with one of these programs, with parameters established in the program guidelines for various separation dates. During fiscal year 2017, \$14,487,064 was paid to 134 faculty and staff who separated from employment. For the 27 program participants with separation dates beyond August 31, 2017, an additional \$3,598,722 was accrued to be paid in fiscal year 2018.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Note 26 - Segment Information

The A&M System does not have any reportable segments.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Note 27 - Service Concession Arrangements

The A&M System does not have any reportable service concession arrangements.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Note 28 - Deferred Outflows of Resources and Deferred Inflows of Resources

In fiscal year 2017, the A&M System reported Deferred Inflows of Resources and Deferred Outflows of Resources in connection with a loss on refunding debt, a government acquisition, and changes related to the pension liability. The amounts are summarized in the table below.

Deferred Outflows of Resources and Deferred Inflows of Resources		
<u>Activity</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Unamortized Loss on Refunding Debt	\$ 37,094,320.38	\$ -
Government Acquisition	23,374,004.37	-
Pensions (Note 9)	124,267,852.00	71,750,702.00
Total	<u>\$ 184,736,176.75</u>	<u>\$ 71,750,702.00</u>

Unamortized Loss on Refunding Debt

Deferred Outflows of Resources of \$37.1 million represents unamortized losses on refunding bonds.

For debt refundings, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and reported as deferred outflows of resources. The loss is amortized, using the straight line method, over the remaining life of the old debt or the life of the new debt, whichever is shorter, and reported in the Statement of Revenues, Expenses and Changes in Net Position as a component of Interest Expense. Unamortized losses on refunding debt are reported as Deferred Outflows of Resources. The unamortized amounts are detailed in the table below.

Unamortized Loss on Refunding Debt			
<u>Fiscal Year Refunded</u>	<u>Bonds Refunded</u>	<u>Amortization Period (FY)</u>	<u>Amount Remaining to be Amortized</u>
2015	Permanent University Fund Bonds, Series 2006	2015-2036	\$ 6,961,141.59
2016	Revenue Financing System Bonds, Series 2009A and Series 2009B	2016-2039	11,973,450.31
2016	Revenue Financing System Bonds, Series 2009C and Series 2009D	2016-2040	18,159,728.48
	Total		<u>\$ 37,094,320.38</u>

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The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2017

Government Acquisition

Texas A&M University finalized the acquisition of all operational aspects of the Texas Wesleyan University School of Law on August 13, 2013 and issued a payment of \$31.4 million which included \$29.9 million initial payment towards the purchase, \$1.4 million first year lease payment for the building which houses the law school, and \$100,000 building purchase option fee. Classes for the Texas A&M University School of Law officially began on August 19, 2013.

The Deferred Outflows of Resources-Government Acquisition represents the net remaining compensation in excess of tangible asset value received that will be amortized in future periods.

Deferred Inflows and Deferred Outflows Related to Pensions

The pension values provided by the Texas Comptroller's Office define the Texas A&M System's proportional share of the Teacher Retirement System of Texas (TRS) unfunded pension liability. The related deferred inflows and deferred outflows include changes in assumptions, contributions subsequent to the measurement date, and differences between projected and actual investment return. The A&M System has reported its proportional share of these deferred inflows and deferred outflows. Additional details are provided in Note 9, Pension Plans and Optional Retirement Program.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Note 29 - Troubled Debt Restructuring

The A&M System does not have any reportable troubled debt restructuring.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Note 30 – Non-Exchange Financial Guarantees

The A&M System does not have any reportable non-exchange financial guarantees.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Note 31 – Tax Abatements

The A&M System does not have any reportable tax abatements.

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**The Texas A&M University System
Notes to the Combined Financial Statements
For the Year Ended August 31, 2017**

Note 32 – Fund Balances

This note is not applicable to the A&M System.

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**The Texas A&M University System
Required Supplementary Information (RSI)
to the Combined Financial Statements
For the Year Ended August 31, 2017**

Required Supplementary Information (RSI) Other Than MD&A

Required Supplementary Information (RSI) includes the MD&A which is included in the front portion of this publication. RSI is required additional information required to be reported based upon GASB pronouncements. This data is not considered Basic Financial Statements nor is it considered Note Disclosures. For the A&M System the reportable RSI is related to *GASB 68 Accounting and Financial Reporting of Pensions*.

Schedule of Proportionate Share of Net Pension Liability

The information on the schedules of proportionate share of net pension liability was determined as of the Aug. 31, 2015 measurement date of the collective net pension liability. The schedules of proportionate share of the net pension liability for the state's Teacher Retirement System of Texas Plan (TRS Plan) for the A&M System as an employer and as a non-employer contributing entity are presented below.

Schedule of the A&M System's Proportionate Share of the Net Pension Liability¹			
	2017	2016	2015
A&M System's percentage proportionate share of the net pension liability	1.2107484%	1.1294397%	1.3190594%
A&M System's proportionate share of the net pension liability	\$457,523,817	\$399,241,901	\$352,410,894
A&M System's covered payroll-non General Revenue ²	\$594,339,736	\$434,248,377	\$483,491,868
A&M System's proportionate share of the net pension liability as a percentage of covered payroll	76.98%	91.94%	72.89%
Plan fiduciary net position as a percentage of the total pension liability	78.00%	78.43%	83.25%

¹This schedule is intended to present 10 years of information. Currently only three years of information is available. Information for future years will be added when it becomes available.

²Source of Covered Payroll-non General Revenue varied for Fiscal Year 2017. TRS values were unavailable; these numbers are provided by the A&M System payroll reports.



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**The Texas A&M University System
Required Supplementary Information (RSI)
to the Combined Financial Statements
For the Year Ended August 31, 2017**

Schedule of Proportionate Share of Net Pension Liability

The information on the schedule of employer contributions was determined as of the end of the fiscal years presented. The schedules of employer contributions comparing the actuarially determined contributions and the contributions recognized by the pension plan in relation to the actuarially determined contributions for the state's Teacher Retirement System of Texas Plan (TRS Plan) are presented below.

Schedule of the A&M System's Employer Contributions				
	2017	2016	2015	2014
Statutorily required contributions	\$38,633,263	\$38,024,480	\$34,182,243	\$33,176,668
Contributions in relation to the statutorily required contributions	\$38,633,263	\$38,024,480	\$34,182,243	\$33,176,668
Contribution deficiency	\$0.00	\$0.00	\$0.00	\$0.00
A&M System's covered payroll-non General Revenue ¹	\$594,339,736	\$434,248,377	\$483,491,868	\$498,135,206
Contributions as a percentage of covered payroll	6.80%	8.76%	7.07%	6.66%

¹Source of Covered Payroll-non General Revenue varied for Fiscal Year 2017. TRS values were unavailable; these numbers are provided by the A&M System payroll reports.

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Schedule 2A
The Texas A&M University System
 Schedule of Miscellaneous Bond Information
 For the Year Ended August 31, 2017

Description	Bonds Issued to Date	Range of Interest Rates	Maturities		
			First Year	First Call Date	Last Year
Revenue Bonds - Self Supporting					
Permanent University Fund Bonds, Series 1998 Revenue Bonds	\$ 92,520,000.00	3.55 - 5.5%	7/1/1999	7/1/2008 (1) (2)	7/1/2028
Permanent University Fund Bonds, Series 2009AB Revenue Bonds	218,895,000.00	2.5 - 5.5%	7/1/2010	7/1/2025 (1) (2)	7/1/2034
Permanent University Fund Bonds, Series 2011 Revenue Bonds	87,145,000.00	2.0 - 5.0%	7/1/2012	7/1/2021 (1)	7/1/2031
Permanent University Fund Bonds, Series 2012A Revenue Bonds	70,680,000.00	4.0 - 5.0%	7/1/2013	7/1/2022 (1)	7/1/2024
Permanent University Fund Bonds, Taxable Series 2012B Revenue Bonds	125,750,000.00	0.579 - 3.575%	7/1/2013	Make Whole (2) (3)	7/1/2032
Permanent University Fund Bonds, Series 2013 Revenue Bonds	208,465,000.00	3.0 - 5.0%	7/1/2014	7/1/2023 (1)	7/1/2033
Permanent University Fund Bonds, Series 2015A Revenue Bonds	143,555,000.00	3.5 - 5.75%	7/1/2015	7/1/2025 (1)	7/1/2036
Permanent University Fund Bonds, Taxable Series 2015B Revenue Bonds	145,445,000.00	1.0 - 3.60%	7/1/2015	7/1/2025 (1) (2)	7/1/2036
Revenue Financing System Bonds, Series 2008 Revenue Bonds	164,900,000.00	4.5 - 5.0%	5/15/2008	5/15/2018 (1) (2)	5/15/2037 5/15/2027
Tuition Revenue Bonds	4,615,000.00				
Revenue Financing System Bonds, Series 2009A Tuition Revenue Bonds	251,735,000.00	3.0 - 5.0%	5/15/2010	5/15/2019 (1)	5/15/2029
Revenue Financing System Bonds, Series 2009B Revenue Bonds	78,085,000.00	2.25 - 5.0%	5/15/2010	5/15/2019 (1) (2)	5/15/2039
Revenue Financing System Bonds, Series 2009C Tuition Revenue Bonds	54,240,000.00	2.0 - 5.0%	5/15/2010	11/15/2019 (1)	5/15/2029
Revenue Financing System Bonds, Series 2009D Revenue Bonds	320,760,000.00	4.0 - 5.0%	5/15/2011	11/15/2019 (1) (2)	5/15/2040
Revenue Financing System Bonds, Series 2010A Tuition Revenue Bonds	95,065,000.00	1.5 - 5.0%	8/2/2010	5/15/2020 (1)	5/15/2029
Revenue Financing System Bonds, Series 2010B Revenue Bonds	146,120,000.00	3.0 - 5.0%	5/15/2011	5/15/2020 (1) (2)	5/15/2039
Revenue Financing System Bonds, Series 2011A Revenue Bonds	16,605,000.00	2.5 - 4.0%	5/15/2011	5/15/2020 (1)	5/15/2021 5/15/2017
Tuition Revenue Bonds	5,730,000.00				
Revenue Financing System Bonds, Series 2011B Revenue Bonds	105,365,000.00	3.0 - 5.5%	5/15/2012	5/15/2020 (1) (2)	5/15/2041

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Schedule 2A
The Texas A&M University System
 Schedule of Miscellaneous Bond Information
 For the Year Ended August 31, 2017

Description	Bonds Issued to Date	Range of Interest Rates	Maturities		
			First Year	First Call Date	Last Year
Revenue Bonds - Self Supporting					
Revenue Financing System Bonds, Series 2013A Tuition Revenue Bonds	40,955,000.00	2.0 - 5.0%	5/15/2014	N/A	5/15/2022
Revenue Financing System Bonds, Series 2013B Revenue Bonds	265,405,000.00	3.0 - 5.0%	5/15/2014	5/15/2023 (1) (2)	5/15/2043
Revenue Financing System Bonds, Taxable Series 2013C Revenue Bonds	239,965,000.00	0.38 - 4.972%	5/15/2014	5/15/2023 (1) (2)	5/15/2043
Revenue Financing System Bonds, Series 2013D Revenue Bonds	94,365,000.00	1.875 - 5.0%	5/15/2016	5/15/2023 (1)	5/15/2028
Revenue Financing System Bonds, Series 2015A Tuition Revenue Bonds	64,670,000.00	2.0 - 5.0%	5/15/2015	5/15/2023 (1)	5/15/2025
Revenue Financing System Bonds, Series 2015B Revenue Bonds	142,155,000.00	2.0 - 5.0%	5/15/2015	5/15/2023 (1) (2)	5/15/2044
Revenue Financing System Bonds, Taxable Series 2015C Revenue Bonds	176,925,000.00	0.12 - 3.451%	5/15/2015	Make Whole (2) (3)	5/15/2034
Revenue Financing System Bonds, Taxable Series 2015D Revenue Bonds	67,250,000.00	4.0 - 5.0%	5/15/2016	5/15/2025 (1) (2)	5/15/2045
Revenue Financing System Bonds, Taxable Series 2016A Revenue Bonds Tuition Revenue Bonds	88,565,000.00 2,955,000.00	0.510 - 3.993%	5/15/2016	5/15/2026 (1) (2)	5/15/2037 5/15/2027
Revenue Financing System Bonds, Taxable Series 2016B Revenue Bonds	325,575,000.00	0.850 - 4.113%	5/15/2017	5/15/2026 (1) (2)	5/15/2045
Revenue Financing System Bonds, Series 2016C Revenue Bonds Tuition Revenue Bonds	85,740,000.00 121,705,000.00	3.0 - 5.0%	5/15/2017	5/15/2026 (1)	5/15/2040 5/15/2029
Revenue Financing System Bonds, Taxable Series 2016D Revenue Bonds Tuition Revenue Bonds	154,265,000.00 22,595,000.00	0.535 - 3.579%	5/15/2017	5/15/2026 Make Whole (1) (2) (3)	5/15/2040 5/15/2029
Revenue Financing System Bonds, Series 2016E Revenue Bonds Tuition Revenue Bonds	118,950,000.00 20,400,000.00	2.0 - 5.0%	5/15/2017	5/15/2026 (1)	5/15/2035 5/15/2029
Revenue Financing System Bonds, Taxable Series 2017A Tuition Revenue Bonds	388,705,000.00	0.700 - 3.531%	5/15/2017	Make Whole (3)	5/15/2032
Revenue Financing System Bonds, Taxable Series 2017B Revenue Bonds Tuition Revenue Bonds	12,072,992.00 386,597,008.00	1.455 - 3.386%	5/15/2018	5/15/2027 (1)	5/15/2032 5/15/2032
Revenue Financing System Bonds, Series 2017C Revenue Bonds Tuition Revenue Bonds	64,980,000.00 32,445,000.00	3.0 - 5.0%	5/15/2018	5/15/2027 (1) (2)	5/15/2039 5/15/2028
	<u>\$ 5,252,915,000.00</u>				

(1) Option for Partial Redemption

(2) Mandatory Redemption Required

(3) Subject to redemption prior to maturity on any business day at the "Make Whole Redemption Price"

UNAUDITED

Schedule 2B
The Texas A&M University System
 Schedule of Changes in Bonded Indebtedness
 For the Year Ended August 31, 2017

Description	Bonds Outstanding September 1, 2016	Bonds Issued or Converted	Bonds Matured or Retired	Bonds Refunded	Bonds Outstanding August 31, 2017
Revenue Bonds - Self Supporting					
Permanent University Fund Bonds, Series 1998 Revenue Bonds	\$ 28,795,000.00	\$	\$	\$	\$ 28,795,000.00
Permanent University Fund Bonds, Series 2009AB Revenue Bonds	210,910,000.00		690,000.00		210,220,000.00
Permanent University Fund Bonds, Series 2011 Revenue Bonds	76,100,000.00		1,720,000.00		74,380,000.00
Permanent University Fund Bonds, Series 2012A Revenue Bonds	70,680,000.00				70,680,000.00
Permanent University Fund Bonds, Taxable Series 2012B Revenue Bonds	104,030,000.00		5,545,000.00		98,485,000.00
Permanent University Fund Bonds, Series 2013 Revenue Bonds	148,680,000.00		21,660,000.00		127,020,000.00
Permanent University Fund Bonds, Series 2015A Revenue Bonds	142,260,000.00		830,000.00		141,430,000.00
Permanent University Fund Bonds, Taxable Series 2015B Revenue Bonds	133,920,000.00		7,730,000.00		126,190,000.00
Revenue Financing System Bonds, Series 2008 Revenue Bonds	16,295,000.00		8,840,000.00		7,455,000.00
Tuition Revenue Bonds	450,000.00		220,000.00		230,000.00
Revenue Financing System Bonds, Series 2009A Tuition Revenue Bonds	31,955,000.00		10,145,000.00		21,810,000.00
Revenue Financing System Bonds, Series 2009B Revenue Bonds	8,200,000.00		2,875,000.00		5,325,000.00
Revenue Financing System Bonds, Series 2009C Tuition Revenue Bonds	5,990,000.00		1,915,000.00		4,075,000.00
Revenue Financing System Bonds, Series 2009D Revenue Bonds	32,915,000.00		10,450,000.00		22,465,000.00
Revenue Financing System Bonds, Series 2010A Tuition Revenue Bonds	68,915,000.00		7,005,000.00	40,495,000.00	21,415,000.00
Revenue Financing System Bonds, Series 2010B Revenue Bonds	111,265,000.00		7,195,000.00	80,855,000.00	23,215,000.00
Revenue Financing System Bonds, Series 2011A Revenue Bonds	8,680,000.00		1,685,000.00		6,995,000.00
Tuition Revenue Bonds	265,000.00		265,000.00		-
Revenue Financing System Bonds, Series 2011B Revenue Bonds	95,090,000.00		2,510,000.00		92,580,000.00
Revenue Financing System Bonds, Series 2013A Tuition Revenue Bonds	27,390,000.00		3,375,000.00		24,015,000.00
Revenue Financing System Bonds, Series 2013B Revenue Bonds	216,795,000.00		6,630,000.00		210,165,000.00
Revenue Financing System Bonds, Taxable Series 2013C Revenue Bonds	231,765,000.00		1,240,000.00		230,525,000.00
Revenue Financing System Bonds, Series 2013D Revenue Bonds	93,860,000.00		4,750,000.00		89,110,000.00

UNAUDITED

Schedule 2B
The Texas A&M University System
 Schedule of Changes in Bonded Indebtedness
 For the Year Ended August 31, 2017

Description	Unamortized Premium	Net Bonds Outstanding August 31, 2017	Principal Due Within One Year	Premium Amortization Due Within One Year	Amounts Due Within One Year	Bonds Outstanding August 31, 2017
Revenue Bonds - Self Supporting						
Permanent University Fund Bonds, Series 1998 Revenue Bonds	\$	\$ 28,795,000.00	\$ -	\$	\$ -	\$ 28,795,000.00
Permanent University Fund Bonds, Series 2009AB Revenue Bonds		210,220,000.00	715,000.00		715,000.00	210,220,000.00
Permanent University Fund Bonds, Series 2011 Revenue Bonds	6,105,471.32	80,485,471.32	1,780,000.00	722,302.29	2,502,302.29	74,380,000.00
Permanent University Fund Bonds, Series 2012A Revenue Bonds	8,305,901.80	78,985,901.80	-	1,830,007.91	1,830,007.91	70,680,000.00
Permanent University Fund Bonds, Taxable Series 2012B Revenue Bonds		98,485,000.00	5,625,000.00		5,625,000.00	98,485,000.00
Permanent University Fund Bonds, Series 2013 Revenue Bonds	6,482,795.24	133,502,795.24	22,735,000.00	2,094,696.38	24,829,696.38	127,020,000.00
Permanent University Fund Bonds, Series 2015A Revenue Bonds	22,771,951.50	164,201,951.50	875,000.00	1,912,894.95	2,787,894.95	141,430,000.00
Permanent University Fund Bonds, Taxable Series 2015B Revenue Bonds		126,190,000.00	7,800,000.00		7,800,000.00	126,190,000.00
Revenue Financing System Bonds, Series 2008 Revenue Bonds	50,776.47	7,505,776.47	7,455,000.00	50,776.47	7,505,776.47	7,455,000.00
Tuition Revenue Bonds	1,355.96	231,355.96	230,000.00	1,355.96	231,355.96	230,000.00
Revenue Financing System Bonds, Series 2009A Tuition Revenue Bonds	227,665.78	22,037,665.78	10,655,000.00	158,972.56	10,813,972.56	21,810,000.00
Revenue Financing System Bonds, Series 2009B Revenue Bonds	28,340.92	5,353,340.92	2,620,000.00	19,789.66	2,639,789.66	5,325,000.00
Revenue Financing System Bonds, Series 2009C Tuition Revenue Bonds	30,975.94	4,105,975.94	2,000,000.00	21,625.67	2,021,625.67	4,075,000.00
Revenue Financing System Bonds, Series 2009D Revenue Bonds	214,176.38	22,679,176.38	10,965,000.00	149,525.98	11,114,525.98	22,465,000.00
Revenue Financing System Bonds, Series 2010A Tuition Revenue Bonds	450,162.50	21,865,162.50	6,810,000.00	232,254.62	7,042,254.62	21,415,000.00
Revenue Financing System Bonds, Series 2010B Revenue Bonds	452,258.60	23,667,258.60	7,560,000.00	235,880.66	7,795,880.66	23,215,000.00
Revenue Financing System Bonds, Series 2011A Revenue Bonds		6,995,000.00	1,680,000.00		1,680,000.00	6,995,000.00
Tuition Revenue Bonds		-	-		-	-
Revenue Financing System Bonds, Series 2011B Revenue Bonds		92,580,000.00	2,730,000.00		2,730,000.00	92,580,000.00
Revenue Financing System Bonds, Series 2013A Tuition Revenue Bonds	2,244,639.85	26,259,639.85	3,510,000.00	629,997.31	4,139,997.31	24,015,000.00
Revenue Financing System Bonds, Series 2013B Revenue Bonds	22,502,476.12	232,667,476.12	6,955,000.00	2,611,338.67	9,566,338.67	210,165,000.00
Revenue Financing System Bonds, Taxable Series 2013C Revenue Bonds		230,525,000.00	-		-	230,525,000.00
Revenue Financing System Bonds, Series 2013D Revenue Bonds	6,609,107.77	95,719,107.77	6,255,000.00	1,298,365.18	7,553,365.18	89,110,000.00

UNAUDITED

Schedule 2B
The Texas A&M University System
 Schedule of Changes in Bonded Indebtedness
 For the Year Ended August 31, 2017

Description	Bonds Outstanding September 1, 2016	Bonds Issued or Converted	Bonds Matured or Retired	Bonds Refunded	Bonds Outstanding August 31, 2017
Revenue Bonds - Self Supporting					
Revenue Financing System Bonds, Series 2015A Tuition Revenue Bonds	51,610,000.00		11,375,000.00		40,235,000.00
Revenue Financing System Bonds, Series 2015B Revenue Bonds	135,000,000.00		4,805,000.00		130,195,000.00
Revenue Financing System Bonds, Taxable Series 2015C Revenue Bonds	157,560,000.00		18,005,000.00		139,555,000.00
Revenue Financing System Bonds, Taxable Series 2015D Revenue Bonds	65,400,000.00		1,355,000.00		64,045,000.00
Revenue Financing System Bonds, Taxable Series 2016A Revenue Bonds	86,995,000.00		1,265,000.00		85,730,000.00
Tuition Revenue Bonds	2,895,000.00		70,000.00		2,825,000.00
Revenue Financing System Bonds, Taxable Series 2016B Revenue Bonds	325,575,000.00		4,670,000.00		320,905,000.00
Revenue Financing System Bonds, Series 2016C Revenue Bonds	85,740,000.00		470,000.00		85,270,000.00
Tuition Revenue Bonds	121,705,000.00		1,990,000.00		119,715,000.00
Revenue Financing System Bonds, Taxable Series 2016D Revenue Bonds	154,265,000.00		4,530,000.00		149,735,000.00
Tuition Revenue Bonds	22,595,000.00		620,000.00		21,975,000.00
Revenue Financing System Bonds, Series 2016E Revenue Bonds	118,950,000.00		650,000.00		118,300,000.00
Tuition Revenue Bonds	20,400,000.00		335,000.00		20,065,000.00
Revenue Financing System Bonds, Taxable Series 2017A Tuition Revenue Bonds	-	388,705,000.00	26,875,000.00		361,830,000.00
Revenue Financing System Bonds, Taxable Series 2017B Revenue Bonds	-	12,072,992.00	-		12,072,992.00
Tuition Revenue Bonds	-	386,597,008.00	-		386,597,008.00
Revenue Financing System Bonds, Series 2017C Revenue Bonds	-	64,980,000.00			64,980,000.00
Tuition Revenue Bonds	-	32,445,000.00			32,445,000.00
	<u>\$ 3,213,895,000.00</u>	<u>\$ 884,800,000.00</u>	<u>\$ 184,290,000.00</u>	<u>\$ 121,350,000.00</u>	<u>\$ 3,793,055,000.00</u>
		[a]	(Schedule 2D)		(Schedule 2C)

[a] Bonds Issued or Converted	
Revenue Financing System Bonds, Taxable Series 2017A	388,705,000.00
Revenue Financing System Bonds, Taxable Series 2017B	398,670,000.00
Revenue Financing System Bonds, Series 2017C	97,425,000.00
Total, Bonds Issued or Converted	<u>\$ 884,800,000.00</u>

UNAUDITED

Schedule 2B
The Texas A&M University System
 Schedule of Changes in Bonded Indebtedness
 For the Year Ended August 31, 2017

Description	Unamortized Premium	Net Bonds Outstanding August 31, 2017	Principal Due Within One Year	Premium Amortization Due Within One Year	Amounts Due Within One Year	Bonds Outstanding August 31, 2017
Revenue Bonds - Self Supporting						
Revenue Financing System Bonds, Series 2015A Tuition Revenue Bonds	4,801,790.94	45,036,790.94	4,230,000.00	1,123,670.95	5,353,670.95	40,235,000.00
Revenue Financing System Bonds, Series 2015B Revenue Bonds	10,915,597.92	141,110,597.92	5,000,000.00	1,438,392.21	6,438,392.21	130,195,000.00
Revenue Financing System Bonds, Taxable Series 2015C Revenue Bonds		139,555,000.00	16,310,000.00		16,310,000.00	139,555,000.00
Revenue Financing System Bonds, Taxable Series 2015D Revenue Bonds		64,045,000.00	1,375,000.00		1,375,000.00	64,045,000.00
Revenue Financing System Bonds, Taxable Series 2016A Revenue Bonds		85,730,000.00	1,270,000.00		1,270,000.00	85,730,000.00
Tuition Revenue Bonds		2,825,000.00	45,000.00		45,000.00	2,825,000.00
Revenue Financing System Bonds, Taxable Series 2016B Revenue Bonds		320,905,000.00	10,045,000.00		10,045,000.00	320,905,000.00
Revenue Financing System Bonds, Series 2016C Revenue Bonds	18,446,910.17	103,716,910.17	-	1,660,128.17	1,660,128.17	85,270,000.00
Tuition Revenue Bonds	25,109,858.07	144,824,858.07	-	3,396,827.12	3,396,827.12	119,715,000.00
Revenue Financing System Bonds, Taxable Series 2016D Revenue Bonds		149,735,000.00	3,630,000.00		3,630,000.00	149,735,000.00
Tuition Revenue Bonds		21,975,000.00	370,000.00		370,000.00	21,975,000.00
Revenue Financing System Bonds, Series 2016E Revenue Bonds	19,584,135.12	137,884,135.12	-	2,717,239.90	2,717,239.90	118,300,000.00
Tuition Revenue Bonds	3,599,733.19	23,664,733.19	-	518,567.51	518,567.51	20,065,000.00
Revenue Financing System Bonds, Taxable Series 2017A Tuition Revenue Bonds		361,830,000.00	20,790,000.00		20,790,000.00	361,830,000.00
Revenue Financing System Bonds, Taxable Series 2017B Revenue Bonds		12,072,992.00	156,530.00		156,530.00	12,072,992.00
Tuition Revenue Bonds		386,597,008.00	23,293,470.00		23,293,470.00	386,597,008.00
Revenue Financing System Bonds, Series 2017C Revenue Bonds	12,672,497.85	77,652,497.85		862,293.71	862,293.71	64,980,000.00
Tuition Revenue Bonds	7,244,639.60	39,689,639.60	295,000.00	858,843.98	1,153,843.98	32,445,000.00
	<u>\$ 178,853,219.01</u>	<u>\$ 3,971,908,219.01</u> ^[b]	<u>\$ 195,765,000.00</u>	<u>\$ 24,545,747.82</u>	<u>\$ 220,310,747.82</u>	<u>\$ 3,793,055,000.00</u>
		(Exhibit III)	(Schedule 2C)			(Schedule 2C)

[b] Bonds Payable per Exhibit III
 Current Bonds Payable \$ 220,310,747.82
 NonCurrent Bonds Payable 3,751,597,471.19
 Total Bonds Payable \$ 3,971,908,219.01

UNAUDITED

Schedule 2C
The Texas A&M University System
 Schedule of Debt Service Requirements
 For the Year Ended August 31, 2017

Description		Year Ended August 31,				
		2018	2019	2020	2021	2022
Revenue Bonds - Self Supporting						
Permanent University Fund Bonds, Series 1998						
Revenue Bonds	Principal	\$ 0.00	\$ 2,235,000.00	\$ 2,360,000.00	\$ 2,490,000.00	\$ 2,625,000.00
	Interest	1,583,725.00	1,583,725.00	1,460,800.00	1,331,000.00	1,194,050.00
Permanent University Fund Bonds, Series 2009AB						
Revenue Bonds	Principal	715,000.00	5,550,000.00	5,695,000.00	5,900,000.00	6,130,000.00
	Interest	10,568,831.28	10,543,806.28	10,266,306.28	9,981,556.28	9,686,556.28
Permanent University Fund Bonds, Series 2011						
Revenue Bonds	Principal	1,780,000.00	2,490,000.00	2,675,000.00	5,000,000.00	5,000,000.00
	Interest	3,501,750.00	3,448,350.00	3,348,750.00	3,241,750.00	2,991,750.00
Permanent University Fund Bonds, Series 2012A						
Revenue Bonds	Principal	0.00	10,335,000.00	10,875,000.00	11,495,000.00	12,080,000.00
	Interest	3,511,500.00	3,511,500.00	3,017,250.00	2,473,500.00	1,898,750.00
Permanent University Fund Bonds, Taxable Series 2012B						
Revenue Bonds	Principal	5,625,000.00	5,720,000.00	5,820,000.00	5,950,000.00	6,100,000.00
	Interest	2,857,725.66	2,760,413.16	2,652,877.16	2,521,461.56	2,378,185.56
Permanent University Fund Bonds, Series 2013						
Revenue Bonds	Principal	22,735,000.00	7,785,000.00	8,165,000.00	8,555,000.00	9,010,000.00
	Interest	5,684,400.00	4,547,650.00	4,158,400.00	3,750,150.00	3,322,400.00
Permanent University Fund Bonds, Series 2015A						
Revenue Bonds	Principal	875,000.00	0.00	0.00	0.00	0.00
	Interest	6,754,300.02	6,706,175.02	6,706,175.02	6,706,175.02	6,706,175.02
Permanent University Fund Bonds, Taxable Series 2015B						
Revenue Bonds	Principal	7,800,000.00	7,740,000.00	7,815,000.00	7,960,000.00	8,160,000.00
	Interest	3,446,880.06	3,349,380.04	3,233,280.04	3,096,517.52	2,937,317.52
Revenue Financing System Bonds, Series 2008						
Revenue Bonds	Principal	7,455,000.00				
	Interest	372,750.00				
Tuition Revenue Bonds	Principal	230,000.00				
	Interest	11,500.00				
Revenue Financing System Bonds, Series 2009A						
Tuition Revenue Bonds	Principal	10,655,000.00	11,155,000.00			
	Interest	1,001,450.00	498,700.00			
Revenue Financing System Bonds, Series 2009B						
Revenue Bonds	Principal	2,620,000.00	2,705,000.00			
	Interest	193,350.00	108,200.00			
Revenue Financing System Bonds, Series 2009C						
Tuition Revenue Bonds	Principal	2,000,000.00	2,075,000.00			
	Interest	173,375.00	93,375.00			
Revenue Financing System Bonds, Series 2009D						
Revenue Bonds	Principal	10,965,000.00	11,500,000.00			
	Interest	1,065,750.00	517,500.00			
Revenue Financing System Bonds, Series 2010A						
Tuition Revenue Bonds	Principal	6,810,000.00	7,140,000.00	7,465,000.00		
	Interest	1,023,800.00	707,750.00	373,250.02		
Revenue Financing System Bonds, Series 2010B						
Revenue Bonds	Principal	7,560,000.00	7,940,000.00	7,715,000.00		
	Interest	1,160,750.05	782,750.08	385,750.06		
Revenue Financing System Bonds, Series 2011A						
Revenue Bonds	Principal	1,680,000.00	1,730,000.00	1,765,000.00	1,820,000.00	
	Interest	240,162.50	172,962.50	121,062.50	63,700.00	
Revenue Financing System Bonds, Series 2011B						
Revenue Bonds	Principal	2,730,000.00	2,905,000.00	3,095,000.00	3,290,000.00	3,510,000.00
	Interest	4,630,362.54	4,480,212.56	4,320,437.56	4,150,212.56	3,969,262.56

UNAUDITED

Schedule 2C
The Texas A&M University System
 Schedule of Debt Service Requirements
 For the Year Ended August 31, 2017

Description		2023-2027	2028-2032	2033-2037	2038-2042	2043-2045	Total Requirements
Revenue Bonds - Self Supporting							
Permanent University Fund Bonds, Series 1998							
Revenue Bonds	Principal	\$ 15,465,000.00	\$ 3,620,000.00	\$	\$	\$	\$ 28,795,000.00
	Interest	3,637,975.00	199,100.00				10,990,375.00
Permanent University Fund Series 2009AB							
Revenue Bonds	Principal	57,705,000.00	98,435,000.00	30,090,000.00			210,220,000.00
	Interest	42,588,243.78	23,361,250.00	2,244,750.00			119,241,300.18
Permanent University Fund Bonds, Series 2011							
Revenue Bonds	Principal	26,955,000.00	30,480,000.00				74,380,000.00
	Interest	11,725,500.00	3,911,000.00				32,168,850.00
Permanent University Fund Bonds, Series 2012A							
Revenue Bonds	Principal	25,895,000.00					70,680,000.00
	Interest	1,956,000.00					16,368,500.00
Permanent University Fund Bonds, Taxable Series 2012B							
Revenue Bonds	Principal	32,985,000.00	36,285,000.00				98,485,000.00
	Interest	9,386,293.40	3,982,371.28				26,539,327.78
Permanent University Fund Bonds, Series 2013							
Revenue Bonds	Principal	31,215,000.00	32,295,000.00	7,260,000.00			127,020,000.00
	Interest	11,307,200.00	5,428,600.00	290,400.00			38,489,200.00
Permanent University Fund Bonds, Series 2015A							
Revenue Bonds	Principal	43,080,000.00	64,050,000.00	33,425,000.00			141,430,000.00
	Interest	29,708,875.10	17,562,200.12	3,320,800.00			84,170,875.32
Permanent University Fund Bonds, Taxable Series 2015B							
Revenue Bonds	Principal	22,625,000.00	35,390,000.00	28,700,000.00			126,190,000.00
	Interest	12,811,172.76	7,531,821.68	1,636,810.00			38,043,179.62
Revenue Financing System Bonds, Series 2008							
Revenue Bonds	Principal						7,455,000.00
	Interest						372,750.00
Tuition Revenue Bonds							
	Principal						230,000.00
	Interest						11,500.00
Revenue Financing System Bonds, Series 2009A							
Tuition Revenue Bonds	Principal						21,810,000.00
	Interest						1,500,150.00
Revenue Financing System Bonds, Series 2009B							
Revenue Bonds	Principal						5,325,000.00
	Interest						301,550.00
Revenue Financing System Bonds, Series 2009C							
Tuition Revenue Bonds	Principal						4,075,000.00
	Interest						266,750.00
Revenue Financing System Bonds, Series 2009D							
Revenue Bonds	Principal						22,465,000.00
	Interest						1,583,250.00
Revenue Financing System Bonds, Series 2010A							
Tuition Revenue Bonds	Principal						21,415,000.00
	Interest						2,104,800.02
Revenue Financing System Bonds, Series 2010B							
Revenue Bonds	Principal						23,215,000.00
	Interest						2,329,250.19
Revenue Financing System Bonds, Series 2011A							
Revenue Bonds	Principal						6,995,000.00
	Interest						597,887.50
Revenue Financing System Bonds, Series 2011B							
Revenue Bonds	Principal	20,655,000.00	23,475,000.00	21,550,000.00	11,370,000.00		92,580,000.00
	Interest	16,734,337.80	11,413,693.92	5,885,287.50	1,455,500.00		57,039,307.00

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Schedule 2C
The Texas A&M University System
 Schedule of Debt Service Requirements
 For the Year Ended August 31, 2017

Description		Year Ended August 31,				
		2018	2019	2020	2021	2022
Revenue Financing System Bonds, Series 2013A						
Tuition Revenue Bonds	Principal	3,510,000.00	3,655,000.00	3,805,000.00	3,950,000.00	9,095,000.00
	Interest	1,091,050.00	950,650.00	804,450.00	652,250.00	454,750.00
Revenue Financing System Bonds, Series 2013B						
Revenue Bonds	Principal	6,955,000.00	7,290,000.00	7,685,000.00	8,040,000.00	8,445,000.00
	Interest	10,138,600.00	9,790,850.00	9,426,350.00	9,042,100.00	8,640,100.00
Revenue Financing System Bonds, Taxable Series 2013C						
Revenue Bonds	Principal	0.00	0.00	0.00	0.00	0.00
	Interest	11,342,953.00	11,342,953.00	11,342,953.00	11,342,953.00	11,342,953.00
Revenue Financing System Bonds, Series 2013D						
Revenue Bonds	Principal	6,255,000.00	6,565,000.00	6,920,000.00	7,265,000.00	7,625,000.00
	Interest	4,455,500.00	4,142,750.00	3,814,500.00	3,468,500.00	3,105,250.00
Revenue Financing System Bonds, Series 2015A						
Tuition Revenue Bonds	Principal	4,230,000.00	4,445,000.00	4,660,000.00	4,900,000.00	5,145,000.00
	Interest	1,901,600.00	1,690,100.00	1,467,850.00	1,234,850.00	989,850.00
Revenue Financing System Bonds, Series 2015B						
Revenue Bonds	Principal	5,000,000.00	3,850,000.00	4,040,000.00	4,235,000.00	4,460,000.00
	Interest	5,518,850.00	5,268,850.00	5,076,350.00	4,874,350.00	4,662,600.00
Revenue Financing System Bonds, Taxable Series 2015C						
Revenue Bonds	Principal	16,310,000.00	16,490,000.00	16,790,000.00	14,425,000.00	11,010,000.00
	Interest	3,488,147.71	3,237,626.12	2,917,225.42	2,549,020.72	2,200,224.22
Revenue Financing System Bonds, Taxable Series 2015D						
Revenue Bonds	Principal	1,375,000.00	1,395,000.00	1,450,000.00	1,510,000.00	1,570,000.00
	Interest	2,666,466.26	2,611,466.26	2,555,666.26	2,497,666.26	2,437,266.26
Revenue Financing System Bonds, Taxable Series 2016A						
Revenue Bonds	Principal	1,270,000.00	8,420,000.00	8,505,000.00	8,650,000.00	8,670,000.00
	Interest	2,125,763.10	2,110,243.76	1,988,574.66	1,845,860.76	1,679,088.76
Tuition Revenue Bonds	Principal	45,000.00	285,000.00	290,000.00	290,000.00	300,000.00
	Interest	64,934.96	64,385.06	60,266.80	55,400.60	49,809.40
Revenue Financing System Bonds, Taxable Series 2016B						
Revenue Bonds	Principal	10,045,000.00	10,140,000.00	10,300,000.00	10,465,000.00	10,660,000.00
	Interest	10,653,357.49	10,530,607.62	10,384,084.62	10,211,250.62	10,009,485.42
Revenue Financing System Bonds, Series 2016C						
Revenue Bonds	Principal			3,625,000.00	3,795,000.00	3,985,000.00
	Interest	3,975,750.00	3,975,750.00	3,975,750.00	3,794,500.00	3,604,750.00
Tuition Revenue Bonds	Principal			9,555,000.00	10,030,000.00	10,520,000.00
	Interest	5,566,100.00	5,566,100.00	5,566,100.00	5,088,350.00	4,586,850.00
Revenue Financing System Bonds, Taxable Series 2016D						
Revenue Bonds	Principal	3,630,000.00	3,655,000.00	6,120,000.00	6,205,000.00	6,275,000.00
	Interest	4,004,585.36	3,975,073.48	3,938,194.54	3,861,694.54	3,774,824.54
Tuition Revenue Bonds	Principal	370,000.00	375,000.00	1,955,000.00	1,990,000.00	2,015,000.00
	Interest	449,250.96	446,242.88	442,459.10	418,021.60	390,161.60
Revenue Financing System Bonds, Series 2016E						
Revenue Bonds	Principal			8,335,000.00	8,745,000.00	9,170,000.00
	Interest	5,046,400.00	5,046,400.00	5,046,400.00	4,629,650.00	4,192,400.00
Tuition Revenue Bonds	Principal			1,605,000.00	1,680,000.00	1,765,000.00
	Interest	885,350.00	885,350.00	885,350.00	805,100.00	721,100.00
Revenue Financing System Bonds, Taxable Series 2017A						
Tuition Revenue Bonds	Principal	20,790,000.00	21,040,000.00	21,475,000.00	21,790,000.00	22,275,000.00
	Interest	10,248,353.64	9,998,873.64	9,663,916.90	9,255,462.40	8,769,763.30
Revenue Financing System Bonds, Taxable Series 2017B						
Revenue Bonds	Principal	156,530.00	286,462.00	295,000.00	5,850,000.00	5,485,000.00
	Interest	227,721.32	250,746.18	246,116.96	240,821.70	120,779.70
Tuition Revenue Bonds	Principal	23,293,470.00	23,288,538.00	24,045,000.00	29,285,000.00	25,090,000.00
	Interest	10,155,128.90	10,152,132.08	9,396,660.08	8,705,813.78	8,104,885.58

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Schedule 2C
The Texas A&M University System
Schedule of Debt Service Requirements
For the Year Ended August 31, 2017

Description		2023-2027	2028-2032	2033-2037	2038-2042	2043-2045	Total Requirements
Revenue Financing System Bonds, Series 2013A							
Tuition Revenue Bonds	Principal						24,015,000.00
	Interest						3,953,150.00
Revenue Financing System Bonds, Series 2013B							
Revenue Bonds	Principal	46,000,000.00	52,990,000.00	44,895,000.00	23,850,000.00	4,015,000.00	210,165,000.00
	Interest	36,815,500.00	24,898,500.00	12,030,750.00	3,243,400.00	160,600.00	124,186,750.00
Revenue Financing System Bonds, Taxable Series 2013C							
Revenue Bonds	Principal	0.00	46,370,000.00	71,705,000.00	91,365,000.00	21,085,000.00	230,525,000.00
	Interest	56,714,765.00	53,524,444.40	38,967,894.40	19,310,253.60	1,048,346.20	226,280,468.60
Revenue Financing System Bonds, Series 2013D							
Revenue Bonds	Principal	44,255,000.00	10,225,000.00				89,110,000.00
	Interest	9,410,000.00	511,250.00				28,907,750.00
Revenue Financing System Bonds, Series 2015A							
Tuition Revenue Bonds	Principal	16,855,000.00					40,235,000.00
	Interest	1,541,200.00					8,825,450.00
Revenue Financing System Bonds, Series 2015B							
Revenue Bonds	Principal	24,790,000.00	28,190,000.00	32,120,000.00	18,405,000.00	5,105,000.00	130,195,000.00
	Interest	20,127,000.00	14,331,400.00	8,228,050.00	2,693,900.00	308,200.00	71,089,550.00
Revenue Financing System Bonds, Taxable Series 2015C							
Revenue Bonds	Principal	45,280,000.00	16,210,000.00	3,040,000.00			139,555,000.00
	Interest	6,606,931.14	1,685,923.38	158,228.38			22,843,327.09
Revenue Financing System Bonds, Taxable Series 2015D							
Revenue Bonds	Principal	8,965,000.00	10,965,000.00	13,355,000.00	14,695,000.00	8,765,000.00	64,045,000.00
	Interest	11,069,281.30	9,069,031.30	6,673,728.78	3,674,765.00	755,437.50	44,010,775.18
Revenue Financing System Bonds, Taxable Series 2016A							
Revenue Bonds	Principal	36,795,000.00	6,250,000.00	7,170,000.00			85,730,000.00
	Interest	5,599,895.10	2,100,394.80	881,055.48			18,330,876.42
Tuition Revenue Bonds	Principal	1,615,000.00					2,825,000.00
	Interest	134,941.10					429,737.92
Revenue Financing System Bonds, Taxable Series 2016B							
Revenue Bonds	Principal	56,215,000.00	63,150,000.00	75,275,000.00	60,700,000.00	13,955,000.00	320,905,000.00
	Interest	46,025,450.20	37,375,692.90	24,572,638.02	8,789,686.96	1,163,362.12	169,715,615.97
Revenue Financing System Bonds, Series 2016C							
Revenue Bonds	Principal	23,150,000.00	20,265,000.00	18,705,000.00	11,745,000.00		85,270,000.00
	Interest	14,826,000.00	9,618,150.00	5,795,350.00	1,103,500.00		50,669,500.00
Tuition Revenue Bonds	Principal	61,090,000.00	28,520,000.00				119,715,000.00
	Interest	14,494,500.00	1,722,600.00				42,590,600.00
Revenue Financing System Bonds, Taxable Series 2016D							
Revenue Bonds	Principal	33,250,000.00	36,940,000.00	35,765,000.00	17,895,000.00		149,735,000.00
	Interest	17,039,513.30	12,728,457.80	6,662,091.10	1,292,555.88		57,276,990.54
Tuition Revenue Bonds	Principal	10,665,000.00	4,605,000.00				21,975,000.00
	Interest	1,362,249.90	191,322.30				3,699,708.34
Revenue Financing System Bonds, Series 2016E							
Revenue Bonds	Principal	50,960,000.00	36,605,000.00	4,485,000.00			118,300,000.00
	Interest	13,659,250.00	3,387,000.00	363,600.00			41,371,100.00
Tuition Revenue Bonds	Principal	10,250,000.00	4,765,000.00				20,065,000.00
	Interest	2,189,250.00	215,550.00				6,587,050.00
Revenue Financing System Bonds, Taxable Series 2017A							
Tuition Revenue Bonds	Principal	120,900,000.00	133,560,000.00				361,830,000.00
	Interest	34,321,276.82	13,643,573.96				95,901,220.66
Revenue Financing System Bonds, Taxable Series 2017B							
Revenue Bonds	Principal						12,072,992.00
	Interest						1,086,185.86
Tuition Revenue Bonds	Principal	134,820,000.00	126,775,000.00				386,597,008.00
	Interest	31,138,703.50	10,658,891.70				88,312,215.62

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Schedule 2C
The Texas A&M University System
 Schedule of Debt Service Requirements
 For the Year Ended August 31, 2017

Description	Year Ended August 31,				
	2018	2019	2020	2021	2022
Revenue Financing System Bonds, Series 2017C					
Revenue Bonds					
Principal	0.00	0.00	0.00	165,000.00	440,000.00
Interest	2,783,705.63	3,093,006.26	3,093,006.26	3,093,006.26	3,084,756.26
Tuition Revenue Bonds					
Principal	295,000.00	140,000.00	150,000.00	3,425,000.00	3,580,000.00
Interest	1,449,495.00	1,601,700.00	1,597,500.00	1,593,000.00	1,421,750.00
Total	341,786,425.44	340,869,305.98	338,784,063.24	335,725,645.18	329,622,844.98
Less Interest	(146,021,425.44)	(140,544,305.98)	(133,734,063.24)	(126,575,645.18)	(119,427,844.98)
Total Principal	<u>\$ 195,765,000.00</u>	<u>\$ 200,325,000.00</u>	<u>\$ 205,050,000.00</u>	<u>\$ 209,150,000.00</u>	<u>\$ 210,195,000.00</u>
	(Schedule 2B)				

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Schedule 2C
The Texas A&M University System
 Schedule of Debt Service Requirements
 For the Year Ended August 31, 2017

<u>Description</u>		<u>2023-2027</u>	<u>2028-2032</u>	<u>2033-2037</u>	<u>2038-2042</u>	<u>2043-2045</u>	<u>Total Requirements</u>
Revenue Financing System Bonds, Series 2017C							
Revenue Bonds	Principal	16,600,000.00	19,265,000.00	19,510,000.00	9,000,000.00		64,980,000.00
	Interest	13,826,781.30	9,127,281.30	4,669,781.30	680,500.00		43,451,824.57
Tuition Revenue Bonds							
	Principal	20,805,000.00	4,050,000.00				32,445,000.00
	Interest	4,234,500.00	202,500.00				12,100,445.00
Total		1,520,832,586.50	1,252,112,000.84	569,431,214.96	301,269,061.44	56,360,945.82	5,386,794,094.38
Less Interest		(480,992,586.50)	(278,382,000.84)	(122,381,214.96)	(42,244,061.44)	(3,435,945.82)	(1,593,739,094.38)
Total Principal		<u>\$ 1,039,840,000.00</u>	<u>\$ 973,730,000.00</u>	<u>\$ 447,050,000.00</u>	<u>\$ 259,025,000.00</u>	<u>52,925,000.00</u>	<u>\$ 3,793,055,000.00</u> (Schedule 2B)

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Schedule 2D
The Texas A&M University System
 Analysis of Funds Available for Debt Service
 For the Year Ended August 31, 2017

Description	Pledged Revenues	Operating Expenses From Pledged Revenues	Debt Service	
			Principal	Interest
Permanent University Fund Bonds	\$ 302,503,580.40	\$ 208,874,302.06	\$ 38,175,000.00	\$ 39,285,779.46
Revenue Financing System Bonds	2,292,410,241.95	1,582,875,775.16	146,115,000.00	93,987,095.38
	<u>\$ 2,594,913,822.35</u>	<u>\$ 1,791,750,077.22</u>	<u>\$ 184,290,000.00</u>	<u>\$ 133,272,874.84</u>
			(Schedule 2B)	
[a] Debt Service-Interest Expense (Exhibit IV)		\$ 141,376,052.93		
Less:				
Interest on Permanent University Fund Commercial Paper	\$ 576,258.13			
Interest on Revenue Financing System Commercial Paper/Note	1,361,671.05			
Interest on Capital Leases	1,412,852.96			
Interest Expense on Defeased Bonds	14,337,530.89			
Other Interest Expense (non-bonds)	151,716.57			
Subtotal		(17,840,029.60)		
Plus Capitalized Interest Expense		9,736,851.51		
Total, Debt Service-Interest		<u>\$ 133,272,874.84</u>		

[a]

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Schedule 2E
The Texas A&M University System
Schedule of Defeased Bonds Outstanding
For the Year Ended August 31, 2017

<u>Description of Issues</u>	<u>Calendar Year Refunded</u>	<u>Par Value Outstanding September 1, 2016</u>	<u>Newly Defeased</u>	<u>Par Value Outstanding August 31, 2017</u>
The Texas A&M University System				
Revenue Financing System Bonds,				
Series 2008	2016	82,670,000.00		82,670,000.00
Series 2009A	2016	146,425,000.00		146,425,000.00
Series 2009B	2016	52,345,000.00		52,345,000.00
Series 2009C	2016	27,295,000.00		27,295,000.00
Series 2009D	2016	226,455,000.00		226,455,000.00
Series 2010A	2017	-	40,495,000.00	40,495,000.00
Series 2010B	2017	-	80,855,000.00	80,855,000.00
Total		<u>\$ 535,190,000.00</u>	<u>\$ 121,350,000.00</u>	<u>\$ 656,540,000.00</u>



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Schedule 2F
The Texas A&M University System
 Schedule of Early Extinguishment and Refunding
 For the Year Ended August 31, 2017

Description	Category	Amount Extinguished or Refunded	Refunding Issue Par Value	Cash Flow Increase (Decrease)	Economic Gain/ (Loss)
Revenue Bonds - Self Supporting					
Revenue Financing System Bonds, Series 2010A Tuition Revenue Bonds	Advance Refunding	40,495,000.00	37,536,156.00	5,809,963.95	4,239,805.03
Revenue Financing System Bonds, Series 2010B Revenue Bonds	Advance Refunding	<u>80,855,000.00</u>	<u>77,052,992.00</u>	<u>9,013,497.58</u>	<u>8,066,856.02</u>
Total, Early Extinguishment and Refunding		<u>\$ 121,350,000.00</u>	<u>\$ 114,589,148.00</u>	<u>\$ 14,823,461.53</u>	<u>\$ 12,306,661.05</u>



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Schedule Three
The Texas A&M University System
 Combined Schedule of Cash & Cash Equivalents
 For the Year Ended August 31, 2017

	<u>Current Year Total</u>
Cash & Cash Equivalents	
Unrestricted	
Cash On Hand	
Cashiers Account	\$ 85,150.00
Petty Cash Department Working Fund	338,002.02
Temporary Working Fund	5,878.00
Total Cash On Hand	<u>429,030.02</u>
Cash In State Treasury	
Fund 0047	341,196,198.30
Fund 0212	3,496,675.00
Fund 0230	13,640,822.15
Fund 0231	9,778,587.68
Fund 0232	3,406,687.22
Fund 0242	25,627,902.84
Fund 0243	3,622,434.54
Fund 0245	16,407,821.20
Fund 0254	21,290,766.18
Fund 0257	4,279,689.41
Fund 0263	5,208,371.65
Fund 0275	1,586,180.59
Fund 0289	12,686,682.38
Fund 0290	11,020,403.71
Fund 0291	2,468,514.85
Fund 0818	1,003,548.06
Fund 0980	4,278.67
Fund 5029	7,933,299.80
Fund 5064	71,729,324.96
Fund 5066	4,744,231.13
Total Cash In State Treasury	<u>561,132,420.32</u>
Reimbursements Due From State Treasury	25,707,892.07
Cash In Bank	9,339,438.23
Cash Equivalents	232,491,181.82
Total Unrestricted Cash and Cash Equivalents (Exhibit III)	<u>\$ 829,099,962.46</u>
Restricted	
Cash On Hand	
Petty Cash Department Working Fund	\$ 260,250.50
Temporary Working Fund	21,100.00
Total Restricted Cash On Hand	<u>281,350.50</u>
Cash In Bank	14,705,431.80
Cash Equivalents	613,028,843.29
Total Restricted Cash and Cash Equivalents (Exhibit III)	<u>\$ 628,015,625.59</u>
Total Cash & Cash Equivalents (Exhibit V)	<u>\$ 1,457,115,588.05</u>



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TEXAS A&M UNIVERSITY

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EXHIBIT III
 TEXAS A&M UNIVERSITY
 STATEMENT OF NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>	<u>PRIOR YEAR TOTAL</u>
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 117,748,879.02	\$ 80,183,308.28
Investments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	30,378,506.16	30,382,255.68
Investments		
Legislative Appropriations	19,673,830.66	20,635,484.74
Receivables, Net [Note 24]		
Federal	20,392,630.98	16,873,594.04
Other Intergovernmental		
Interest and Dividends		
Gifts	65,534,772.35	59,389,532.49
Self-Insured Health and Dental		
Student	17,768,036.03	12,997,508.93
Investment Trades		
Accounts	42,343,711.29	50,639,282.72
Other	1,206,751.17	342,113.49
Due From Other Agencies	2,484,850.37	3,185,344.33
Due From Other Members	190,750,820.39	184,388,413.44
Due From Other Funds	20,415,130.74	11,140,000.40
Consumable Inventories	14,963,845.99	14,306,289.81
Merchandise Inventories	2,437,609.63	2,469,186.88
Loans and Contracts	19,709,338.30	17,405,914.06
Interfund Receivable [Note 12]		
Other Current Assets	71,653,019.05	64,917,003.75
Total Current Assets	<u>\$ 637,461,732.13</u>	<u>\$ 569,255,233.04</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 504,940,351.92	\$ 455,156,506.54
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable	402,346,684.45	455,105,202.96
Loans and Contracts	13,285,299.88	15,618,317.66
Assets Held By System Office	1,470,813,490.20	1,389,660,382.20
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	26,808,350.94	28,407,557.95
Construction In Progress	173,933,773.50	128,103,768.86
Other Tangible Capital Assets	52,171,855.40	49,352,678.42
Land Use Rights	47,322.00	47,322.00
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	2,577,492,468.95	2,315,186,078.50
Infrastructure	494,171,691.29	447,268,158.32
Facilities and Other Improvements	720,242,949.33	699,079,053.14
Furniture and Equipment	337,313,809.19	324,144,140.57
Vehicles, Boats, and Aircraft	50,728,683.19	48,350,997.27
Other Capital Assets	106,309,743.49	102,068,850.59
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights	255,457.00	255,457.00
Computer Software	48,326,184.50	45,629,498.47
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(2,162,050,158.99)	(2,019,024,212.26)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 4,817,137,956.24</u>	<u>\$ 4,484,409,758.19</u>
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$ 23,374,004.37	\$ 27,296,914.19
Government Acquisition		
Pensions		
Total Deferred Outflows of Resources	<u>\$ 23,374,004.37</u>	<u>\$ 27,296,914.19</u>
Total Assets and Deferred Outflows	<u>\$ 5,477,973,692.74</u>	<u>\$ 5,080,961,905.42</u>

UNAUDITED

EXHIBIT III
TEXAS A&M UNIVERSITY
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>	<u>PRIOR YEAR TOTAL</u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 67,618,254.34	\$ 56,335,573.84
Payroll	54,619,631.05	48,345,148.18
Investment Trades		
Self-Insured Health and Dental		
Student	9,252,506.17	6,018,608.13
Other	2,187,023.23	2,040,849.92
Interfund Payable [Note 12]	2,519,837.04	2,953,192.38
Due to Other Agencies	369,441.12	118,712.38
Due to Other Funds	20,415,130.74	11,140,000.40
Due to Other Members	57,895,032.10	65,925,580.18
Funds Held for Investment		
Unearned Revenue	274,752,010.21	259,046,456.51
Employees' Compensable Leave	5,499,056.27	5,045,394.06
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations [Note 8]	2,015,757.13	1,500,685.90
Liabilities Payable From Restricted Assets		
Funds Held for Others	10,363,986.88	22,174,818.82
Other Current Liabilities	13,660,009.33	18,776,633.83
Total Current Liabilities	<u>\$ 521,167,675.61</u>	<u>\$ 499,421,654.53</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$ 4,661,079.60	\$ 7,361,965.98
Employees' Compensable Leave	37,563,468.92	38,235,155.58
Other Post Employment Benefits [Note 11]		
Pension Liability [Note 9]		
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Assets Held In Trust		
Liabilities Payable From Restricted Assets		
Funds Held for Others	8,739,165.11	1,836,164.80
Capital Lease Obligations [Note 8]	2,175,478.44	1,836,164.80
Other Non-Current Liabilities	19,389,500.00	19,389,500.00
Total Non-Current Liabilities	<u>\$ 72,528,692.07</u>	<u>\$ 66,822,786.36</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$ _____	\$ _____
Total Deferred Inflows of Resources	<u>\$ _____</u>	<u>\$ _____</u>
Total Liabilities and Deferred Inflows	<u>\$ 593,696,367.68</u>	<u>\$ 566,244,440.89</u>
Net Position		
Net Investment In Capital Assets	\$ 2,406,562,629.79	\$ 2,149,679,848.83
Restricted for		
Debt Service		
Capital Projects	520,321,593.72	539,563,624.65
Education	172,745,679.63	170,191,317.79
Endowment and Permanent Funds		
Nonexpendable	181,284,397.11	178,103,024.38
Expendable	189,255,794.61	168,490,693.48
Unrestricted	1,414,107,230.20	1,308,688,955.40
Total Net Position [Exhibit IV]	<u>\$ 4,884,277,325.06</u>	<u>\$ 4,514,717,464.53</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 5,477,973,692.74</u>	<u>\$ 5,080,961,905.42</u>

UNAUDITED

EXHIBIT IV
 TEXAS A&M UNIVERSITY
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$ 688,307,638.96	\$ 642,292,824.47
Discounts and Allowances	(146,372,135.23)	(136,015,393.26)
Professional Fees	15,000.00	
Auxiliary Enterprises	212,254,695.48	207,029,935.38
Discounts and Allowances	(11,067,752.64)	(10,121,270.73)
Other Sales of Goods and Services	124,516,284.81	149,163,308.58
Discounts and Allowances		
Interest Revenue	2,880,326.07	3,183,308.94
Federal Revenue - Operating	83,246,229.27	77,422,043.81
Federal Pass Through Revenue	4,048,181.08	3,506,836.63
State Grant Revenue	197,519.45	203,817.49
State Pass Through Revenue	38,835,459.41	43,430,537.69
Other Grants and Contracts - Operating	109,285,537.48	123,679,451.07
Other Operating Revenue	29,346,346.50	27,667,734.47
Total Operating Revenues	\$ 1,135,493,330.64	\$ 1,131,443,134.54
Operating Expenses		
Instruction	\$ 603,683,304.12	\$ 563,551,656.97
Research	186,269,375.46	192,625,427.94
Public Service	25,031,617.36	27,256,352.77
Academic Support	208,719,399.16	213,922,631.92
Student Services	75,014,631.56	75,094,595.41
Institutional Support	88,525,813.26	59,653,552.43
Operation & Maintenance of Plant	136,237,735.30	149,229,697.89
Scholarships & Fellowships	95,274,643.49	90,830,741.66
Auxiliary	200,718,657.79	192,970,504.20
Depreciation/Amortization	161,128,543.36	145,244,095.82
Total Operating Expenses [Schedule IV-1]	\$ 1,780,603,720.86	\$ 1,710,379,257.01
Total Operating Income [Loss]	\$ (645,110,390.22)	\$ (578,936,122.47)
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 361,200,611.12	\$ 354,269,822.74
Federal Revenue Non-Operating	50,360,446.74	43,054,755.52
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	89,940,849.37	140,103,734.60
Investment Income	189,813,042.88	79,240,204.01
Investing Activities Expense	(3,941,454.75)	(3,467,817.11)
Interest Expense	37,171.50	(523,256.51)
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	(175,183.26)	(3,378,315.03)
Settlement of Claims	(6,000.00)	(5,824.02)
Other Nonoperating Revenues	47,182,973.42	5,521,191.46
Other Nonoperating [Expenses]	(20,640,719.37)	(19,030,170.69)
Total Nonoperating Revenues [Expenses]	\$ 713,771,737.65	\$ 595,784,324.97
Income [Loss] Before Other Revenues and Transfers	\$ 68,661,347.43	\$ 16,848,202.50

UNAUDITED

EXHIBIT IV
 TEXAS A&M UNIVERSITY
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Other Revenues and Transfers		
Capital Contributions	\$ 3,584,654.26	\$ 8,013,079.56
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments	593,949.55	15,812.00
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	7,460,180.00	11,416,794.41
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	217,782,214.19	230,796,652.73
Nonmandatory Transfers From Members/Agencies-Cap Assets	261,107,198.68	399,241,941.87
Transfers Out		
Transfers to Other State Agencies		52,880.75
Mandatory Transfers to Other Members	(120,579,179.52)	(126,315,566.55)
Nonmandatory Transfers to Other Members	(67,809,396.95)	(102,488,804.81)
Nonmandatory Transfers to Members/Agencies - Cap Assets	(365,876.11)	(18,766,076.66)
Legislative Transfers - In	8,347,522.00	2,505,336.00
Legislative Transfers - Out	(8,527,628.00)	(2,725,659.00)
Legislative Appropriations Lapsed	(695,125.00)	
	<u> </u>	<u> </u>
Total Other Revenues and Transfers	\$ 300,898,513.10	\$ 401,746,390.30
Change In Net Position	<u>\$ 369,559,860.53</u>	<u>\$ 418,594,592.80</u>
Net Position, Beginning of Year	\$ 4,514,717,464.53	\$ 4,096,122,871.73
Restatement		
Net Position, Beginning of Year, Restated	<u>\$ 4,514,717,464.53</u>	<u>\$ 4,096,122,871.73</u>
Net Position, End of Year	<u>\$ 4,884,277,325.06</u>	<u>\$ 4,514,717,464.53</u>

UNAUDITED

SCHEDULE IV-1
 TEXAS A&M UNIVERSITY
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
 FOR THE YEAR ENDED AUGUST 31, 2017

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$ 12,807.56	\$ 15,268.14	\$ 2,768.98	\$ 202,688.32	\$ 764.75
Salaries & Wages	432,491,655.66	93,275,921.97	10,777,408.97	100,929,333.94	36,425,462.99
Payroll Related Costs	103,230,879.36	18,050,972.12	2,076,772.53	25,012,924.34	10,506,424.44
Payroll Related Costs-TRS Pension					
Professional Fees & Services	17,744,568.13	16,268,487.36	2,631,529.47	28,229,864.49	3,727,237.34
Travel	7,345,036.67	6,989,147.17	644,528.14	5,466,543.09	2,069,973.26
Materials & Supplies	18,066,713.30	15,584,357.87	1,767,709.55	27,665,524.08	4,225,630.98
Communication & Utilities	2,114,993.14	992,479.58	322,992.71	2,753,389.77	776,889.82
Repairs & Maintenance	3,921,668.68	2,951,031.23	238,334.27	2,969,556.27	1,208,162.90
Rentals & Leases	4,644,393.53	2,384,656.03	1,727,513.43	2,573,586.12	3,730,137.44
Printing & Reproduction	466,575.69	702,539.99	497,705.05	1,360,201.55	928,858.96
Federal Pass-Through		1,751,253.47			
State Pass-Through		42,083.18			
Depreciation & Amortization					
Bad Debt Expense					32,439.42
Interest	3,606.11	4,884.43	739.55	6,017.14	1,333.80
Scholarships	1,830,912.12	8,727,938.18	214,203.41	600,771.79	45.89
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses	11,809,494.17	18,528,354.74	4,129,411.30	10,948,998.26	11,381,269.57
Total Operating Expenses	\$ 603,683,304.12	\$ 186,269,375.46	\$ 25,031,617.36	\$ 208,719,399.16	\$ 75,014,631.56

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$ 36,385.12	\$ (209,020.60)	\$	\$ 1,516,678.84	\$	\$ 1,578,341.11	\$ 1,654,207.44
43,395,060.62	10,525,863.70	5,493,579.04	68,366,899.97		801,681,186.86	745,583,910.47
11,154,637.90	3,176,103.27	426,354.36	13,466,718.29		187,101,786.61	171,424,037.14
24,472,163.76	2,956,815.13	276,201.51	23,775,344.98		120,082,212.17	119,497,806.34
586,133.53	95,613.84	788,333.02	8,947,679.92		32,932,988.64	31,202,798.16
2,862,619.43	4,321,026.02	471,458.23	11,443,137.64		86,408,177.10	90,509,418.89
338,466.06	40,622,615.74	61,286.87	17,695,489.73		65,678,603.42	65,589,262.82
1,589,529.19	57,958,598.18	17,210.85	19,722,174.31		90,576,265.88	111,147,813.85
1,295,146.17	2,182,943.12	266,040.15	10,863,168.35		29,667,584.34	30,118,053.09
118,869.71	18,212.30	25,894.09	686,745.34		4,805,602.68	4,772,218.09
					1,751,253.47	1,335,006.88
					42,083.18	
				161,128,543.36	161,128,543.36	145,244,095.82
					32,439.42	(9,665.82)
4,077.61	6,742.67	183.92	4,132.99		31,718.22	51,347.13
2,181.48		85,142,209.14	4,546,011.94		101,064,273.95	97,822,853.72
<u>2,670,542.68</u>	<u>14,582,221.93</u>	<u>2,305,892.31</u>	<u>19,684,475.49</u>		<u>96,040,660.45</u>	<u>94,436,092.99</u>
<u>\$ 88,525,813.26</u>	<u>\$ 136,237,735.30</u>	<u>\$ 95,274,643.49</u>	<u>\$ 200,718,657.79</u>	<u>\$ 161,128,543.36</u>	<u>\$ 1,780,603,720.86</u>	<u>\$ 1,710,379,257.01</u>

[Exhibit IV]

UNAUDITED

EXHIBIT V
TEXAS A&M UNIVERSITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 511,406,871.16	\$ 485,041,974.08
Proceeds Received From Customers	154,081,542.55	150,517,321.80
Proceeds From Grants and Contracts	243,823,470.32	230,701,436.25
Proceeds From Auxiliary Enterprises	198,080,586.61	199,535,467.64
Proceeds From Loan Programs	3,160,993.20	3,464,863.61
Proceeds From Other Operating Revenues	67,933,520.86	59,572,394.48
Payments to Suppliers for Goods and Services	(522,050,833.29)	(528,976,778.39)
Payments to Employees	(982,726,515.05)	(914,842,177.17)
Payments for Loans Provided	(2,104,408.71)	(4,862,288.23)
Payments for Other Operating Expenses	(104,457,684.19)	(100,250,641.64)
Net Cash Provided [Used] By Operating Activities	<u>\$ (432,852,456.54)</u>	<u>\$ (420,098,427.57)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 369,101,233.20	\$ 348,200,966.47
Proceeds From Gifts	137,200,724.81	145,137,165.09
Proceeds From Endowments	593,949.55	15,812.00
Proceeds From Transfers From Other Funds	7,603,271.76	11,130,691.27
Proceeds From Other Grant Receipts	48,870,882.14	66,602,175.50
Proceeds From Other Noncapital Financing Activities	1,872,625.17	75,507,449.03
Payments of Interest		(477,626.80)
Payments for Transfers to Other Funds		
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(5,380,387.35)	(4,605,716.40)
Other Noncapital Transfers From/To System	127,420,087.12	115,793,034.41
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 687,282,386.40</u>	<u>\$ 757,303,950.57</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 88,111.73	\$ 492,767.53
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts		
Proceeds From Federal Grants and Contracts		
Proceeds From Gifts		
Proceeds From Interfund Payables		
Proceeds From Other Financing Activities	1,902,506.67	
Proceeds From Capital Contributions		
Payments for Additions to Capital Assets	(130,880,485.12)	(98,740,326.67)
Payments of Principal On Debt		
Payments for Capital Leases	(1,048,121.80)	
Payments of Interest On Debt Issuance		(45,629.71)
Payments for Interfund Receivables	(3,097,070.22)	(2,197,343.49)
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]	29,137,881.21	38,341,007.32
Intrasystem Transfers for Capital Debt [Mandatory]	(129,106,807.52)	(129,041,225.55)
Intrasystem Transfers for Construction Proceeds [Non-Mand]	(36,721,668.16)	(44,269,826.04)
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (269,725,653.21)</u>	<u>\$ (235,460,576.61)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	19,880,079.71	(54,301,805.71)
Proceeds From Interest and Investment Income	32,977,464.86	28,767,913.27
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ 52,857,544.57</u>	<u>\$ (25,533,892.44)</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ 37,561,821.22</u>	<u>\$ 76,211,053.95</u>
Cash and Cash Equivalents, Beginning of Year Restatement	<u>\$ 110,565,563.96</u>	<u>\$ 34,354,510.01</u>
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 110,565,563.96</u>	<u>\$ 34,354,510.01</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 148,127,385.18</u>	<u>\$ 110,565,563.96</u>

UNAUDITED

EXHIBIT V
 TEXAS A&M UNIVERSITY
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(645,110,390.22)	(578,936,122.47)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	161,128,543.36	145,244,095.82
Bad Debt Expense	683,093.39	930,943.98
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	1,841,014.25	1,166,789.78
[Increase] Decrease In Due From Agencies/Funds	557,402.20	(817,194.85)
[Increase] Decrease In Due From System Members	18,809,939.52	654,893.45
[Increase] Decrease In Inventories	(625,978.93)	(219,747.07)
[Increase] Decrease In Prepaid Expenses	(7,246,624.91)	(3,591,827.56)
[Increase] Decrease In Loans and Contracts	(16,356.55)	(1,827,974.45)
[Increase] Decrease In Other Assets	6,486,468.85	6,052,221.78
Increase [Decrease] In Payables	22,748,062.66	10,400,645.65
Increase [Decrease] In Due to Other Agencies/Funds	250,728.74	112,745.64
Increase [Decrease] In Due to System Members	(2,348,887.48)	10,668,939.40
Increase [Decrease] In Unearned Revenue	15,325,177.53	(4,730,381.73)
Increase [Decrease] In Deposits	883,375.50	1,038,362.01
Increase [Decrease] In Employees' Compensable Leave	(218,024.45)	(244,816.95)
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities	(6,000,000.00)	(6,000,000.00)
Total Adjustments	<u>\$ 212,257,933.68</u>	<u>\$ 158,837,694.90</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (432,852,456.54)</u>	<u>\$ (420,098,427.57)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$ 3,584,654.26	\$ 8,013,079.56
Net Change In Fair Value of Investments	130,221,637.48	34,136,735.02
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	260,566,139.31	377,097,550.18



UNAUDITED

SCHEDULE THREE
 TEXAS A&M UNIVERSITY
 SCHEDULE OF CASH & CASH EQUIVALENTS
 FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Petty Cash Department Working Fund	\$ 148,825.00
Temporary Working Fund	<u>2,208.00</u>
Total Cash On Hand	<u>\$ 151,033.00</u>
Cash In State Treasury	
Fund 0242	<u>\$ 25,627,902.84</u>
Total Cash In State Treasury	<u>\$ 25,627,902.84</u>
Reimbursements Due From State Treasury	\$ 7,502,911.51
Assets Held By System Offices-Current	<u>84,467,031.67</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 117,748,879.02</u>
Restricted	
Cash On Hand	
Petty Cash Department Working Fund	<u>\$ 260,250.50</u>
Total Restricted Cash On Hand	<u>\$ 260,250.50</u>
Cash In Bank	<u>\$ 10,789,939.92</u>
Assets Held By System Offices-Current	<u>\$ 19,328,315.74</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 30,378,506.16</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 148,127,385.18</u></u>

UNAUDITED

SCHEDULE N-2
 TEXAS A&M UNIVERSITY
 NOTE 2 - CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2017

	BALANCE 9-1-16	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 28,407,557.95	\$	\$
Construction In Progress	128,103,768.86		(337,420,656.13)
Other Tangible Capital Assets	49,352,678.42		51,615.00
Land Use Rights	47,322.00		
Total Non-Depreciable/Non-Amortizable Assets	\$ 205,911,327.23	\$	\$ (337,369,041.13)
Depreciable Assets			
Buildings	\$ 2,315,186,078.50	\$	\$ 260,483,160.30
Infrastructure	447,268,158.32		46,857,739.27
Facilities and Other Improvements	699,079,053.14		20,389,090.91
Furniture and Equipment	324,144,140.57		9,423,702.65
Vehicles, Boats and Aircraft	48,350,997.27		215,348.00
Other Capital Assets	102,068,850.59		
Total Depreciable Assets at Historical Cost	\$ 3,936,097,278.39	\$	\$ 337,369,041.13
Less Accumulated Depreciation for			
Buildings	\$ (1,248,853,481.37)	\$	\$
Infrastructure	(223,043,120.99)		
Facilities and Other Improvements	(164,806,720.56)		
Furniture and Equipment	(231,745,478.08)		
Vehicles, Boats and Aircraft	(36,010,279.49)		
Other Capital Assets	(73,047,067.71)		
Total Accumulated Depreciation	\$ (1,977,506,148.20)	\$	\$
Depreciable Assets, Net	\$ 1,958,591,130.19	\$	\$ 337,369,041.13
Amortizable Assets - Intangible			
Land Use Rights	\$ 255,457.00	\$	\$
Computer Software	45,629,498.47		
Total Intangible Assets at Historical Cost	\$ 45,884,955.47	\$	\$
Less Accumulated Amortization for			
Land Use Rights	\$ (166,047.18)	\$	\$
Computer Software	(41,352,016.88)		
Total Accumulated Amortization	\$ (41,518,064.06)	\$	\$
Amortizable Assets, Net	\$ 4,366,891.41	\$	\$
Capital Assets, Net	\$ 2,168,869,348.83	\$	\$

INC-INTERAGENCY TRANSACTIONS	DEC-INTERAGENCY TRANSACTIONS	ADDITIONS	DELETIONS	BALANCE 8-31-17
\$ 380.99	\$	\$ 900,412.00	\$ (2,500,000.00)	\$ 26,808,350.94
256,938,052.19	(169,986.00)	126,482,594.58		173,933,773.50
		2,866,885.98	(99,324.00)	52,171,855.40
				47,322.00
<u>\$ 256,938,433.18</u>	<u>\$ (169,986.00)</u>	<u>\$ 130,249,892.56</u>	<u>\$ (2,599,324.00)</u>	<u>\$ 252,961,301.84</u>
\$ 8,117,339.51	\$	\$ 962,757.01	\$ (7,256,866.37)	\$ 2,577,492,468.95
		464,197.79	(418,404.09)	494,171,691.29
30,600.00		744,205.28		720,242,949.33
2,005,596.90	(699,030.27)	28,346,329.95	(25,906,930.61)	337,313,809.19
	(201,286.67)	4,306,887.25	(1,943,262.66)	50,728,683.19
	(9,999.00)	4,761,729.28	(510,837.38)	106,309,743.49
<u>\$ 10,153,536.41</u>	<u>\$ (910,315.94)</u>	<u>\$ 39,586,106.56</u>	<u>\$ (36,036,301.11)</u>	<u>\$ 4,286,259,345.44</u>
\$ (4,997,264.85)	\$	\$ (92,707,210.64)	\$ 4,205,367.91	\$ (1,342,352,588.95)
		(17,522,399.08)		(240,565,520.07)
(344.63)		(17,431,005.28)		(182,238,070.47)
(987,161.43)	516,778.76	(23,631,375.62)	16,564,144.50	(239,283,091.87)
	196,337.66	(3,421,760.57)	1,881,879.77	(37,353,822.63)
	1,309.41	(4,443,593.54)	448,492.80	(77,040,859.04)
<u>\$ (5,984,770.91)</u>	<u>\$ 714,425.83</u>	<u>\$ (159,157,344.73)</u>	<u>\$ 23,099,884.98</u>	<u>\$ (2,118,833,953.03)</u>
<u>\$ 4,168,765.50</u>	<u>\$ (195,890.11)</u>	<u>\$ (119,571,238.17)</u>	<u>\$ (12,936,416.13)</u>	<u>\$ 2,167,425,392.41</u>
\$	\$	\$	\$	\$ 255,457.00
		2,969,742.76	(273,056.73)	48,326,184.50
<u>\$</u>	<u>\$</u>	<u>\$ 2,969,742.76</u>	<u>\$ (273,056.73)</u>	<u>\$ 48,581,641.50</u>
\$	\$	\$ (25,545.72)	\$	\$ (191,592.90)
		(1,945,652.91)	273,056.73	(43,024,613.06)
<u>\$</u>	<u>\$</u>	<u>\$ (1,971,198.63)</u>	<u>\$ 273,056.73</u>	<u>\$ (43,216,205.96)</u>
<u>\$</u>	<u>\$</u>	<u>\$ 998,544.13</u>	<u>\$</u>	<u>\$ 5,365,435.54</u>
<u>\$ 261,107,198.68</u>	<u>\$ (365,876.11)</u>	<u>\$ 11,677,198.52</u>	<u>\$ (15,535,740.13)</u>	<u>\$ 2,425,752,129.79</u>





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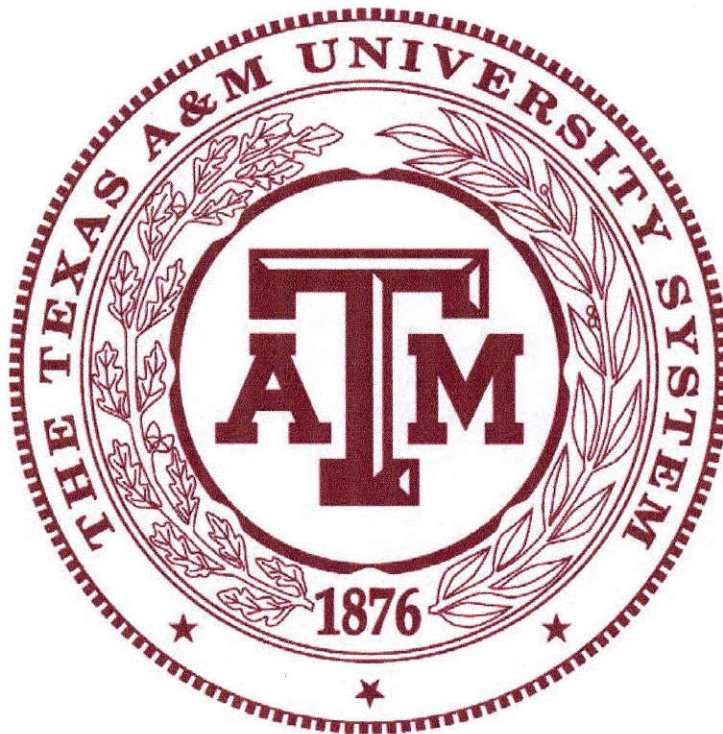
ANNUAL FINANCIAL REPORT

of

Texas A&M University at Galveston

For the Year Ended August 31, 2017

With Comparative Totals for the Year Ended August 31, 2016



Mr. Michael K. Young, President, Texas A&M University

**Douglas J. Palmer, Ph.D., Interim Vice President, and Chief Operating
Officer, Texas A&M University at Galveston**

**Dr. Jerry Strawser, Vice President for Finance and Administration & Chief
Financial Officer, Texas A&M University**

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TEXAS A&M UNIVERSITY AT GALVESTON

STUDENT ENROLLMENT DATA

CURRENT YEAR

<u>TYPE OF STUDENT</u>	<u>NUMBER OF STUDENTS BY SEMESTER</u>	
	<u>FALL 2016</u>	<u>FALL 2017</u>
Texas Resident	1,809	1,646
Out-of-State	349	333
Foreign	20	19
Total Students	<u>2,178</u>	<u>1,998</u>

HISTORICAL
(Fall Semester)

<u>FISCAL YEAR</u>	<u>HEADCOUNT</u>	<u>SEMESTER CREDIT HOURS</u>
2012-13	2,014	27,331
2013-14	2,174	29,539
2014-15	2,305	31,251
2015-16	2,324	31,588

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TEXAS A&M UNIVERSITY AT GALVESTON

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EXHIBIT III
TEXAS A&M UNIVERSITY AT GALVESTON
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 8,819,412.95	\$ 7,197,636.26
Investments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	622,969.81	1,489,041.22
Investments		
Legislative Appropriations	1,385,981.11	1,558,446.96
Receivables, Net [Note 24]		
Federal	987,116.42	1,191,501.29
Other Intergovernmental		
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student	2,619,142.37	2,493,884.16
Investment Trades		
Accounts	484,274.93	1,859,623.33
Other		
Due From Other Agencies	277,725.05	488,381.83
Due From Other Members	4,037,047.24	156,556.12
Due From Other Funds		938,807.90
Consumable Inventories		
Merchandise Inventories	601,724.51	500,792.89
Loans and Contracts	303,478.75	300,363.01
Interfund Receivable [Note 12]		
Other Current Assets	1,672,192.04	1,616,978.00
Total Current Assets	<u>\$ 21,811,065.18</u>	<u>\$ 19,792,012.97</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 8,069,472.80	\$ 6,649,417.55
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts	126,877.62	160,250.61
Assets Held By System Office	57,653,305.95	51,107,253.83
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	3,214,905.27	2,074,641.72
Construction In Progress	4,878,547.88	4,567,305.06
Other Tangible Capital Assets	25,485.36	25,485.36
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	162,719,981.13	130,015,142.91
Infrastructure	12,260,322.53	11,741,981.02
Facilities and Other Improvements	4,896,746.85	3,928,713.32
Furniture and Equipment	9,757,570.27	9,148,441.75
Vehicles, Boats, and Aircraft	2,579,367.10	2,623,355.40
Other Capital Assets	1,547,855.09	1,560,095.99
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	649,263.54	503,274.58
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(80,913,431.22)	(77,632,930.76)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 187,466,270.17</u>	<u>\$ 146,472,428.34</u>
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
Total Deferred Outflows of Resources	<u>\$</u>	<u>\$</u>
Total Assets and Deferred Outflows	<u>\$ 209,277,335.35</u>	<u>\$ 166,264,441.31</u>

UNAUDITED

EXHIBIT III
TEXAS A&M UNIVERSITY AT GALVESTON
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>	<u>PRIOR YEAR TOTAL</u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 6,424,757.56	\$ 3,879,902.62
Payroll	1,610,096.31	1,650,753.85
Investment Trades		
Self-Insured Health and Dental		
Student	482,644.60	168,638.90
Other	250,601.96	218,119.57
Interfund Payable [Note 12]		
Due to Other Agencies	30.00	2,151.57
Due to Other Funds		938,807.90
Due to Other Members	2,416,486.71	1,461,470.23
Funds Held for Investment		
Unearned Revenue	10,958,589.60	9,288,459.64
Employees' Compensable Leave	171,716.51	106,446.88
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations [Note 8]		19,902.88
Liabilities Payable From Restricted Assets		
Funds Held for Others	1,873,607.00	1,671,619.84
Other Current Liabilities	2,293,018.31	2,062,268.17
Total Current Liabilities	<u>\$ 26,481,548.56</u>	<u>\$ 21,468,542.05</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$ 903,476.22	\$ 1,190,585.86
Employees' Compensable Leave		
Other Post Employment Benefits [Note 11]		
Pension Liability [Note 9]		
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Assets Held In Trust		
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Capital Lease Obligations [Note 8]		25,734.58
Other Non-Current Liabilities		
Total Non-Current Liabilities	<u>\$ 903,476.22</u>	<u>\$ 1,216,320.44</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 27,385,024.78</u>	<u>\$ 22,684,862.49</u>
Net Position		
Net Investment In Capital Assets	\$ 121,616,613.80	\$ 88,555,506.35
Restricted for		
Debt Service		
Capital Projects	1,706,343.26	88,079.92
Education	2,199,006.99	2,420,467.17
Endowment and Permanent Funds		
Nonexpendable	2,575,383.76	2,545,478.11
Expendable	1,017,259.10	850,766.14
Unrestricted	52,777,703.66	49,119,281.13
Total Net Position [Exhibit IV]	<u>\$ 181,892,310.57</u>	<u>\$ 143,579,578.82</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 209,277,335.35</u>	<u>\$ 166,264,441.31</u>

UNAUDITED

EXHIBIT IV
 TEXAS A&M UNIVERSITY AT GALVESTON
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$ 26,109,985.58	\$ 25,770,656.40
Discounts and Allowances	(4,354,891.93)	(3,957,320.51)
Professional Fees		
Auxiliary Enterprises	7,467,623.87	8,396,710.20
Discounts and Allowances	(924,911.96)	(947,161.61)
Other Sales of Goods and Services	3,032,319.40	3,031,756.55
Discounts and Allowances		
Interest Revenue	6,294.33	10,441.85
Federal Revenue - Operating	2,696,416.85	2,820,483.57
Federal Pass Through Revenue	538,676.99	212,296.93
State Grant Revenue		34,216.44
State Pass Through Revenue	1,042,540.71	1,436,513.27
Other Grants and Contracts - Operating	2,905,001.88	3,448,027.63
Other Operating Revenue	236,040.84	436,757.95
Total Operating Revenues	<u>\$ 38,755,096.56</u>	<u>\$ 40,693,378.67</u>
Operating Expenses		
Instruction	\$ 18,718,761.57	\$ 17,037,475.10
Research	7,176,513.67	7,563,628.33
Public Service	1,503,212.56	1,493,090.70
Academic Support	5,057,903.65	4,781,735.26
Student Services	4,138,445.41	3,306,620.37
Institutional Support	7,211,348.78	6,950,267.88
Operation & Maintenance of Plant	10,034,190.85	6,196,654.93
Scholarships & Fellowships	3,453,133.62	1,837,208.60
Auxiliary	4,587,287.46	6,473,182.74
Depreciation/Amortization	6,857,952.51	6,583,752.39
Total Operating Expenses [Schedule IV-1]	<u>\$ 68,738,750.08</u>	<u>\$ 62,223,616.30</u>
Total Operating Income [Loss]	<u>\$ (29,983,653.52)</u>	<u>\$ (21,530,237.63)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 22,037,712.86	\$ 21,724,840.07
Federal Revenue Non-Operating	2,029,121.43	1,969,554.67
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	1,687,356.57	1,614,351.42
Investment Income	6,300,442.08	2,441,274.69
Investing Activities Expense	(158,816.73)	(102,140.12)
Interest Expense	(1,461.73)	(1,532.63)
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	1,067,014.14	(11,089.88)
Settlement of Claims		
Other Nonoperating Revenues	3,387.77	5,266.14
Other Nonoperating [Expenses]	(891,883.80)	(15,217.88)
Total Nonoperating Revenues [Expenses]	<u>\$ 32,072,872.59</u>	<u>\$ 27,625,306.48</u>
Income [Loss] Before Other Revenues and Transfers	<u>\$ 2,089,219.07</u>	<u>\$ 6,095,068.85</u>

UNAUDITED

EXHIBIT IV
 TEXAS A&M UNIVERSITY AT GALVESTON
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Other Revenues and Transfers		
Capital Contributions	\$ 78,755.45	\$
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments	26,500.00	94,300.00
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	159,110.00	194,737.00
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	5,181,995.63	1,932,313.77
Nonmandatory Transfers From Members/Agencies-Cap Assets	38,858,680.47	47,936.91
Transfers Out		
Transfers to Other State Agencies	(30.00)	(745.87)
Mandatory Transfers to Other Members	(2,252,844.43)	(2,157,000.99)
Nonmandatory Transfers to Other Members	(1,163,933.81)	(1,402,969.56)
Nonmandatory Transfers to Members/Agencies - Cap Assets	(285,214.00)	
Legislative Transfers - In	4,743,172.00	124,740.00
Legislative Transfers - Out	(9,122,312.00)	(4,478,970.00)
Legislative Appropriations Lapsed	(366.63)	
	<u> </u>	<u> </u>
Total Other Revenues and Transfers	\$ 36,223,512.68	\$ (5,645,658.74)
Change In Net Position	<u>\$ 38,312,731.75</u>	<u>\$ 449,410.11</u>
Net Position, Beginning of Year	\$ 143,579,578.82	\$ 143,130,168.71
Restatement		
Net Position, Beginning of Year, Restated	<u>\$ 143,579,578.82</u>	<u>\$ 143,130,168.71</u>
Net Position, End of Year	<u>\$ 181,892,310.57</u>	<u>\$ 143,579,578.82</u>

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SCHEDULE IV-1
 TEXAS A&M UNIVERSITY AT GALVESTON
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
 FOR THE YEAR ENDED AUGUST 31, 2017

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$ 389.00	\$	\$
Salaries & Wages	11,285,608.12	2,952,517.71	505,611.99	2,512,156.39	1,900,331.13
Payroll Related Costs	3,166,113.76	570,054.85	104,191.14	622,274.03	576,344.03
Payroll Related Costs-TRS Pension					
Professional Fees & Services	1,214,755.00	481,892.23	171,209.03	589,309.98	427,202.85
Travel	356,980.14	448,335.39	41,795.60	89,141.69	140,187.70
Materials & Supplies	631,805.98	726,997.03	122,622.53	898,929.38	168,778.50
Communication & Utilities	10,883.03	20,051.22	7,932.34	16,153.36	17,469.00
Repairs & Maintenance	97,400.56	176,762.73	47,358.94	23,873.49	327,516.26
Rentals & Leases	37,661.61	109,967.97	176,842.44	15,192.62	39,455.31
Printing & Reproduction	82,738.91	13,821.55	15,048.36	25,959.80	75,276.98
Federal Pass-Through		50,028.61			
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					97.89
Interest	132.01	321.41	66.49	212.17	110.07
Scholarships		228,360.06			
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses	1,834,682.45	1,397,402.91	310,144.70	264,700.74	465,675.69
Total Operating Expenses	\$ 18,718,761.57	\$ 7,176,513.67	\$ 1,503,212.56	\$ 5,057,903.65	\$ 4,138,445.41

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$	\$	\$	\$	\$	\$
3,046,041.81	651,730.05	1,107,083.26	654,483.04		654,872.04	787,576.81
938,513.88	186,533.90	99,117.93	820,093.66		24,781,174.12	22,855,465.02
			194,838.30		6,457,981.82	5,919,448.22
2,289,062.92	2,119,204.84	14,614.47	700,046.19		8,007,297.51	7,656,747.14
111,855.96		1,092.49	8,397.38		1,197,786.35	1,124,995.12
317,050.93	169,406.51		64,321.99		3,099,912.85	4,876,552.31
55,220.44	1,231,804.86		649,235.92		2,008,750.17	2,002,690.94
38,435.62	5,292,870.76		194,793.38		6,199,011.74	2,303,935.43
36,054.09	1,392.50		936,351.88		1,352,918.42	1,353,088.04
36,227.55			12,539.78		261,612.93	262,491.45
					50,028.61	23,419.08
				6,857,952.51	6,857,952.51	6,583,752.39
					97.89	(80.76)
770.93	505.02		290.93		2,409.03	1,684.25
		2,197,680.72			2,426,040.78	1,943,576.04
<u>342,114.65</u>	<u>380,742.41</u>	<u>33,544.75</u>	<u>351,895.01</u>		<u>5,380,903.31</u>	<u>4,528,274.82</u>
\$ <u>7,211,348.78</u>	\$ <u>10,034,190.85</u>	\$ <u>3,453,133.62</u>	\$ <u>4,587,287.46</u>	\$ <u>6,857,952.51</u>	\$ <u>68,738,750.08</u>	\$ <u>62,223,616.30</u>

[Exhibit IV]

UNAUDITED

EXHIBIT V
TEXAS A&M UNIVERSITY AT GALVESTON
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 22,189,723.83	\$ 22,465,174.00
Proceeds Received From Customers	2,127,032.75	3,031,012.61
Proceeds From Grants and Contracts	8,146,641.80	9,107,694.72
Proceeds From Auxiliary Enterprises	6,746,172.18	7,032,599.66
Proceeds From Loan Programs	39,810.37	56,257.12
Proceeds From Other Operating Revenues	460,936.97	638,317.79
Payments to Suppliers for Goods and Services	(27,502,263.77)	(26,616,481.97)
Payments to Employees	(31,501,653.49)	(29,225,499.09)
Payments for Loans Provided		
Payments for Other Operating Expenses	(2,325,909.39)	(2,167,000.62)
Net Cash Provided [Used] By Operating Activities	<u>\$ (21,619,508.75)</u>	<u>\$ (15,677,925.78)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 26,952,984.08	\$ 21,631,808.72
Proceeds From Gifts	2,687,356.57	677,036.42
Proceeds From Endowments	26,500.00	94,300.00
Proceeds From Transfers From Other Funds	158,471.51	194,737.00
Proceeds From Other Grant Receipts	2,029,121.43	1,969,554.67
Proceeds From Other Noncapital Financing Activities	213,199.68	1,876,503.02
Payments of Interest		
Payments for Transfers to Other Funds	(30.00)	(745.87)
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(18,489.43)	(3,831.90)
Other Noncapital Transfers From/To System	856,132.82	1,045,915.21
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 32,905,246.66</u>	<u>\$ 27,485,277.27</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 1,734,597.42	\$ 3,365.00
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts		
Proceeds From Federal Grants and Contracts		
Proceeds From Gifts		
Proceeds From Interfund Payables		
Proceeds From Other Financing Activities		5,910.42
Proceeds From Capital Contributions		
Payments for Additions to Capital Assets	(1,203,798.25)	(2,172,850.88)
Payments of Principal On Debt		
Payments for Capital Leases	(45,637.46)	
Payments of Interest On Debt Issuance	(1,461.73)	(1,532.63)
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]	1,492,532.21	38,191.42
Intrasystem Transfers for Capital Debt [Mandatory]	(10,661,727.43)	(5,922,541.99)
Intrasystem Transfers for Construction Proceeds [Non-Mand]	(20,055.37)	
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (8,705,550.61)</u>	<u>\$ (8,049,458.66)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	(2,829,748.37)	(4,864,102.45)
Proceeds From Interest and Investment Income	1,005,266.35	912,594.34
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ (1,824,482.02)</u>	<u>\$ (3,951,508.11)</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ 755,705.28</u>	<u>\$ (193,615.28)</u>
Cash and Cash Equivalents, Beginning of Year Restatement	<u>\$ 8,686,677.48</u>	<u>\$ 8,880,292.76</u>
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 8,686,677.48</u>	<u>\$ 8,880,292.76</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 9,442,382.76</u>	<u>\$ 8,686,677.48</u>

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EXHIBIT V
 TEXAS A&M UNIVERSITY AT GALVESTON
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(29,983,653.52)	(21,530,237.63)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	6,857,952.51	6,583,752.39
Bad Debt Expense	57,544.25	(3,136.75)
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	178,701.39	231,889.39
[Increase] Decrease In Due From Agencies/Funds	211,295.27	794.79
[Increase] Decrease In Due From System Members	(1,714,299.53)	383,209.42
[Increase] Decrease In Inventories	(100,931.62)	10,334.38
[Increase] Decrease In Prepaid Expenses	(55,214.04)	(330,036.50)
[Increase] Decrease In Loans and Contracts	30,957.41	40,021.12
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	1,256,757.54	(1,947,105.38)
Increase [Decrease] In Due to Other Agencies/Funds	(2,121.57)	2,151.57
Increase [Decrease] In Due to System Members	(24,928.15)	37,593.85
Increase [Decrease] In Unearned Revenue	1,659,521.18	725,825.13
Increase [Decrease] In Deposits	230,750.14	209,305.34
Increase [Decrease] In Employees' Compensable Leave	(221,840.01)	(92,286.90)
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities		
Total Adjustments	<u>\$ 8,364,144.77</u>	<u>\$ 5,852,311.85</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (21,619,508.75)</u>	<u>\$ (15,677,925.78)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$ 78,755.45	\$
Net Change In Fair Value of Investments	4,242,812.69	1,121,715.00
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	39,640,480.61	36,847.03



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SCHEDULE THREE
 TEXAS A&M UNIVERSITY AT GALVESTON
 SCHEDULE OF CASH & CASH EQUIVALENTS
 FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Petty Cash Department Working Fund	\$ 1,000.00
Total Cash On Hand	<u>\$ 1,000.00</u>
Cash In State Treasury	
Fund 0275	\$ 1,586,180.59
Total Cash In State Treasury	<u>\$ 1,586,180.59</u>
Reimbursements Due From State Treasury	\$ 594,792.71
Assets Held By System Offices-Current	<u>6,637,439.65</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 8,819,412.95</u>
Restricted	
Cash On Hand	
Cash In Bank	<u>\$ 75,627.24</u>
Assets Held By System Offices-Current	<u>\$ 547,342.57</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 622,969.81</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 9,442,382.76</u></u>

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SCHEDULE N-2
 TEXAS A&M UNIVERSITY AT GALVESTON
 NOTE 2 - CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2017

	BALANCE 9-1-16	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 2,074,641.72	\$	\$
Construction In Progress	4,567,305.06		(38,852,638.62)
Other Tangible Capital Assets	25,485.36		
Total Non-Depreciable/Non-Amortizable Assets	<u>\$ 6,667,432.14</u>	<u>\$</u>	<u>\$ (38,852,638.62)</u>
Depreciable Assets			
Buildings	\$ 130,015,142.91	\$	\$ 36,388,312.42
Infrastructure	11,741,981.02		518,341.51
Facilities and Other Improvements	3,928,713.32		968,033.53
Furniture and Equipment	9,148,441.75		977,951.16
Vehicles, Boats and Aircraft	2,623,355.40		
Other Capital Assets	1,560,095.99		
Total Depreciable Assets at Historical Cost	<u>\$ 159,017,730.39</u>	<u>\$</u>	<u>\$ 38,852,638.62</u>
Less Accumulated Depreciation for			
Buildings	\$ (57,411,184.87)	\$	\$
Infrastructure	(6,942,669.57)		
Facilities and Other Improvements	(3,113,096.34)		
Furniture and Equipment	(6,423,641.51)		
Vehicles, Boats and Aircraft	(2,061,687.37)		
Other Capital Assets	(1,333,987.26)		
Total Accumulated Depreciation	<u>\$ (77,286,266.92)</u>	<u>\$</u>	<u>\$</u>
Depreciable Assets, Net	<u>\$ 81,731,463.47</u>	<u>\$</u>	<u>\$ 38,852,638.62</u>
Amortizable Assets - Intangible			
Computer Software	\$ 503,274.58	\$	\$
Total Intangible Assets at Historical Cost	<u>\$ 503,274.58</u>	<u>\$</u>	<u>\$</u>
Less Accumulated Amortization for			
Computer Software	\$ (346,663.84)	\$	\$
Total Accumulated Amortization	<u>\$ (346,663.84)</u>	<u>\$</u>	<u>\$</u>
Amortizable Assets, Net	<u>\$ 156,610.74</u>	<u>\$</u>	<u>\$</u>
Capital Assets, Net	<u>\$ 88,555,506.35</u>	<u>\$</u>	<u>\$</u>

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-17</u>
\$ 38,852,638.62	\$ (234,462.90)	\$ 1,464,101.45 311,242.82	\$ (89,375.00)	\$ 3,214,905.27 4,878,547.88 25,485.36
<u>\$ 38,852,638.62</u>	<u>\$ (234,462.90)</u>	<u>\$ 1,775,344.27</u>	<u>\$ (89,375.00)</u>	<u>\$ 8,118,938.51</u>
\$ 63,299.39 54,424.00	\$ (56,413.86)	\$ 698,724.51 182,827.05 7,604.01	\$ (3,683,474.20) (1,074,432.68) (281,239.35) (19,844.91)	\$ 162,719,981.13 12,260,322.53 4,896,746.85 9,757,570.27 2,579,367.10 1,547,855.09
<u>\$ 117,723.39</u>	<u>\$ (56,413.86)</u>	<u>\$ 889,155.57</u>	<u>\$ (5,058,991.14)</u>	<u>\$ 193,761,842.97</u>
\$ (57,257.54) (54,424.00)	\$ 5,662.76	\$ (5,442,249.06) (330,918.26) (113,257.56) (646,408.15) (203,787.54) (44,014.80)	\$ 3,105,265.92 204,487.33 275,872.67 19,844.91	\$ (59,748,168.01) (7,273,587.83) (3,226,353.90) (6,917,157.11) (2,044,026.24) (1,358,157.15)
<u>\$ (111,681.54)</u>	<u>\$ 5,662.76</u>	<u>\$ (6,780,635.37)</u>	<u>\$ 3,605,470.83</u>	<u>\$ (80,567,450.24)</u>
<u>\$ 6,041.85</u>	<u>\$ (50,751.10)</u>	<u>\$ (5,891,479.80)</u>	<u>\$ (1,453,520.31)</u>	<u>\$ 113,194,392.73</u>
<u>\$</u>	<u>\$</u>	<u>\$ 223,988.96</u>	<u>\$ (78,000.00)</u>	<u>\$ 649,263.54</u>
<u>\$</u>	<u>\$</u>	<u>\$ 223,988.96</u>	<u>\$ (78,000.00)</u>	<u>\$ 649,263.54</u>
<u>\$</u>	<u>\$</u>	<u>\$ (77,317.14)</u>	<u>\$ 78,000.00</u>	<u>\$ (345,980.98)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (77,317.14)</u>	<u>\$ 78,000.00</u>	<u>\$ (345,980.98)</u>
<u>\$</u>	<u>\$</u>	<u>\$ 146,671.82</u>	<u>\$</u>	<u>\$ 303,282.56</u>
<u>\$ 38,858,680.47</u>	<u>\$ (285,214.00)</u>	<u>\$ (3,969,463.71)</u>	<u>\$ (1,542,895.31)</u>	<u>\$ 121,616,613.80</u>





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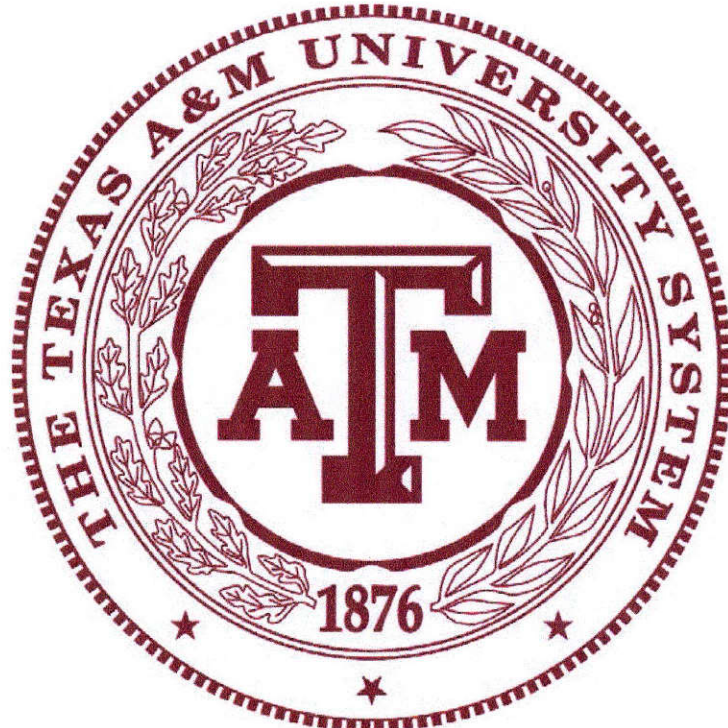
ANNUAL FINANCIAL REPORT

of

Texas A&M Health Science Center

For the Year Ended August 31, 2017

With Comparative Totals for the Year Ended August 31, 2016



Carrie L. Byington, M.D.

Dean, College of Medicine

Senior Vice President, Texas A&M University Health Science Center

Vice Chancellor for Health Services, The Texas A&M University System

Barry C. Nelson, Ph.D., Associate Vice President, Finance & Administration

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TEXAS A&M HEALTH SCIENCE CENTER

STUDENT ENROLLMENT DATA

CURRENT YEAR

<u>TYPE OF STUDENT</u>	<u>NUMBER OF STUDENTS BY SEMESTER</u>	
	<u>FALL 2016</u>	<u>FALL 2017</u>
Texas Resident	2,338	2,430
Out-of-State	190	191
Foreign	161	160
Total Students	<u>2,689</u>	<u>2,781</u>

HISTORICAL
(Fall Semester)

<u>FISCAL YEAR</u>	<u>HEADCOUNT</u>	<u>SEMESTER CREDIT HOURS</u>
2012-13	2,286	Not Required
2013-14	2,417	Not Required
2014-15	2,487	Not Required
2015-16	2,591	Not Required
2016-17	2,689	Not Required
2017-18	2,781	Not Required

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TEXAS A&M HEALTH SCIENCE CENTER

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EXHIBIT III
TEXAS A&M HEALTH SCIENCE CENTER
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>	<u>PRIOR YEAR TOTAL</u>
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 23,849,830.14	\$ 21,301,305.26
Investments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	22,102.22	31,179.10
Investments		
Legislative Appropriations	3,025,261.46	13,559,842.65
Receivables, Net [Note 24]		
Federal	2,592,600.96	2,528,083.75
Other Intergovernmental		
Interest and Dividends		
Gifts	47,454.93	5,000,000.00
Self-Insured Health and Dental		
Student	544,291.64	372,599.55
Investment Trades		
Accounts	10,262,389.56	6,748,746.93
Other	600,000.00	312.66
Due From Other Agencies	4,187,006.38	5,194,175.66
Due From Other Members	64,927,714.40	55,948,677.35
Due From Other Funds	808,824.27	5,585,184.04
Consumable Inventories	759,820.96	620,722.19
Merchandise Inventories		
Loans and Contracts	194,688.51	367,608.87
Interfund Receivable [Note 12]		
Other Current Assets	<u>1,326,428.31</u>	<u>1,110,142.42</u>
Total Current Assets	<u>\$ 113,148,413.74</u>	<u>\$ 118,368,580.43</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 64,357,401.07	\$ 61,463,647.86
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other	4,799,323.71	4,259,169.84
Gifts Receivable		
Loans and Contracts		
Assets Held By System Office	149,654,261.43	113,112,489.16
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	28,210,130.10	27,126,304.16
Construction In Progress	8,073,652.11	122,099,149.36
Other Tangible Capital Assets	243,017.34	243,017.34
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	265,102,691.05	258,887,925.27
Infrastructure	18,575,661.11	18,575,661.11
Facilities and Other Improvements	8,230,365.39	6,444,750.68
Furniture and Equipment	64,584,642.40	61,997,507.06
Vehicles, Boats, and Aircraft	1,016,901.84	1,066,228.84
Other Capital Assets	24,674,997.55	24,678,095.66
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	477,617.00	477,617.00
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(199,345,672.94)	(182,278,260.00)
Assets Held In Trust		
Other Non-Current Assets	<u>4,382,929.44</u>	<u>2,727,398.41</u>
Total Non-Current Assets	<u>\$ 443,037,918.60</u>	<u>\$ 520,882,701.75</u>
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
Total Deferred Outflows of Resources	<u>\$</u>	<u>\$</u>
Total Assets and Deferred Outflows	<u>\$ 556,186,332.34</u>	<u>\$ 639,251,282.18</u>

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EXHIBIT III
TEXAS A&M HEALTH SCIENCE CENTER
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 11,069,791.65	\$ 11,587,708.53
Payroll	12,655,764.98	11,602,241.20
Investment Trades		
Self-Insured Health and Dental		
Student	121,825.45	86,377.63
Other	31,875.70	5,411.19
Interfund Payable [Note 12]		
Due to Other Agencies	386,873.84	418,764.30
Due to Other Funds	808,824.27	5,585,184.04
Due to Other Members	13,886,946.36	10,852,213.54
Funds Held for Investment		
Unearned Revenue	15,142,258.69	13,778,284.26
Employees' Compensable Leave	1,175,030.54	945,593.37
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations [Note 8]		35,851.07
Liabilities Payable From Restricted Assets		
Funds Held for Others	195,161.19	623,860.75
Other Current Liabilities	1,651,382.91	409,469.64
Total Current Liabilities	<u>\$ 57,125,735.58</u>	<u>\$ 55,930,959.52</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$ 9,434,740.62	\$ 9,491,680.18
Employees' Compensable Leave		
Other Post Employment Benefits [Note 11]		
Pension Liability [Note 9]		
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Assets Held in Trust		
Liabilities Payable From Restricted Assets		
Funds Held for Others		155,505.70
Capital Lease Obligations [Note 8]		
Other Non-Current Liabilities	4,532,929.44	40,000,000.00
Total Non-Current Liabilities	<u>\$ 13,967,670.06</u>	<u>\$ 49,647,185.88</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 71,093,405.64</u>	<u>\$ 105,578,145.40</u>
Net Position		
Net Investment In Capital Assets	\$ 219,844,002.95	\$ 305,024,477.75
Restricted for		
Debt Service		
Capital Projects	21,245,699.99	23,386,503.21
Education	18,878,343.92	22,969,145.75
Endowment and Permanent Funds		
Nonexpendable	39,461,311.51	39,477,639.51
Expendable	24,353,020.14	20,341,826.13
Unrestricted	161,310,548.19	122,473,544.43
Total Net Position [Exhibit IV]	<u>\$ 485,092,926.70</u>	<u>\$ 533,673,136.78</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 556,186,332.34</u>	<u>\$ 639,251,282.18</u>

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EXHIBIT IV
 TEXAS A&M HEALTH SCIENCE CENTER
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$ 41,215,938.77	\$ 38,529,210.14
Discounts and Allowances	(3,322,935.56)	(3,295,285.31)
Professional Fees	576,617.17	736,620.01
Auxiliary Enterprises	1,282,971.72	1,391,169.33
Discounts and Allowances	(11,829.68)	(20,769.80)
Other Sales of Goods and Services	66,006,553.74	40,158,525.91
Discounts and Allowances	(6,498,892.26)	(5,974,786.16)
Interest Revenue	73,724.92	66,797.50
Federal Revenue - Operating	28,583,018.51	29,206,942.94
Federal Pass Through Revenue	10,276,766.29	21,231,157.36
State Grant Revenue	38,602.71	101,907.86
State Pass Through Revenue	6,442,770.25	6,785,110.00
Other Grants and Contracts - Operating	8,488,285.82	14,606,266.42
Other Operating Revenue	359,063.35	204,791.79
Total Operating Revenues	\$ 153,510,655.75	\$ 143,727,657.99
Operating Expenses		
Instruction	\$ 119,414,429.91	\$ 109,822,435.58
Research	81,689,324.71	78,363,078.08
Public Service	10,495,784.87	10,791,431.48
Academic Support	32,400,933.25	29,956,409.68
Student Services	4,489,780.43	4,966,143.28
Institutional Support	12,558,906.47	12,315,390.43
Operation & Maintenance of Plant	21,539,159.83	22,457,690.12
Scholarships & Fellowships	2,535,380.46	2,784,161.32
Auxiliary	2,276,669.96	2,491,169.00
Depreciation/Amortization	19,069,189.57	18,392,269.25
Total Operating Expenses [Schedule IV-1]	\$ 306,469,559.46	\$ 292,340,178.22
Total Operating Income [Loss]	\$ (152,958,903.71)	\$ (148,612,520.23)
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 151,422,373.17	\$ 151,583,355.89
Federal Revenue Non-Operating	439,264.00	251,242.00
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	4,889,977.67	3,907,967.74
Investment Income	19,591,970.49	8,430,384.40
Investing Activities Expense	(324,414.98)	(270,368.69)
Interest Expense	(738.11)	(10,359.01)
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	(106,960,398.11)	(36,786.72)
Settlement of Claims		
Other Nonoperating Revenues	39,011,093.58	6,940,739.12
Other Nonoperating [Expenses]	(458,874.31)	(2,531,558.93)
Total Nonoperating Revenues [Expenses]	\$ 107,610,253.40	\$ 168,264,615.80
Income [Loss] Before Other Revenues and Transfers	\$ (45,348,650.31)	\$ 19,652,095.57

UNAUDITED

EXHIBIT IV
 TEXAS A&M HEALTH SCIENCE CENTER
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Other Revenues and Transfers		
Capital Contributions	\$	\$ 281,867.73
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments	5,295.00	6,377.23
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	19,967.00	33,872.00
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	32,535,867.01	10,536,584.37
Nonmandatory Transfers From Members/Agencies-Cap Assets	3,699.89	
Transfers Out		
Transfers to Other State Agencies	(52,766.50)	(830,943.21)
Mandatory Transfers to Other Members	(613,583.64)	(620,197.70)
Nonmandatory Transfers to Other Members	(25,873,452.38)	(10,210,123.33)
Nonmandatory Transfers to Members/Agencies - Cap Assets	(650,436.15)	(173,370.08)
Legislative Transfers - In	11,172,364.00	44,599.00
Legislative Transfers - Out	(19,144,425.93)	(8,288,397.50)
Legislative Appropriations Lapsed	(634,088.07)	(1.00)
Total Other Revenues and Transfers	<u>\$ (3,231,559.77)</u>	<u>\$ (9,219,732.49)</u>
Change In Net Position	<u>\$ (48,580,210.08)</u>	<u>\$ 10,432,363.08</u>
Net Position, Beginning of Year	<u>\$ 533,673,136.78</u>	<u>\$ 523,240,773.70</u>
Restatement		
Net Position, Beginning of Year, Restated	<u>\$ 533,673,136.78</u>	<u>\$ 523,240,773.70</u>
Net Position, End of Year	<u>\$ 485,092,926.70</u>	<u>\$ 533,673,136.78</u>

UNAUDITED

SCHEDULE IV-1
 TEXAS A&M HEALTH SCIENCE CENTER
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
 FOR THE YEAR ENDED AUGUST 31, 2017

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$ 71,512.20	\$	\$	\$	\$
Salaries & Wages	66,265,239.17	32,205,373.09	5,999,656.79	19,810,182.32	2,193,601.37
Payroll Related Costs	15,928,759.03	8,009,385.11	1,454,321.93	5,229,333.06	538,856.96
Payroll Related Costs-TRS Pension					
Professional Fees & Services	25,693,900.77	6,983,254.74	560,857.65	4,591,387.81	975,732.76
Travel	887,544.90	959,525.02	190,234.81	343,606.12	99,754.43
Materials & Supplies	6,245,525.19	16,241,389.15	526,413.85	1,161,100.37	80,640.57
Communication & Utilities	228,038.11	858,050.88	100,946.10	143,812.96	1,184.65
Repairs & Maintenance	1,069,878.00	2,595,310.58	7,398.00	130,049.25	3,894.45
Rentals & Leases	915,106.02	405,763.75	439,533.13	194,905.77	67,137.35
Printing & Reproduction	198,725.46	297,878.92	75,214.43	54,755.49	65,043.92
Federal Pass-Through		2,484,582.56			
State Pass-Through		1,043,964.11	56,240.36		
Depreciation & Amortization					
Bad Debt Expense					(100.11)
Interest	4,685.01	4,854.06	157.74	47.18	.68
Scholarships	166,392.74	1,068,006.88	4,586.27	2,584.00	5,151.00
Claims & Losses					
Net Change in OPEB Obligation					
Other Operating Expenses	1,739,123.31	8,531,985.86	1,080,223.81	739,168.92	458,882.40
Total Operating Expenses	\$ 119,414,429.91	\$ 81,689,324.71	\$ 10,495,784.87	\$ 32,400,933.25	\$ 4,489,780.43

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$ 43.25	\$	\$	\$ 110,133.70	\$	\$ 181,689.15	\$ 238,347.61
6,340,258.02	2,578,834.93	61,922.62	279,230.65		135,734,298.96	126,849,014.68
1,730,529.32	647,635.72	193.70	77,897.90		33,616,912.73	31,474,468.28
3,106,348.09	3,007,696.55	32,200.79	1,404,549.16		46,355,928.32	45,019,474.17
125,174.58	18,557.62	16,206.23			2,640,603.71	2,848,110.62
559,057.97	522,408.66	5,255.83	178,036.39		25,519,827.98	24,193,177.36
236,002.81	5,277,562.52		19,341.81		6,864,939.84	8,200,673.17
41,812.80	5,886,004.13		31,915.09		9,766,262.30	8,001,433.51
29,015.33	1,407,158.19		122,429.46		3,581,049.00	5,228,919.82
15,396.47	2,271.30	22.45	11,078.17		720,386.61	635,089.05
					2,484,582.56	2,872,304.92
					1,100,204.47	1,165,041.20
				19,069,189.57	19,069,189.57	18,392,269.25
					(100.11)	(2,139.70)
139.94	1,341.84		52.77		11,279.22	5,513.72
		2,410,880.14	24,483.70		3,682,084.73	3,716,041.98
<u>375,127.89</u>	<u>2,189,688.37</u>	<u>8,698.70</u>	<u>17,521.16</u>		<u>15,140,420.42</u>	<u>13,502,438.58</u>
<u>\$ 12,558,906.47</u>	<u>\$ 21,539,159.83</u>	<u>\$ 2,535,380.46</u>	<u>\$ 2,276,669.96</u>	<u>\$ 19,069,189.57</u>	<u>\$ 306,469,559.46</u>	<u>\$ 292,340,178.22</u>

[Exhibit IV]

UNAUDITED

EXHIBIT V
TEXAS A&M HEALTH SCIENCE CENTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 37,494,495.07	\$ 35,552,741.16
Proceeds Received From Customers	39,185,384.32	35,815,103.62
Proceeds From Grants and Contracts	68,468,552.32	81,433,934.62
Proceeds From Auxiliary Enterprises	1,270,747.27	1,370,399.53
Proceeds From Loan Programs	526,645.46	525,603.01
Proceeds From Other Operating Revenues	156,894.64	179,248.84
Payments to Suppliers for Goods and Services	(112,546,162.83)	(106,381,530.29)
Payments to Employees	(168,125,190.30)	(157,867,654.55)
Payments for Loans Provided	(816,021.00)	(1,082,587.00)
Payments for Other Operating Expenses	(7,214,041.66)	(6,443,859.79)
Net Cash Provided [Used] By Operating Activities	<u>\$ (141,598,696.71)</u>	<u>\$ (116,898,600.85)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 172,495,230.29	\$ 146,443,811.72
Proceeds From Gifts	9,842,522.74	3,907,967.74
Proceeds From Endowments	5,295.00	6,377.23
Proceeds From Transfers From Other Funds	622,638.95	33,872.00
Proceeds From Other Grant Receipts	439,264.00	251,242.00
Proceeds From Other Noncapital Financing Activities	49,030,374.37	47,722,868.10
Payments of Interest		
Payments for Transfers to Other Funds	(52,766.50)	(2,246,306.18)
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(47,610,192.48)	(49,841,819.18)
Other Noncapital Transfers From/To System	2,852,869.86	1,963,942.88
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 187,625,236.23</u>	<u>\$ 148,241,956.31</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 31,080.25	\$ 31,405.00
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts		
Proceeds From Federal Grants and Contracts		
Proceeds From Gifts		
Proceeds From Interfund Payables		
Proceeds From Other Financing Activities	145,127.44	
Proceeds From Capital Contributions		
Payments for Additions to Capital Assets	(7,110,921.66)	(28,101,610.28)
Payments of Principal On Debt		
Payments for Capital Leases	(35,851.07)	(274,518.18)
Payments of Interest On Debt Issuance	(738.11)	(10,359.01)
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]	3,410,191.17	3,863,255.12
Intrasystem Transfers for Capital Debt [Mandatory]	(19,758,009.57)	(8,908,595.20)
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (23,319,121.55)</u>	<u>\$ (33,400,422.55)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	(24,347,536.92)	6,890,406.19
Proceeds From Interest and Investment Income	4,179,566.95	3,941,518.75
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ (20,167,969.97)</u>	<u>\$ 10,831,924.94</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ 2,539,448.00</u>	<u>\$ 8,774,857.85</u>
Cash and Cash Equivalents, Beginning of Year	\$ 21,332,484.36	\$ 12,557,626.51
Restatement		
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 21,332,484.36</u>	<u>\$ 12,557,626.51</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 23,871,932.36</u>	<u>\$ 21,332,484.36</u>

UNAUDITED

EXHIBIT V
TEXAS A&M HEALTH SCIENCE CENTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(152,958,903.71)	(148,612,520.23)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	19,069,189.57	18,392,269.25
Bad Debt Expense	994,209.89	550,594.59
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	(4,930,289.75)	1,864,452.20
[Increase] Decrease In Due From Agencies/Funds	404,497.33	(108,194.99)
[Increase] Decrease In Due From System Members	(5,079,683.45)	19,921,876.77
[Increase] Decrease In Inventories	(139,098.77)	(51,749.35)
[Increase] Decrease In Prepaid Expenses	(216,285.89)	(106,484.97)
[Increase] Decrease In Loans and Contracts	(367,133.40)	(639,931.64)
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	592,341.20	(9,847,714.50)
Increase [Decrease] In Due to Other Agencies/Funds	(31,890.46)	(1,516.30)
Increase [Decrease] In Due to System Members	(465,267.18)	692,265.02
Increase [Decrease] In Unearned Revenue	1,341,965.43	1,388,363.02
Increase [Decrease] In Deposits	15,154.87	20,330.30
Increase [Decrease] In Employees' Compensable Leave	172,497.61	(360,640.02)
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities		
Total Adjustments	<u>\$ 11,360,207.00</u>	<u>\$ 31,713,919.38</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (141,598,696.71)</u>	<u>\$ (116,898,600.85)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$	\$ 281,867.73
Net Change In Fair Value of Investments	12,748,481.68	2,086,306.97
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	(107,375,534.13)	(37,494.05)



UNAUDITED

SCHEDULE THREE
 TEXAS A&M HEALTH SCIENCE CENTER
 SCHEDULE OF CASH & CASH EQUIVALENTS
 FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Petty Cash Department Working Fund	\$ 33,339.84
Total Cash On Hand	<u>\$ 33,339.84</u>
Cash In State Treasury	
Fund 0289	\$ 12,686,682.38
Fund 0818	<u>1,003,548.06</u>
Total Cash In State Treasury	<u>\$ 13,690,230.44</u>
Reimbursements Due From State Treasury	\$ 1,185,350.74
Assets Held By System Offices-Current	<u>8,940,909.12</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 23,849,830.14</u>
Restricted	
Cash On Hand	
Temporary Working Fund	\$ 21,100.00
Total Restricted Cash On Hand	<u>\$ 21,100.00</u>
Cash In Bank	<u>\$ 1,002.22</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 22,102.22</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 23,871,932.36</u></u>

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SCHEDULE N-2
 TEXAS A&M HEALTH SCIENCE CENTER
 NOTE 2 - CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2017

	BALANCE 9-1-16	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 27,126,304.16	\$	\$
Construction In Progress	122,099,149.36		(8,665,954.62)
Other Tangible Capital Assets	243,017.34		
Total Non-Depreciable/Non-Amortizable Assets	\$ 149,468,470.86	\$	\$ (8,665,954.62)
Depreciable Assets			
Buildings	\$ 258,887,925.27	\$	\$ 6,214,765.78
Infrastructure	18,575,661.11		114,024.00
Facilities and Other Improvements	6,444,750.68		1,785,614.71
Furniture and Equipment	61,997,507.06		551,550.13
Vehicles, Boats and Aircraft	1,068,228.84		
Other Capital Assets	24,678,095.66		
Total Depreciable Assets at Historical Cost	\$ 371,652,168.62	\$	\$ 8,665,954.62
Less Accumulated Depreciation for			
Buildings	\$ (109,731,338.84)	\$	\$
Infrastructure	(5,396,733.20)		
Facilities and Other Improvements	(2,475,499.35)		
Furniture and Equipment	(40,170,481.12)		
Vehicles, Boats and Aircraft	(915,360.45)		
Other Capital Assets	(23,141,525.63)		
Total Accumulated Depreciation	\$ (181,830,938.59)	\$	\$
Depreciable Assets, Net	\$ 189,821,230.03	\$	\$ 8,665,954.62
Amortizable Assets - Intangible			
Computer Software	\$ 477,617.00	\$	\$
Total Intangible Assets at Historical Cost	\$ 477,617.00	\$	\$
Less Accumulated Amortization for			
Computer Software	\$ (447,321.41)	\$	\$
Total Accumulated Amortization	\$ (447,321.41)	\$	\$
Amortizable Assets, Net	\$ 30,295.59	\$	\$
Capital Assets, Net	\$ 339,319,996.48	\$	\$

INC-INTERAGENCY TRANSACTIONS	DEC-INTERAGENCY TRANSACTIONS	ADDITIONS	DELETIONS	BALANCE 8-31-17
\$	\$	\$ 1,083,825.94 1,627,894.57	\$ (106,987,437.20)	\$ 28,210,130.10 8,073,652.11 243,017.34
\$	\$	\$ 2,711,720.51	\$ (106,987,437.20)	\$ 36,526,799.55
\$	\$	\$	\$ (114,024.00)	\$ 265,102,691.05 18,575,661.11 8,230,365.39
87,276.75	(930,465.51)	4,417,683.42 218,553.00 1,285.49	(1,538,909.45) (269,880.00) (4,383.60)	64,584,642.40 1,016,901.84 24,674,997.55
\$ 87,276.75	\$ (930,465.51)	\$ 4,637,521.91	\$ (1,927,197.05)	\$ 382,185,259.34
\$	\$	\$ (12,444,902.50) (795,375.84) (535,965.84)	\$	\$ (122,176,241.34) (6,192,109.04) (3,011,465.19)
(83,576.86)	280,029.36	(4,988,510.11) (68,333.31) (205,806.38)	1,531,060.53 269,880.00 4,383.60	(43,431,478.20) (713,813.76) (23,342,948.41)
\$ (83,576.86)	\$ 280,029.36	\$ (19,038,893.98)	\$ 1,805,324.13	\$ (198,868,055.94)
\$ 3,699.89	\$ (650,436.15)	\$ (14,401,372.07)	\$ (121,872.92)	\$ 183,317,203.40
\$	\$	\$	\$	\$ 477,617.00
\$	\$	\$	\$	\$ 477,617.00
\$	\$	\$ (30,295.59)	\$	\$ (477,617.00)
\$	\$	\$ (30,295.59)	\$	\$ (477,617.00)
\$	\$	\$ (30,295.59)	\$	\$
\$ 3,699.89	\$ (650,436.15)	\$ (11,719,947.15)	\$ (107,109,310.12)	\$ 219,844,002.95





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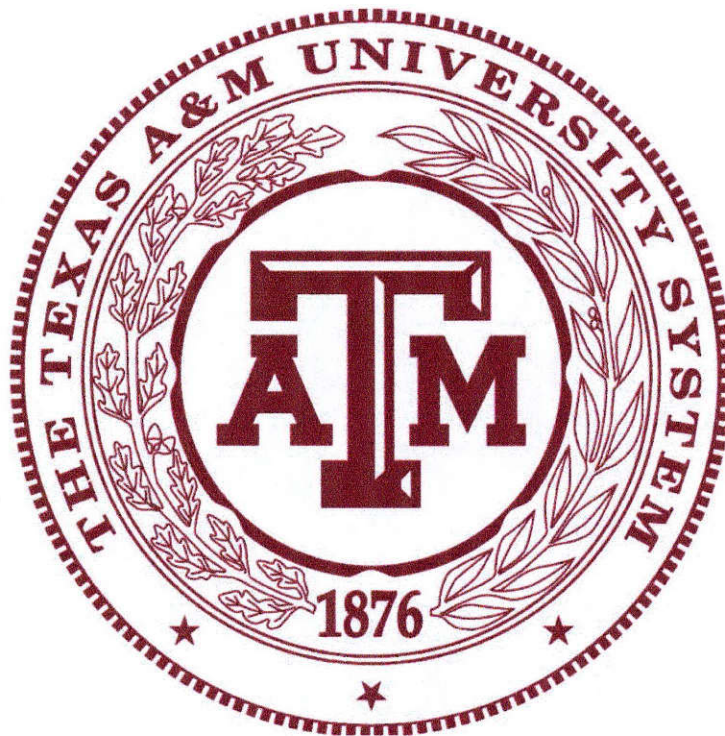
ANNUAL FINANCIAL REPORT

of

Prairie View A&M University

For the Year Ended August 31, 2017

With Comparative Totals for the Year Ended August 31, 2016



Dr. Ruth J. Simmons, President

Dr. Corey S. Bradford, Senior Vice President for Business Affairs

UNAUDITED

PRAIRIE VIEW A&M UNIVERSITY

STUDENT ENROLLMENT DATA

CURRENT YEAR

<u>TYPE OF STUDENT</u>	<u>NUMBER OF STUDENTS BY SEMESTER</u>	
	<u>FALL 2016</u>	<u>FALL 2017</u>
Texas Resident	7,911	8,272
Out-of-State	567	579
Foreign	284	279
Total Students	<u>8,762</u>	<u>9,130</u>

HISTORICAL
(Fall Semester)

<u>FISCAL YEAR</u>	<u>HEADCOUNT</u>	<u>SEMESTER CREDIT HOURS</u>
2012-13	8,336	103,179
2013-14	8,250	102,722
2014-15	8,343	103,759
2015-16	8,268	104,851
2016-17	8,762	112,294

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PRAIRIE VIEW A&M UNIVERSITY

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EXHIBIT III
 PRAIRIE VIEW A&M UNIVERSITY
 STATEMENT OF NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 44,640,865.80	\$ 48,227,219.04
Investments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	14,207,560.34	7,156,902.09
Investments		
Legislative Appropriations	12,644,266.47	6,476,770.11
Receivables, Net [Note 24]		
Federal	8,718,401.70	5,531,645.64
Other Intergovernmental		
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student	1,636,903.81	1,597,351.14
Investment Trades		
Accounts	2,733,522.22	1,503,813.68
Other		1,892,000.00
Due From Other Agencies	588,444.61	635,171.79
Due From Other Members	51,046,093.80	47,978,798.60
Due From Other Funds	7,194,233.91	6,100,633.31
Consumable Inventories		
Merchandise Inventories		
Loans and Contracts	16,640.21	25,269.30
Interfund Receivable [Note 12]		
Other Current Assets	13,291,434.29	13,779,676.49
Total Current Assets	<u>\$ 156,718,367.16</u>	<u>\$ 140,905,251.19</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 85,466,393.16	\$ 84,824,348.06
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts	100,260.00	151,931.26
Assets Held By System Office	130,811,697.56	130,156,219.09
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	7,803,322.35	6,797,055.35
Construction In Progress	32,428,086.75	27,158,832.93
Other Tangible Capital Assets	474,072.00	474,072.00
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	420,038,037.86	403,620,432.16
Infrastructure	19,107,282.54	14,467,335.33
Facilities and Other Improvements	77,435,900.85	33,510,246.27
Furniture and Equipment	36,132,165.57	34,646,528.05
Vehicles, Boats, and Aircraft	2,873,575.75	2,931,353.35
Other Capital Assets	9,093,473.01	9,005,445.60
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	1,564,090.09	1,620,767.40
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(251,802,281.35)	(236,259,549.85)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 571,526,076.14</u>	<u>\$ 513,105,017.00</u>
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
Total Deferred Outflows of Resources	<u>\$</u>	<u>\$</u>
Total Assets and Deferred Outflows	<u>\$ 728,244,443.30</u>	<u>\$ 654,010,268.19</u>

UNAUDITED

EXHIBIT III
PRAIRIE VIEW A&M UNIVERSITY
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 13,301,596.09	\$ 5,789,918.54
Payroll	6,276,650.55	5,751,057.73
Investment Trades		
Self-Insured Health and Dental		
Student	196,748.08	251,161.94
Other	503,426.79	571,526.08
Interfund Payable [Note 12]		
Due to Other Agencies	419,412.84	608,753.23
Due to Other Funds	7,194,233.91	6,100,633.31
Due to Other Members	5,936,651.78	8,501,081.68
Funds Held for Investment		
Unearned Revenue	33,837,754.41	36,419,563.19
Employees' Compensable Leave	491,654.37	483,416.52
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations [Note 8]		
Liabilities Payable From Restricted Assets		
Funds Held for Others	14,279,042.82	8,181,205.21
Other Current Liabilities	66,759.88	59,148.49
Total Current Liabilities	<u>\$ 82,503,931.52</u>	<u>\$ 72,717,465.92</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$ 4,601,875.47	\$ 4,362,899.27
Employees' Compensable Leave		
Other Post Employment Benefits [Note 11]		
Pension Liability [Note 9]		
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Assets Held In Trust		
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Capital Lease Obligations [Note 8]		
Other Non-Current Liabilities	100,000.00	70,000.00
Total Non-Current Liabilities	<u>\$ 4,701,875.47</u>	<u>\$ 4,432,899.27</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 87,205,806.99</u>	<u>\$ 77,150,365.19</u>
Net Position		
Net Investment In Capital Assets	\$ 355,147,725.42	\$ 297,972,518.59
Restricted for		
Debt Service		
Capital Projects	8,949,868.42	9,607,243.70
Education	19,949,814.13	18,869,848.55
Endowment and Permanent Funds		
Nonexpendable	55,892,813.85	54,018,771.56
Expendable	19,311,599.46	15,818,414.34
Unrestricted	181,786,815.03	180,573,106.26
Total Net Position [Exhibit IV]	<u>\$ 641,038,636.31</u>	<u>\$ 576,859,903.00</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 728,244,443.30</u>	<u>\$ 654,010,268.19</u>

UNAUDITED

EXHIBIT IV
PRAIRIE VIEW A&M UNIVERSITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$ 85,932,908.36	\$ 79,641,255.53
Discounts and Allowances	(45,695,026.57)	(38,032,616.91)
Professional Fees	18,546.97	40,795.39
Auxiliary Enterprises	23,357,438.35	19,153,169.00
Discounts and Allowances	(5,972,405.27)	(4,808,164.43)
Other Sales of Goods and Services	1,775,604.98	1,823,456.66
Discounts and Allowances		
Interest Revenue	630.00	
Federal Revenue - Operating	15,622,931.67	15,655,486.14
Federal Pass Through Revenue	176,780.58	114,766.46
State Grant Revenue		
State Pass Through Revenue	11,110,964.70	10,262,991.34
Other Grants and Contracts - Operating	518,178.46	509,177.64
Other Operating Revenue	4,464,284.69	3,730,956.22
Total Operating Revenues	<u>\$ 91,310,836.92</u>	<u>\$ 88,091,273.04</u>
Operating Expenses		
Instruction	\$ 45,545,995.67	\$ 43,270,308.39
Research	14,044,008.12	12,499,549.76
Public Service	8,438,670.40	9,206,734.68
Academic Support	21,895,771.27	21,554,366.02
Student Services	17,017,147.24	14,412,993.38
Institutional Support	17,680,385.07	17,011,377.66
Operation & Maintenance of Plant	20,817,164.36	17,194,023.75
Scholarships & Fellowships	14,481,098.44	16,528,703.28
Auxiliary	31,214,145.25	27,625,605.53
Depreciation/Amortization	17,348,671.70	14,743,502.60
Total Operating Expenses [Schedule IV-1]	<u>\$ 208,483,057.52</u>	<u>\$ 194,047,165.05</u>
Total Operating Income [Loss]	<u>\$ (117,172,220.60)</u>	<u>\$ (105,955,892.01)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 57,940,933.83	\$ 57,430,831.36
Federal Revenue Non-Operating	31,281,734.09	32,457,825.01
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	2,223,815.01	2,467,171.10
Investment Income	19,083,151.52	8,003,591.04
Investing Activities Expense	(354,927.17)	(382,997.74)
Interest Expense	(1,934.97)	(7,359.51)
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets		61,210.26
Settlement of Claims		(10,000.00)
Other Nonoperating Revenues	1,305,173.70	109,692.23
Other Nonoperating [Expenses]	(33,578.30)	(2,095,501.70)
Total Nonoperating Revenues [Expenses]	<u>\$ 111,444,367.71</u>	<u>\$ 98,034,462.05</u>
Income [Loss] Before Other Revenues and Transfers	<u>\$ (5,727,852.89)</u>	<u>\$ (7,921,429.96)</u>

UNAUDITED

EXHIBIT IV
 PRAIRIE VIEW A&M UNIVERSITY
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Other Revenues and Transfers		
Capital Contributions	\$	\$
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments	390,454.13	435,158.01
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	182,739.00	258,183.00
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	25,981,286.79	39,411,549.39
Nonmandatory Transfers From Members/Agencies-Cap Assets	63,028,813.32	32,637,916.79
Transfers Out		
Transfers to Other State Agencies		(73,880.00)
Mandatory Transfers to Other Members	(7,466,141.74)	(7,433,228.21)
Nonmandatory Transfers to Other Members	(6,203,548.85)	(5,367,849.76)
Nonmandatory Transfers to Members/Agencies - Cap Assets		
Legislative Transfers - In	2,531,068.00	339,949.00
Legislative Transfers - Out	(8,375,806.00)	(6,166,237.00)
Legislative Appropriations Lapsed	(162,278.45)	(3,109.39)
Total Other Revenues and Transfers	<u>\$ 69,906,586.20</u>	<u>\$ 54,038,451.83</u>
Change In Net Position	<u>\$ 64,178,733.31</u>	<u>\$ 46,117,021.87</u>
Net Position, Beginning of Year	<u>\$ 576,859,903.00</u>	<u>\$ 530,742,881.13</u>
Restatement		
Net Position, Beginning of Year, Restated	<u>\$ 576,859,903.00</u>	<u>\$ 530,742,881.13</u>
Net Position, End of Year	<u><u>\$ 641,038,636.31</u></u>	<u><u>\$ 576,859,903.00</u></u>

UNAUDITED

SCHEDULE IV-1
 PRAIRIE VIEW A&M UNIVERSITY
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
 FOR THE YEAR ENDED AUGUST 31, 2017

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$	\$	\$
Salaries & Wages	32,715,015.97	8,657,268.88	4,645,265.61	9,107,328.50	6,555,624.24
Payroll Related Costs	9,376,384.35	1,979,864.66	1,270,316.76	2,197,567.16	1,657,832.29
Payroll Related Costs-TRS Pension					
Professional Fees & Services	260,149.15	165,031.53	591,594.61	4,091,698.12	1,566,735.22
Travel	492,616.76	420,751.00	605,154.52	699,907.69	664,178.06
Materials & Supplies	1,524,960.52	1,309,819.18	419,439.40	3,424,197.14	1,667,476.39
Communication & Utilities	211,999.96	322,366.00	150,523.00	390,939.73	287,865.87
Repairs & Maintenance	208,814.05	548,000.90	80,526.57	273,237.60	1,808,325.50
Rentals & Leases	255,787.48	79,667.27	140,385.56	150,974.12	817,410.00
Printing & Reproduction	22,217.21	43,363.84	54,725.20	26,192.84	124,249.67
Federal Pass-Through	7,076.18	2,514.67	35,223.69	44,449.86	
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					21,917.41
Interest	149.27	34.72	594.03	640.93	713.37
Scholarships	35,120.00	33,393.79	3,686.82	402,205.00	544,112.41
Claims & Losses					
Net Change in OPEB Obligation					
Other Operating Expenses	435,704.77	481,931.68	441,234.63	1,086,432.58	1,300,706.81
Total Operating Expenses	\$ 45,545,995.67	\$ 14,044,008.12	\$ 8,438,670.40	\$ 21,895,771.27	\$ 17,017,147.24

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$	\$	\$	\$	\$	\$
9,447,412.17	1,167,658.96	1,574,328.84	7,072,335.80		80,942,238.97	76,409,834.53
3,242,801.93	333,862.64	35,330.99	1,961,726.40		22,055,687.18	20,383,147.79
1,914,857.96	5,918,303.85	30.00	11,362,392.78		25,870,793.22	18,048,166.09
248,543.02	15,341.82	2,648.00	1,352,400.07		4,501,540.94	3,663,742.44
428,001.38	746,707.87	3,585.08	1,808,821.03		11,333,007.99	11,148,019.06
125,249.91	4,511,215.75		964,744.92		6,964,905.14	6,342,096.35
167,083.66	7,806,229.55		1,658,370.28		12,550,588.11	9,337,699.65
134,549.32	8,759.03		1,154,059.57		2,741,592.35	2,226,229.98
394,773.50	264.00		98,173.62		763,959.88	716,413.79
					89,264.40	280,547.12
				17,348,671.70	17,348,671.70	14,743,502.60
					21,917.41	(43,703.00)
357.73	1,041.25		649.54		4,180.84	3,025.05
		12,837,602.20	1,075,200.65		14,931,320.87	16,892,155.32
						2,333.12
<u>1,576,754.49</u>	<u>307,779.64</u>	<u>27,573.33</u>	<u>2,705,270.59</u>		<u>8,363,388.52</u>	<u>13,893,344.66</u>
<u>\$ 17,680,385.07</u>	<u>\$ 20,817,164.36</u>	<u>\$ 14,481,098.44</u>	<u>\$ 31,214,145.25</u>	<u>\$ 17,348,671.70</u>	<u>\$ 208,483,057.52</u>	<u>\$ 194,047,165.05</u>

[Exhibit IV]

UNAUDITED

EXHIBIT V
PRAIRIE VIEW A&M UNIVERSITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 37,867,282.28	\$ 45,148,172.18
Proceeds Received From Customers	1,825,619.72	1,018,912.94
Proceeds From Grants and Contracts	25,686,036.31	25,009,535.84
Proceeds From Auxiliary Enterprises	17,507,840.68	14,260,847.17
Proceeds From Loan Programs	630.00	
Proceeds From Other Operating Revenues	4,471,896.08	3,736,138.57
Payments to Suppliers for Goods and Services	(68,615,259.80)	(63,413,825.27)
Payments to Employees	(102,225,119.28)	(95,638,440.87)
Payments for Loans Provided	(14,560.99)	36,110.47
Payments for Other Operating Expenses	(13,914,087.84)	(19,345,779.05)
Net Cash Provided [Used] By Operating Activities	<u>\$ (97,409,722.84)</u>	<u>\$ (89,188,328.02)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 54,153,000.11	\$ 56,625,983.63
Proceeds From Gifts	2,223,815.01	2,467,171.10
Proceeds From Endowments	390,454.13	435,158.01
Proceeds From Transfers From Other Funds	182,739.00	258,183.00
Proceeds From Other Grant Receipts	31,281,734.09	32,457,825.01
Proceeds From Other Noncapital Financing Activities	8,438,199.12	3,581,926.84
Payments of Interest		(73,880.00)
Payments for Transfers to Other Funds		
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(541.62)	
Other Noncapital Transfers From/To System	19,337,360.19	17,763,622.57
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 116,006,760.03</u>	<u>\$ 113,515,990.16</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$	\$ 67,030.00
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts		
Proceeds From Federal Grants and Contracts		
Proceeds From Gifts		
Proceeds From Interfund Payables		
Proceeds From Other Financing Activities		
Proceeds From Capital Contributions		
Payments for Additions to Capital Assets	(11,528,102.35)	(17,290,354.98)
Payments of Principal On Debt		
Payments for Capital Leases		
Payments of Interest On Debt Issuance	(1,934.97)	(7,359.51)
Payments for Interfund Receivables		(513,308.07)
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]	1,244,208.34	2,007,282.23
Intrasystem Transfers for Capital Debt [Mandatory]	(15,841,947.74)	(13,599,465.21)
Intrasystem Transfers for Construction Proceeds [Non-Mand]	(6,435,656.24)	(8,981,002.19)
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (32,563,432.96)</u>	<u>\$ (38,317,177.73)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	14,174,026.62	9,628,731.55
Proceeds From Interest and Investment Income	3,256,674.16	3,401,852.22
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ 17,430,700.78</u>	<u>\$ 13,030,583.77</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ 3,464,305.01</u>	<u>\$ (958,931.82)</u>
Cash and Cash Equivalents, Beginning of Year Restatement	<u>\$ 55,384,121.13</u>	<u>\$ 56,343,052.95</u>
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 55,384,121.13</u>	<u>\$ 56,343,052.95</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 58,848,426.14</u>	<u>\$ 55,384,121.13</u>

UNAUDITED

EXHIBIT V
PRAIRIE VIEW A&M UNIVERSITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(117,172,220.60)	(105,955,892.01)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	17,348,671.70	14,743,502.60
Bad Debt Expense	534,601.52	1,008,156.99
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	(4,109,531.31)	(3,141,858.12)
[Increase] Decrease In Due From Agencies/Funds	(1,231,708.13)	(214,683.15)
[Increase] Decrease In Due From System Members	3,456,407.17	241,235.69
[Increase] Decrease In Inventories		
[Increase] Decrease In Prepaid Expenses	1,106,497.43	(2,170,743.49)
[Increase] Decrease In Loans and Contracts	(13,288.32)	36,110.47
[Increase] Decrease In Other Assets	(618,255.23)	(376,159.97)
Increase [Decrease] In Payables	7,983,297.97	3,415,007.54
Increase [Decrease] In Due to Other Agencies/Funds	(189,340.39)	(199,163.69)
Increase [Decrease] In Due to System Members	(2,177,871.31)	2,791.93
Increase [Decrease] In Unearned Revenue	(2,581,808.78)	3,176,842.95
Increase [Decrease] In Deposits	7,611.39	5,182.35
Increase [Decrease] In Employees' Compensable Leave	247,214.05	241,341.89
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities		
Total Adjustments	\$ 19,762,497.76	\$ 16,767,563.99
Net Cash Provided [Used] By Operating Activities	\$ (97,409,722.84)	\$ (89,188,328.02)
Non-Cash Transactions		
Donation of Capital Assets	\$	\$
Net Change In Fair Value of Investments	12,419,176.83	2,666,769.43
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	63,028,813.32	32,699,127.05



UNAUDITED

SCHEDULE THREE
 PRAIRIE VIEW A&M UNIVERSITY
 SCHEDULE OF CASH & CASH EQUIVALENTS
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Cashiers Account	\$ 10,000.00
Petty Cash Department Working Fund	<u>1,240.00</u>
Total Cash On Hand	<u>\$ 11,240.00</u>
Cash In Bank	\$ 133,632.38
Cash In State Treasury	
Fund 0245	16,407,821.20
Fund 5029	<u>7,933,299.80</u>
Total Cash In State Treasury	<u>\$ 24,341,121.00</u>
Reimbursements Due From State Treasury	\$ 8,564,269.13
Assets Held By System Offices-Current	<u>11,590,603.29</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 44,640,865.80</u>
Restricted	
Assets Held By System Offices-Current	<u>\$ 14,207,560.34</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 14,207,560.34</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 58,848,426.14</u></u>

UNAUDITED

SCHEDULE N-2
 PRAIRIE VIEW A&M UNIVERSITY
 NOTE 2 - CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2017

	BALANCE 9-1-16	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 6,797,055.35	\$	\$
Construction In Progress	27,158,832.93		(63,028,813.32)
Other Tangible Capital Assets	474,072.00		
Total Non-Depreciable/Non-Amortizable Assets	\$ 34,429,960.28	\$	\$ (63,028,813.32)
Depreciable Assets			
Buildings	\$ 403,620,432.16	\$	\$ 14,579,840.53
Infrastructure	14,467,335.33		4,639,947.21
Facilities and Other Improvements	33,510,246.27		43,809,025.58
Furniture and Equipment	34,646,528.05		
Vehicles, Boats and Aircraft	2,931,353.35		
Other Capital Assets	9,005,445.60		
Total Depreciable Assets at Historical Cost	\$ 498,181,340.76	\$	\$ 63,028,813.32
Less Accumulated Depreciation for			
Buildings	\$ (167,409,696.50)	\$	\$
Infrastructure	(4,272,806.07)		
Facilities and Other Improvements	(30,654,905.40)		
Furniture and Equipment	(23,507,496.35)		
Vehicles, Boats and Aircraft	(2,235,921.07)		
Other Capital Assets	(6,557,957.06)		
Total Accumulated Depreciation	\$ (234,638,782.45)	\$	\$
Depreciable Assets, Net	\$ 263,542,558.31	\$	\$ 63,028,813.32
Amortizable Assets - Intangible			
Computer Software	\$ 1,620,767.40	\$	\$
Total Intangible Assets at Historical Cost	\$ 1,620,767.40	\$	\$
Less Accumulated Amortization for			
Computer Software	\$ (1,620,767.40)	\$	\$
Total Accumulated Amortization	\$ (1,620,767.40)	\$	\$
Amortizable Assets, Net	\$	\$	\$
Capital Assets, Net	\$ 297,972,518.59	\$	\$

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-17</u>
\$ 63,028,813.32	\$	\$ 1,006,267.00 5,269,253.82	\$	\$ 7,803,322.35 32,428,086.75 474,072.00
<u>\$ 63,028,813.32</u>	<u>\$</u>	<u>\$ 6,275,520.82</u>	<u>\$</u>	<u>\$ 40,705,481.10</u>
\$	\$	\$ 1,837,765.17 116,629.00 3,111,701.09 98,458.40 88,027.41	\$ (1,626,063.57) (156,236.00)	\$ 420,038,037.86 19,107,282.54 77,435,900.85 36,132,165.57 2,873,575.75 9,093,473.01
<u>\$</u>	<u>\$</u>	<u>\$ 5,252,581.07</u>	<u>\$ (1,782,299.57)</u>	<u>\$ 564,680,435.58</u>
\$	\$	\$ (11,626,923.36) (591,112.95) (1,740,393.97) (2,760,490.61) (229,974.60) (399,776.21)	\$ 1,593,026.89 156,236.00	\$ (179,036,619.86) (4,863,919.02) (32,395,299.37) (24,674,960.07) (2,309,659.67) (6,957,733.27)
<u>\$</u>	<u>\$</u>	<u>\$ (17,348,671.70)</u>	<u>\$ 1,749,262.89</u>	<u>\$ (250,238,191.26)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (12,096,090.63)</u>	<u>\$ (33,036.68)</u>	<u>\$ 314,442,244.32</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (56,677.31)</u>	<u>\$ 1,564,090.09</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (56,677.31)</u>	<u>\$ 1,564,090.09</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 56,677.31</u>	<u>\$ (1,564,090.09)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 56,677.31</u>	<u>\$ (1,564,090.09)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>\$ 63,028,813.32</u>	<u>\$</u>	<u>\$ (5,820,569.81)</u>	<u>\$ (33,036.68)</u>	<u>\$ 355,147,725.42</u>





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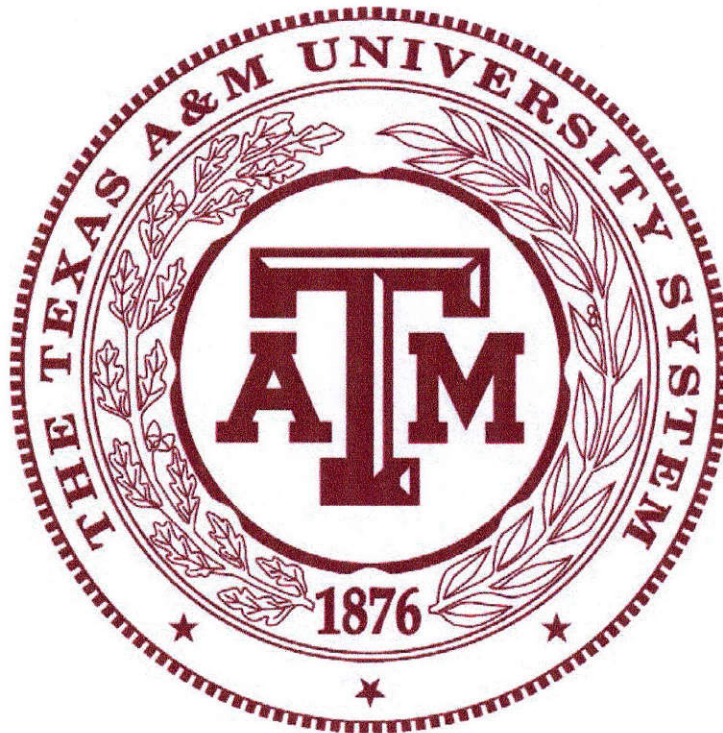
ANNUAL FINANCIAL REPORT

of

Tarleton State University

For the Year Ended August 31, 2017

With Comparative Totals for the Year Ended August 31, 2016



F. Dominic Dottavio, Ph.D.
President

Rick Richardson, CPA, J.D., Ph.D.
Interim Vice President for Finance & Administration

Lori L. Beaty, CPA, MBA
Assistant Vice President for Finance & Administration/Controller

UNAUDITED

TARLETON STATE UNIVERSITY

STUDENT ENROLLMENT DATA

CURRENT YEAR

<u>TYPE OF STUDENT</u>	<u>NUMBER OF STUDENTS BY SEMESTER</u>	
	<u>FALL 2016</u>	<u>FALL 2017</u>
Texas Resident	12,744	12,688
Out-of-State	253	256
Foreign	55	71
Total Students	<u>13,052</u>	<u>13,015</u>

HISTORICAL
(Fall Semester)

<u>FISCAL YEAR</u>	<u>HEADCOUNT</u>	<u>SEMESTER CREDIT HOURS</u>
2012-13	10,276	117,791
2013-14	10,937	126,510
2014-15	11,681	136,263
2015-16	12,333	142,504

UNAUDITED

TARLETON STATE UNIVERSITY

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EXHIBIT III
TARLETON STATE UNIVERSITY
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 32,483,129.90	\$ 27,848,737.30
Investments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	1,509,849.88	1,154,616.44
Investments		
Legislative Appropriations	1,968,324.82	2,210,712.97
Receivables, Net [Note 24]		
Federal	797,644.26	3,450,732.87
Other Intergovernmental		
Interest and Dividends		
Gifts	663,333.00	58,333.00
Self-Insured Health and Dental		
Student	700,462.46	986,992.46
Investment Trades		
Accounts	2,677,826.52	998,589.14
Other	4,918.40	699,700.77
Due From Other Agencies	434,507.00	602,735.64
Due From Other Members	4,881,857.99	6,154,876.27
Due From Other Funds		
Consumable Inventories	311,979.97	327,433.57
Merchandise Inventories	14,907.00	
Loans and Contracts	590,889.96	327,966.12
Interfund Receivable [Note 12]		
Other Current Assets	8,594,407.82	15,766,757.14
Total Current Assets	<u>\$ 55,634,038.98</u>	<u>\$ 60,588,183.69</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 35,337,295.31	\$ 32,985,179.18
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable	1,820,000.00	58,333.00
Loans and Contracts		
Assets Held By System Office	101,088,248.74	102,984,878.85
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	5,454,339.69	4,799,836.72
Construction In Progress	36,026,006.94	26,889,825.60
Other Tangible Capital Assets	1,511,750.66	1,423,800.63
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	227,252,427.69	217,815,052.63
Infrastructure	25,778,248.62	24,065,159.50
Facilities and Other Improvements	21,891,177.04	21,891,177.04
Furniture and Equipment	25,652,192.03	25,305,517.49
Vehicles, Boats, and Aircraft	1,826,299.98	1,591,542.09
Other Capital Assets	9,089,422.88	8,933,734.93
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	664,186.29	674,186.29
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(165,663,596.25)	(155,019,476.24)
Assets Held In Trust		
Other Non-Current Assets	5,019,060.75	5,019,060.75
Total Non-Current Assets	<u>\$ 332,747,060.37</u>	<u>\$ 319,417,808.46</u>
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
Total Deferred Outflows of Resources	<u>\$</u>	<u>\$</u>
Total Assets and Deferred Outflows	<u>\$ 388,381,099.35</u>	<u>\$ 380,005,992.15</u>

UNAUDITED

EXHIBIT III
TARLETON STATE UNIVERSITY
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 5,365,625.06	\$ 10,053,016.06
Payroll	5,938,024.10	5,701,699.29
Investment Trades		
Self-Insured Health and Dental		
Student	255,361.25	234,983.66
Other	111.96	268,378.99
Interfund Payable [Note 12]		
Due to Other Agencies	11.00	
Due to Other Funds		
Due to Other Members	735,005.70	5,710,238.67
Funds Held for Investment		
Unearned Revenue	46,042,220.30	44,149,781.16
Employees' Compensable Leave	417,264.47	467,445.11
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations [Note 8]		
Liabilities Payable From Restricted Assets		
Funds Held for Others	3,251,972.44	3,135,601.56
Other Current Liabilities	684,055.56	1,106,801.25
Total Current Liabilities	\$ 62,689,651.84	\$ 70,827,945.75
Non-Current Liabilities		
Interfund Payable [Note 12]	\$	\$
Employees' Compensable Leave	3,525,095.15	3,256,270.68
Other Post Employment Benefits [Note 11]		
Pension Liability [Note 9]		
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Assets Held In Trust		
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Capital Lease Obligations [Note 8]		
Other Non-Current Liabilities	100,000.00	100,000.00
Total Non-Current Liabilities	\$ 3,625,095.15	\$ 3,356,270.68
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	\$	\$
Total Liabilities and Deferred Inflows	\$ 66,314,746.99	\$ 74,184,216.43
Net Position		
Net Investment In Capital Assets	\$ 189,482,455.57	\$ 178,370,356.68
Restricted for		
Debt Service		
Capital Projects	4,375,284.58	5,045,987.67
Education	11,421,129.86	19,892,565.65
Endowment and Permanent Funds		
Nonexpendable	23,675,414.45	22,857,763.47
Expendable	11,831,515.11	10,427,602.40
Unrestricted	81,280,552.79	69,227,499.85
Total Net Position [Exhibit IV]	\$ 322,066,352.36	\$ 305,821,775.72
Total Liabilities, Deferred Inflows, and Net Position	\$ 388,381,099.35	\$ 380,005,992.15

UNAUDITED

EXHIBIT IV
 TARLETON STATE UNIVERSITY
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$ 97,727,283.83	\$ 89,989,836.55
Discounts and Allowances	(29,259,961.00)	(17,463,935.83)
Professional Fees	2,400.00	
Auxiliary Enterprises	29,741,856.58	28,650,931.17
Discounts and Allowances	(6,367,552.77)	(4,650,144.91)
Other Sales of Goods and Services	2,947,824.73	2,839,494.74
Discounts and Allowances		
Interest Revenue	1,305.52	591.35
Federal Revenue - Operating	5,257,646.12	4,903,759.05
Federal Pass Through Revenue	1,797,143.97	1,205,298.33
State Grant Revenue	88,214.36	138,601.19
State Pass Through Revenue	8,281,500.44	7,657,492.04
Other Grants and Contracts - Operating	595,671.03	1,128,129.26
Other Operating Revenue	651,319.56	557,059.26
Total Operating Revenues	\$ 111,464,652.37	\$ 114,957,112.20
Operating Expenses		
Instruction	\$ 61,709,541.61	\$ 59,295,934.07
Research	9,096,549.42	8,263,265.89
Public Service	2,388,565.22	2,333,493.46
Academic Support	13,172,018.41	12,185,776.55
Student Services	11,806,788.53	10,392,362.26
Institutional Support	13,625,537.45	13,059,869.57
Operation & Maintenance of Plant	18,354,982.74	15,365,154.08
Scholarships & Fellowships	17,633,046.20	13,483,416.17
Auxiliary	26,750,015.38	31,513,668.17
Depreciation/Amortization	12,697,377.84	12,603,483.13
Total Operating Expenses [Schedule IV-1]	\$ 187,234,422.80	\$ 178,496,423.35
Total Operating Income [Loss]	\$ (75,769,770.43)	\$ (63,539,311.15)
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 47,860,993.62	\$ 47,106,999.50
Federal Revenue Non-Operating	20,639,643.62	18,520,810.55
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	3,652,322.73	1,502,655.07
Investment Income	11,769,839.80	5,311,388.10
Investing Activities Expense	(265,583.24)	(249,043.39)
Interest Expense		
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	4,981.15	(1,482.56)
Settlement of Claims	(6,550.00)	(1,021.75)
Other Nonoperating Revenues	2,243,086.36	458,685.69
Other Nonoperating [Expenses]	(1,807,229.40)	(1,111,477.91)
Total Nonoperating Revenues [Expenses]	\$ 84,091,504.64	\$ 71,537,513.30
Income [Loss] Before Other Revenues and Transfers	\$ 8,321,734.21	\$ 7,998,202.15

UNAUDITED

EXHIBIT IV
 TARLETON STATE UNIVERSITY
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Other Revenues and Transfers		
Capital Contributions	\$ 735,991.90	\$ 22,354.40
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments	772,827.39	479,357.80
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	110,929.00	237,813.00
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	11,826,034.45	6,386,396.41
Nonmandatory Transfers From Members/Agencies-Cap Assets	5,547,298.98	
Transfers Out		
Transfers to Other State Agencies		344,546.67
Mandatory Transfers to Other Members	(6,039,574.80)	(5,986,103.18)
Nonmandatory Transfers to Other Members	(171,828.49)	(6,657,639.74)
Nonmandatory Transfers to Members/Agencies - Cap Assets		
Legislative Transfers - In	7,431,688.00	313,127.00
Legislative Transfers - Out	(12,155,579.00)	(4,926,012.00)
Legislative Appropriations Lapsed	(134,945.00)	
Total Other Revenues and Transfers	<u>\$ 7,922,842.43</u>	<u>\$ (9,786,159.64)</u>
Change In Net Position	<u>\$ 16,244,576.64</u>	<u>\$ (1,787,957.49)</u>
Net Position, Beginning of Year	\$ 305,821,775.72	\$ 307,609,733.21
Restatement		
Net Position, Beginning of Year, Restated	<u>\$ 305,821,775.72</u>	<u>\$ 307,609,733.21</u>
Net Position, End of Year	<u>\$ 322,066,352.36</u>	<u>\$ 305,821,775.72</u>

UNAUDITED

SCHEDULE IV-1
 TARLETON STATE UNIVERSITY
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
 FOR THE YEAR ENDED AUGUST 31, 2017

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$ 968.44	\$	\$ 3,284.13	\$ 78,663.64	\$ 10,586.68
Salaries & Wages	41,877,374.19	5,087,820.95	892,730.49	7,312,475.58	5,640,165.66
Payroll Related Costs	11,349,615.27	1,379,292.07	177,695.60	2,153,431.39	1,496,249.56
Payroll Related Costs-TRS Pension					
Professional Fees & Services	1,477,233.51	741,670.16	394,840.31	267,559.05	840,283.69
Travel	1,333,960.15	334,036.97	85,307.89	365,529.15	465,999.93
Materials & Supplies	3,174,809.39	726,848.77	235,190.69	787,503.86	1,204,276.65
Communication & Utilities	338,492.88	51,614.94	25,269.55	1,292,833.77	258,323.13
Repairs & Maintenance	533,684.63	347,493.94	24,979.99	310,794.68	102,978.50
Rentals & Leases	702,335.15	31,208.14	264,816.27	148,861.21	224,796.08
Printing & Reproduction	39,258.47	9,997.66	12,028.99	38,114.16	396,512.64
Federal Pass-Through		89,859.08			
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					139,944.58
Interest	.97				
Scholarships	42,688.90	37,478.17	9,500.00	3,250.00	500.00
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses	839,119.66	259,228.57	262,921.31	413,001.92	1,026,171.43
Total Operating Expenses	\$ 61,709,541.61	\$ 9,096,549.42	\$ 2,388,565.22	\$ 13,172,018.41	\$ 11,806,788.53

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$ 1,563.96	\$	\$	\$ 30,848.63	\$	\$ 125,915.48	\$ 169,662.74
6,599,696.27	1,062,680.51	126,639.27	6,701,866.39		75,301,449.31	70,836,778.88
3,173,862.41	784,769.69	6,298.62	1,785,734.41		22,306,949.02	20,354,685.91
1,110,702.23	12,286,554.96		11,596,436.56		28,715,280.47	27,232,534.73
283,147.48	27,227.07		532,346.81		3,427,555.45	3,583,442.68
514,633.34	663,183.83		1,525,184.25		8,831,630.78	8,505,118.80
88,697.30	2,149,961.97		1,333,632.20		5,538,825.74	5,459,829.23
97,819.82	570,583.51		272,454.54		2,260,789.61	1,898,440.02
82,310.39	757,448.29		397,715.02		2,609,490.55	7,477,584.45
188,537.32	1,760.02		67,951.18		754,160.44	484,409.98
					89,859.08	89,791.41
				12,697,377.84	12,697,377.84	12,603,483.13
					139,944.58	12,539.84
					.97	27.10
		17,359,388.92	1,105,015.87		18,557,821.86	14,687,326.13
<u>1,484,566.93</u>	<u>50,812.89</u>	<u>140,719.39</u>	<u>1,400,829.52</u>		<u>5,877,371.62</u>	<u>5,100,768.32</u>
<u>\$ 13,625,537.45</u>	<u>\$ 18,354,982.74</u>	<u>\$ 17,633,046.20</u>	<u>\$ 26,750,015.38</u>	<u>\$ 12,697,377.84</u>	<u>\$ 187,234,422.80</u>	<u>\$ 178,496,423.35</u>

[Exhibit IV]

UNAUDITED

EXHIBIT V
TARLETON STATE UNIVERSITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 70,284,228.00	\$ 73,802,937.44
Proceeds Received From Customers	2,686,928.33	3,652,134.99
Proceeds From Grants and Contracts	19,037,960.52	13,516,742.19
Proceeds From Auxiliary Enterprises	22,263,462.62	23,613,477.73
Proceeds From Loan Programs	62,821.46	437,642.37
Proceeds From Other Operating Revenues	602,031.54	75,068.14
Payments to Suppliers for Goods and Services	(62,331,660.35)	(54,212,530.92)
Payments to Employees	(97,153,429.69)	(90,065,772.80)
Payments for Loans Provided	(421,274.63)	
Payments for Other Operating Expenses	(11,958,229.01)	(23,169,506.33)
Net Cash Provided [Used] By Operating Activities	<u>\$ (56,927,161.21)</u>	<u>\$ (52,349,807.19)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 55,400,124.77	\$ 47,678,925.50
Proceeds From Gifts	1,285,655.73	1,567,801.72
Proceeds From Endowments	772,827.39	479,357.80
Proceeds From Transfers From Other Funds	110,929.00	582,359.67
Proceeds From Other Grant Receipts	20,639,643.62	25,910,338.55
Proceeds From Other Noncapital Financing Activities	2,702,188.89	5,799,564.32
Payments of Interest		
Payments for Transfers to Other Funds		
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(520,700.83)	(2,070,993.42)
Other Noncapital Transfers From/To System	1,554,205.96	808,756.67
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 81,944,874.53</u>	<u>\$ 80,756,110.81</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 28,967.91	\$ 8,805.00
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts		
Proceeds From Federal Grants and Contracts		
Proceeds From Gifts		
Proceeds From Interfund Payables		
Proceeds From Other Financing Activities		
Proceeds From Capital Contributions		
Payments for Additions to Capital Assets	(19,333,967.58)	(19,462,418.24)
Payments of Principal On Debt		
Payments for Capital Leases		
Payments of Interest On Debt Issuance		
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]	5,998,129.75	5,534,430.86
Intrasystem Transfers for Capital Debt [Mandatory]	(18,195,153.80)	(10,912,115.18)
Intrasystem Transfers for Construction Proceeds [Non-Mand]	425,165.90	(464,234.63)
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (31,076,857.82)</u>	<u>\$ (25,295,532.19)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	8,935,282.61	(785,654.80)
Proceeds From Interest and Investment Income	2,113,487.93	2,138,959.31
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ 11,048,770.54</u>	<u>\$ 1,353,304.51</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ 4,989,626.04</u>	<u>\$ 4,464,075.94</u>
Cash and Cash Equivalents, Beginning of Year Restatement	<u>\$ 29,003,353.74</u>	<u>\$ 24,539,277.80</u>
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 29,003,353.74</u>	<u>\$ 24,539,277.80</u>
Cash and Cash Equivalents, End of Year [Sch Thrc]	<u><u>\$ 33,992,979.78</u></u>	<u><u>\$ 29,003,353.74</u></u>

UNAUDITED

EXHIBIT V
TARLETON STATE UNIVERSITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(75,769,770.43)	(63,539,311.15)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	12,697,377.84	12,603,483.13
Bad Debt Expense	857,845.04	381,826.09
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	1,330,301.80	(2,078,381.22)
[Increase] Decrease In Due From Agencies/Funds	168,228.64	217,635.25
[Increase] Decrease In Due From System Members	(25,111.47)	(34,289.63)
[Increase] Decrease In Inventories	546.60	(12,093.17)
[Increase] Decrease In Prepaid Expenses	7,142,928.32	(8,300,416.21)
[Increase] Decrease In Loans and Contracts	(421,274.63)	422,992.40
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	(4,124,407.33)	6,694,909.12
Increase [Decrease] In Due to Other Agencies/Funds	11.00	
Increase [Decrease] In Due to System Members	(398.87)	22,210.85
Increase [Decrease] In Unearned Revenue	1,390,930.57	1,606,303.25
Increase [Decrease] In Deposits	(393,012.12)	(437,853.50)
Increase [Decrease] In Employees' Compensable Leave	218,643.83	223,177.60
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities		(120,000.00)
Total Adjustments	<u>\$ 18,842,609.22</u>	<u>\$ 11,189,503.96</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (56,927,161.21)</u>	<u>\$ (52,349,807.19)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$ 735,991.90	\$ 22,354.40
Net Change In Fair Value of Investments	7,438,018.26	1,964,604.52
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	5,552,280.13	(1,482.56)



UNAUDITED

SCHEDULE THREE
 TARLETON STATE UNIVERSITY
 SCHEDULE OF CASH & CASH EQUIVALENTS
 FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Cashiers Account	\$ 10,000.00
Petty Cash Department Working Fund	<u>8,557.00</u>
Total Cash On Hand	<u>\$ 18,557.00</u>
Cash In Bank	\$ 228,842.11
Cash In State Treasury	
Fund 0243	<u>3,622,434.54</u>
Total Cash In State Treasury	<u>\$ 3,622,434.54</u>
Reimbursements Due From State Treasury	\$ 11,373.56
Assets Held By System Offices-Current	<u>28,601,922.69</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 32,483,129.90</u>
Restricted	
Assets Held By System Offices-Current	<u>\$ 1,509,849.88</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 1,509,849.88</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 33,992,979.78</u></u>

UNAUDITED

SCHEDULE N-2
 TARLETON STATE UNIVERSITY
 NOTE 2 - CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2017

	BALANCE 9-1-16	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 4,799,836.72	\$	\$ 656,899.65
Construction In Progress	26,889,825.60		(13,011,116.05)
Other Tangible Capital Assets	1,423,800.63		
Total Non-Depreciable/Non-Amortizable Assets	\$ 33,113,462.95	\$	\$ (12,354,216.40)
Depreciable Assets			
Buildings	\$ 217,815,052.63	\$	\$ 10,381,563.41
Infrastructure	24,065,159.50		1,713,089.12
Facilities and Other Improvements	21,891,177.04		
Furniture and Equipment	25,305,517.49		222,247.21
Vehicles, Boats and Aircraft	1,591,542.09		
Other Capital Assets	8,933,734.93		37,316.66
Total Depreciable Assets at Historical Cost	\$ 299,602,183.68	\$	\$ 12,354,216.40
Less Accumulated Depreciation for			
Buildings	\$ (112,243,550.78)	\$	\$
Infrastructure	(6,932,660.73)		
Facilities and Other Improvements	(8,402,151.75)		
Furniture and Equipment	(18,232,560.46)		
Vehicles, Boats and Aircraft	(1,373,340.67)		
Other Capital Assets	(7,161,025.56)		
Total Accumulated Depreciation	\$ (154,345,289.95)	\$	\$
Depreciable Assets, Net	\$ 145,256,893.73	\$	\$ 12,354,216.40
Amortizable Assets - Intangible			
Computer Software	\$ 674,186.29	\$	\$
Total Intangible Assets at Historical Cost	\$ 674,186.29	\$	\$
Less Accumulated Amortization for			
Computer Software	\$ (674,186.29)	\$	\$
Total Accumulated Amortization	\$ (674,186.29)	\$	\$
Amortizable Assets, Net	\$	\$	\$
Capital Assets, Net	\$ 178,370,356.68	\$	\$

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-17</u>
\$ 5,547,298.98	\$	\$ 654,502.97 16,599,998.41 87,950.03	\$ (656,899.65)	\$ 5,454,339.69 36,026,006.94 1,511,750.66
<u>\$ 5,547,298.98</u>	<u>\$</u>	<u>\$ 17,342,451.41</u>	<u>\$ (656,899.65)</u>	<u>\$ 42,992,097.29</u>
\$	\$	\$	\$ (944,188.35)	\$ 227,252,427.69 25,778,248.62 21,891,177.04
		2,104,682.64 320,221.89 302,603.54	(1,980,255.31) (85,464.00) (184,232.25)	25,652,192.03 1,826,299.98 9,089,422.88
<u>\$</u>	<u>\$</u>	<u>\$ 2,727,508.07</u>	<u>\$ (3,194,139.91)</u>	<u>\$ 311,489,768.24</u>
\$	\$	\$ (8,368,965.29) (1,006,350.92) (975,807.93) (2,078,214.06) (114,837.23) (153,202.41)	\$ 1,953,427.67 85,464.00 4,366.16	\$ (120,612,516.07) (7,939,011.65) (9,377,959.68) (18,357,346.85) (1,402,713.90) (7,309,861.81)
<u>\$</u>	<u>\$</u>	<u>\$ (12,697,377.84)</u>	<u>\$ 2,043,257.83</u>	<u>\$ (164,999,409.96)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (9,969,869.77)</u>	<u>\$ (1,150,882.08)</u>	<u>\$ 146,490,358.28</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (10,000.00)</u>	<u>\$ 664,186.29</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (10,000.00)</u>	<u>\$ 664,186.29</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 10,000.00</u>	<u>\$ (664,186.29)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 10,000.00</u>	<u>\$ (664,186.29)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>\$ 5,547,298.98</u>	<u>\$</u>	<u>\$ 7,372,581.64</u>	<u>\$ (1,807,781.73)</u>	<u>\$ 189,482,455.57</u>





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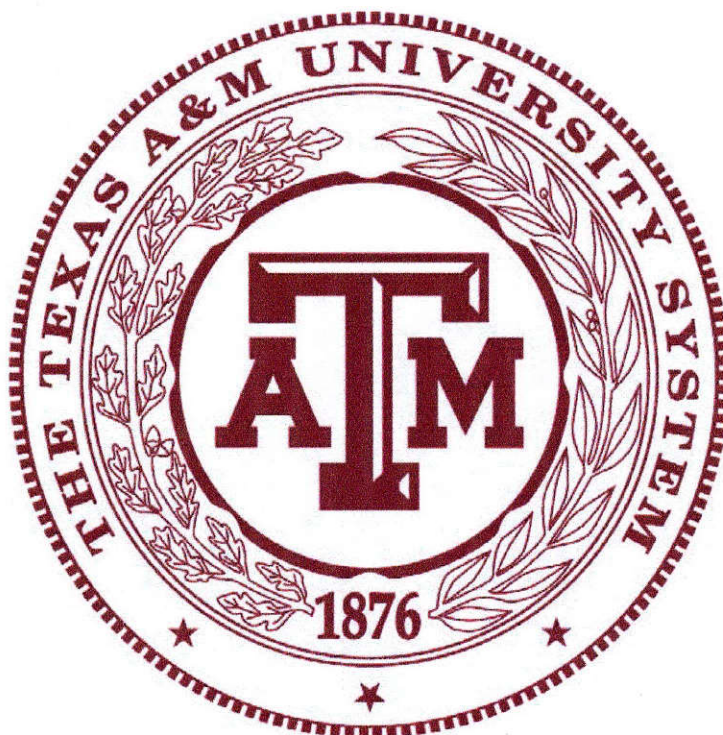
ANNUAL FINANCIAL REPORT

of

Texas A&M International University

For the Year Ended August 31, 2017

With Comparative Totals for the Year Ended August 31, 2016



Dr. Pablo Arenaz, President

Juan J. Castillo Jr., Vice President for Finance & Administration

Elena Martinez, Comptroller

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TEXAS A&M INTERNATIONAL UNIVERSITY

STUDENT ENROLLMENT DATA

CURRENT YEAR

<u>TYPE OF STUDENT</u>	<u>NUMBER OF STUDENTS BY SEMESTER</u>	
	<u>FALL 2016</u>	<u>FALL 2017</u>
Texas Resident	7,110	7,288
Out-of-State	67	189
Foreign	213	178
Total Students	<u>7,390</u>	<u>7,655</u>

HISTORICAL
(Fall Semester)

<u>FISCAL YEAR</u>	<u>HEADCOUNT</u>	<u>SEMESTER CREDIT HOURS</u>
2012-13	7,173	71,335
2013-14	7,431	74,002
2014-15	7,554	77,179
2015-16	7,192	79,049

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TEXAS A&M INTERNATIONAL UNIVERSITY

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<u>SCHEDULES</u>		
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EXHIBIT III
TEXAS A&M INTERNATIONAL UNIVERSITY
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 12,356,305.40	\$ 14,129,871.98
Investments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	1,013,397.05	578,210.39
Investments		
Legislative Appropriations	15,123,431.90	9,041,889.97
Receivables, Net [Note 24]		
Federal	2,136,753.17	1,567,699.37
Other Intergovernmental		
Interest and Dividends		
Gifts	1,467,500.00	797,500.00
Self-Insured Health and Dental		
Student	2,421,927.37	1,982,915.26
Investment Trades		
Accounts		300.00
Other	148,152.16	241,936.13
Due From Other Agencies	42,132.57	83,362.31
Due From Other Members	157,891.46	1,252,181.39
Due From Other Funds	3,297,206.57	
Consumable Inventories	16,508.23	16,050.73
Merchandise Inventories		
Loans and Contracts	1,612,394.04	1,272,488.60
Interfund Receivable [Note 12]		
Other Current Assets	137,228.17	55,900.83
Total Current Assets	<u>\$ 39,930,828.09</u>	<u>\$ 31,020,306.96</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 61,288,067.40	\$ 57,167,424.07
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable	47,619.05	259,637.18
Loans and Contracts		
Assets Held By System Office	57,093,816.82	49,344,939.56
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	7,500,047.50	7,500,047.50
Construction In Progress	18,340.00	2,660,893.20
Other Tangible Capital Assets	110,000.00	
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	181,822,293.72	178,068,652.68
Infrastructure	20,166,129.40	19,620,830.55
Facilities and Other Improvements	15,309,776.94	15,309,776.94
Furniture and Equipment	14,980,932.29	15,892,205.05
Vehicles, Boats, and Aircraft	158,726.56	188,388.56
Other Capital Assets	8,620,950.63	8,399,180.31
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	1,291,864.14	1,280,300.28
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(147,527,957.28)	(140,801,970.89)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 220,880,607.17</u>	<u>\$ 214,890,304.99</u>
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
Total Deferred Outflows of Resources	<u>\$</u>	<u>\$</u>
Total Assets and Deferred Outflows	<u>\$ 260,811,435.26</u>	<u>\$ 245,910,611.95</u>

UNAUDITED

EXHIBIT III
TEXAS A&M INTERNATIONAL UNIVERSITY
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 1,605,183.78	\$ 924,367.33
Payroll	3,112,146.39	2,629,974.24
Investment Trades		
Self-Insured Health and Dental		
Student	347,563.24	300,305.01
Other	46,808.15	33,380.81
Interfund Payable [Note 12]		
Due to Other Agencies		
Due to Other Funds	3,297,206.57	
Due to Other Members	2,987,765.47	6,215,370.22
Funds Held for Investment		
Unearned Revenue	5,769,254.99	5,902,582.67
Employees' Compensable Leave	242,065.62	182,433.33
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations [Note 8]		
Liabilities Payable From Restricted Assets	14,190.31	
Funds Held for Others	585,837.89	499,532.10
Other Current Liabilities	592,465.45	635,458.53
Total Current Liabilities	<u>\$ 18,600,487.86</u>	<u>\$ 17,323,404.24</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$	\$
Employees' Compensable Leave	1,988,126.77	2,024,477.30
Other Post Employment Benefits [Note 11]		
Pension Liability [Note 9]		
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Assets Held In Trust		
Liabilities Payable From Restricted Assets		
Funds Held for Others	125,764.52	75,764.52
Capital Lease Obligations [Note 8]		
Other Non-Current Liabilities	4,244.61	4,393.75
Total Non-Current Liabilities	<u>\$ 2,118,135.90</u>	<u>\$ 2,104,635.57</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 20,718,623.76</u>	<u>\$ 19,428,039.81</u>
Net Position		
Net Investment In Capital Assets	\$ 102,451,103.90	\$ 108,118,304.18
Restricted for		
Debt Service		
Capital Projects	1,132,526.46	1,121,482.12
Education	18,313,206.10	16,947,023.37
Endowment and Permanent Funds		
Nonexpendable	41,237,115.24	39,453,691.73
Expendable	8,391,687.02	6,132,430.42
Unrestricted	68,567,172.78	54,709,640.32
Total Net Position [Exhibit IV]	<u>\$ 240,092,811.50</u>	<u>\$ 226,482,572.14</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 260,811,435.26</u>	<u>\$ 245,910,611.95</u>

UNAUDITED

EXHIBIT IV
 TEXAS A&M INTERNATIONAL UNIVERSITY
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$ 50,624,252.60	\$ 48,070,392.08
Discounts and Allowances	(25,561,517.39)	(24,260,271.74)
Professional Fees		
Auxiliary Enterprises	3,871,698.02	3,478,452.87
Discounts and Allowances	(1,460,397.35)	(1,345,516.82)
Other Sales of Goods and Services	1,399,196.30	1,474,130.88
Discounts and Allowances		
Interest Revenue		
Federal Revenue - Operating	10,286,176.22	10,318,010.23
Federal Pass Through Revenue	291,729.54	366,200.61
State Grant Revenue		
State Pass Through Revenue	10,202,448.45	10,187,111.07
Other Grants and Contracts - Operating	197,378.53	42,204.91
Other Operating Revenue	536,692.35	515,264.92
Total Operating Revenues	\$ 50,387,657.27	\$ 48,845,979.01
Operating Expenses		
Instruction	\$ 31,554,680.35	\$ 29,279,055.80
Research	4,217,208.20	3,267,801.50
Public Service	3,483,174.85	3,289,483.60
Academic Support	20,730,233.29	21,218,503.16
Student Services	7,728,456.09	8,275,891.85
Institutional Support	7,165,628.87	7,262,744.05
Operation & Maintenance of Plant	9,300,206.69	8,596,113.75
Scholarships & Fellowships	10,736,377.36	9,835,588.98
Auxiliary	7,164,404.13	7,674,393.80
Depreciation/Amortization	8,417,254.70	8,659,620.27
Total Operating Expenses [Schedule IV-1]	\$ 110,497,624.53	\$ 107,359,196.76
Total Operating Income [Loss]	\$ (60,109,967.26)	\$ (58,513,217.75)
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 37,398,680.73	\$ 36,821,383.68
Federal Revenue Non-Operating	18,665,108.58	17,800,937.85
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	5,060,210.29	3,723,027.69
Investment Income	9,172,216.93	3,257,106.19
Investing Activities Expense	(173,946.28)	(144,337.48)
Interest Expense		
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets		
Settlement of Claims	(686.00)	
Other Nonoperating Revenues	608,656.75	730,023.79
Other Nonoperating [Expenses]		(11,563.86)
Total Nonoperating Revenues [Expenses]	\$ 70,730,241.00	\$ 62,176,577.86
Income [Loss] Before Other Revenues and Transfers	\$ 10,620,273.74	\$ 3,663,360.11

UNAUDITED

EXHIBIT IV
 TEXAS A&M INTERNATIONAL UNIVERSITY
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Other Revenues and Transfers		
Capital Contributions	\$ 110,000.00	\$ 10,000.00
Capital Appropriations [Higher Education Fund]	6,709,910.00	4,473,273.00
Additions to Permanent and Term Endowments	1,143,440.58	242,734.45
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	180,443.00	181,119.00
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	1,865,213.07	1,641,750.13
Nonmandatory Transfers From Members/Agencies-Cap Assets		
Transfers Out		
Transfers to Other State Agencies		
Mandatory Transfers to Other Members	(1,759,950.43)	(1,687,287.71)
Nonmandatory Transfers to Other Members	1,409,369.40	(6,720,700.00)
Nonmandatory Transfers to Members/Agencies - Cap Assets		
Legislative Transfers - In	4,343,190.00	56,924.00
Legislative Transfers - Out	(10,919,798.00)	(6,635,944.09)
Legislative Appropriations Lapsed	(91,852.00)	(403.91)
Total Other Revenues and Transfers	<u>\$ 2,989,965.62</u>	<u>\$ (8,438,535.13)</u>
Change In Net Position	<u>\$ 13,610,239.36</u>	<u>\$ (4,775,175.02)</u>
Net Position, Beginning of Year	\$ 226,482,572.14	\$ 231,257,747.16
Restatement		
Net Position, Beginning of Year, Restated	<u>\$ 226,482,572.14</u>	<u>\$ 231,257,747.16</u>
Net Position, End of Year	<u>\$ 240,092,811.50</u>	<u>\$ 226,482,572.14</u>

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SCHEDULE IV-1
 TEXAS A&M INTERNATIONAL UNIVERSITY
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
 FOR THE YEAR ENDED AUGUST 31, 2017

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$ 229.08	\$	\$ 676.07	\$ 1,974.20	\$ 5,543.31
Salaries & Wages	22,428,761.93	1,829,866.03	2,064,991.30	8,771,632.57	4,817,293.01
Payroll Related Costs	5,978,991.83	357,539.72	495,630.15	2,308,372.59	1,346,186.70
Payroll Related Costs-TRS Pension					
Professional Fees & Services	261,320.44	1,027,730.45	214,129.48	2,288,366.64	186,791.01
Travel	1,018,043.12	122,853.39	55,007.53	280,522.87	400,574.59
Materials & Supplies	1,163,737.27	399,902.68	216,258.97	3,007,138.35	360,766.07
Communication & Utilities	133,333.08	3,684.34	12,620.99	43,155.99	36,312.27
Repairs & Maintenance	48,707.44	2,355.73	8,099.46	577,568.18	24,228.26
Rentals & Lcases	60,172.52	434.96	10,931.55	185,772.33	31,627.70
Printing & Reproduction	2,773.91	1,425.00	2.00	2,563.71	44,887.65
Federal Pass-Through		53,160.29			
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					
Interest	6.06	5.02		129.61	
Scholarships	106,502.15	199,750.00	43,387.50	37,028.14	11,690.22
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses	352,101.52	218,500.59	361,439.85	3,226,008.11	462,555.30
Total Operating Expenses	\$ 31,554,680.35	\$ 4,217,208.20	\$ 3,483,174.85	\$ 20,730,233.29	\$ 7,728,456.09

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$	\$	\$	\$	\$	\$
4,202,402.30	1,539,014.05	395,829.87	2,138.36	1,959,514.98	10,561.02	10,429.87
1,489,947.58	428,340.46	19,119.87	510,062.43		48,009,306.04	46,450,287.96
					12,934,191.33	12,014,070.22
268,127.34	4,604,084.11	14,250.16	1,780,963.80		10,645,763.43	10,766,668.06
92,380.50	22,356.02	16,142.35	518,804.66		2,526,685.03	2,008,641.85
297,400.64	139,236.84	10,585.55	422,296.70		6,017,323.07	5,403,563.64
46,586.24	1,818,175.04	366.02	14,389.76		2,108,623.73	2,244,425.41
6,147.13	162,649.25		53,867.16		883,622.61	1,736,876.38
21,000.51	1,815.57	55.00	162,921.43		474,731.57	642,533.35
8,685.72	210.00	80.00	5,318.82		65,946.81	36,015.06
					53,160.29	16,712.20
				8,417,254.70	8,417,254.70	8,659,620.27
	5.91		23.54		170.14	126.35
2,978.56		10,258,191.22	195,179.75		10,854,707.54	10,460,050.28
8,007.84					8,007.84	25,895.04
721,964.51	584,319.44	21,757.32	1,538,922.74		7,487,569.38	6,883,280.82
<u>\$ 7,165,628.87</u>	<u>\$ 9,300,206.69</u>	<u>\$ 10,736,377.36</u>	<u>\$ 7,164,404.13</u>	<u>\$ 8,417,254.70</u>	<u>\$ 110,497,624.53</u>	<u>\$ 107,359,196.76</u>

[Exhibit IV]

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EXHIBIT V
TEXAS A&M INTERNATIONAL UNIVERSITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 24,667,242.03	\$ 23,477,246.46
Proceeds Received From Customers	1,429,038.26	1,530,956.52
Proceeds From Grants and Contracts	20,837,943.63	20,881,256.32
Proceeds From Auxiliary Enterprises	2,403,848.88	2,127,357.89
Proceeds From Loan Programs	454.40	304,010.63
Proceeds From Other Operating Revenues	476,731.98	313,297.50
Payments to Suppliers for Goods and Services	(29,706,860.94)	(29,880,474.65)
Payments to Employees	(60,438,043.46)	(57,662,602.62)
Payments for Loans Provided	(448,919.97)	(141,713.69)
Payments for Other Operating Expenses	(10,976,145.35)	(10,502,657.52)
Net Cash Provided [Used] By Operating Activities	<u>\$ (51,754,710.54)</u>	<u>\$ (49,553,323.16)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 35,568,476.80	\$ 35,312,836.87
Proceeds From Gifts	4,602,228.42	5,121,570.34
Proceeds From Endowments	1,143,440.58	242,734.45
Proceeds From Transfers From Other Funds	180,443.00	181,119.00
Proceeds From Other Grant Receipts	18,665,108.58	17,800,937.85
Proceeds From Other Noncapital Financing Activities	674,027.22	730,023.79
Payments of Interest		
Payments for Transfers to Other Funds		
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(63,807.83)	(17,710.52)
Other Noncapital Transfers From/To System	1,864,582.47	1,131,050.13
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 62,634,499.24</u>	<u>\$ 60,502,561.91</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$	\$
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts	6,709,910.00	4,473,273.00
Proceeds From Federal Grants and Contracts		
Proceeds From Gifts		
Proceeds From Interfund Payables		
Proceeds From Other Financing Activities		
Proceeds From Capital Contributions		
Payments for Additions to Capital Assets	(2,628,490.56)	(4,052,135.79)
Payments of Principal On Debt		
Payments for Capital Leases		
Payments of Interest On Debt Issuance		
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]	1,092,747.84	2,747,360.70
Intrasystem Transfers for Capital Debt [Mandatory]	(12,679,748.43)	(8,323,231.80)
Intrasystem Transfers for Construction Proceeds [Non-Mand]	(1,841,337.53)	
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (9,346,918.68)</u>	<u>\$ (5,154,733.89)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	(4,536,528.93)	(3,362,089.60)
Proceeds From Interest and Investment Income	1,665,278.99	1,489,749.18
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ (2,871,249.94)</u>	<u>\$ (1,872,340.42)</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ (1,338,379.92)</u>	<u>\$ 3,922,164.44</u>
Cash and Cash Equivalents, Beginning of Year Restatement	<u>\$ 14,708,082.37</u>	<u>\$ 10,785,917.93</u>
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 14,708,082.37</u>	<u>\$ 10,785,917.93</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 13,369,702.45</u>	<u>\$ 14,708,082.37</u>

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EXHIBIT V
TEXAS A&M INTERNATIONAL UNIVERSITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(60,109,967.26)	(58,513,217.75)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	8,417,254.70	8,659,620.27
Bad Debt Expense	251,489.18	142,905.11
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	(1,165,471.12)	467,358.28
[Increase] Decrease In Due From Agencies/Funds	41,229.74	32,531.28
[Increase] Decrease In Due From System Members	1,542.09	(38.90)
[Increase] Decrease In Inventories	(457.50)	4,491.02
[Increase] Decrease In Prepaid Expenses	(24,471.01)	(20,113.55)
[Increase] Decrease In Loans and Contracts	(339,905.44)	119,676.32
[Increase] Decrease In Other Assets	(56,856.33)	1,047,328.40
Increase [Decrease] In Payables	1,436,991.20	(631,764.16)
Increase [Decrease] In Due to Other Agencies/Funds		
Increase [Decrease] In Due to System Members	23,732.78	5,370.22
Increase [Decrease] In Unearned Revenue	(133,327.68)	(918,035.68)
Increase [Decrease] In Deposits	(119,775.65)	102,043.21
Increase [Decrease] In Employees' Compensable Leave	23,281.76	(51,477.23)
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities		
Total Adjustments	<u>\$ 8,355,256.72</u>	<u>\$ 8,959,894.59</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (51,754,710.54)</u>	<u>\$ (49,553,323.16)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$ 110,000.00	\$ 10,000.00
Net Change In Fair Value of Investments	6,796,601.38	1,252,680.79
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other		



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SCHEDULE THREE
 TEXAS A&M INTERNATIONAL UNIVERSITY
 SCHEDULE OF CASH & CASH EQUIVALENTS
 FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Cashiers Account	\$ 2,500.00
Petty Cash Department Working Fund	<u>1,350.00</u>
Total Cash On Hand	<u>\$ 3,850.00</u>
Cash In State Treasury	
Fund 0231	<u>\$ 9,778,587.68</u>
Total Cash In State Treasury	<u>\$ 9,778,587.68</u>
Assets Held By System Offices-Current	<u>\$ 2,573,867.72</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 12,356,305.40</u>
Restricted	
Assets Held By System Offices-Current	<u>\$ 1,013,397.05</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 1,013,397.05</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 13,369,702.45</u></u>

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SCHEDULE N-2
 TEXAS A&M INTERNATIONAL UNIVERSITY
 NOTE 2 - CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2017

	BALANCE 9-1-16	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 7,500,047.50	\$	\$
Construction In Progress	2,660,893.20		(3,753,641.04)
Other Tangible Capital Assets			
Total Non-Depreciable/Non-Amortizable Assets	<u>\$ 10,160,940.70</u>	<u>\$</u>	<u>\$ (3,753,641.04)</u>
Depreciable Assets			
Buildings	\$ 178,068,652.68	\$	\$ 3,753,641.04
Infrastructure	19,620,830.55		
Facilities and Other Improvements	15,309,776.94		
Furniture and Equipment	15,892,205.05		
Vehicles, Boats and Aircraft	188,388.56		
Other Capital Assets	8,399,180.31		
Total Depreciable Assets at Historical Cost	<u>\$ 237,479,034.09</u>	<u>\$</u>	<u>\$ 3,753,641.04</u>
Less Accumulated Depreciation for			
Buildings	\$ (102,460,463.44)	\$	\$
Infrastructure	(10,993,572.76)		
Facilities and Other Improvements	(8,573,803.72)		
Furniture and Equipment	(11,681,094.76)		
Vehicles, Boats and Aircraft	(102,278.70)		
Other Capital Assets	(5,710,457.23)		
Total Accumulated Depreciation	<u>\$ (139,521,670.61)</u>	<u>\$</u>	<u>\$</u>
Depreciable Assets, Net	<u>\$ 97,957,363.48</u>	<u>\$</u>	<u>\$ 3,753,641.04</u>
Amortizable Assets - Intangible			
Computer Software	\$ 1,280,300.28	\$	\$
Total Intangible Assets at Historical Cost	<u>\$ 1,280,300.28</u>	<u>\$</u>	<u>\$</u>
Less Accumulated Amortization for			
Computer Software	\$ (1,280,300.28)	\$	\$
Total Accumulated Amortization	<u>\$ (1,280,300.28)</u>	<u>\$</u>	<u>\$</u>
Amortizable Assets, Net	<u>\$</u>	<u>\$</u>	<u>\$</u>
Capital Assets, Net	<u>\$ 108,118,304.18</u>	<u>\$</u>	<u>\$</u>

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-17</u>
\$	\$	\$ 1,111,087.84	\$	\$ 7,500,047.50
		110,000.00		18,340.00
				110,000.00
<u>\$</u>	<u>\$</u>	<u>\$ 1,221,087.84</u>	<u>\$</u>	<u>\$ 7,628,387.50</u>
\$	\$	\$ 545,298.85	\$	\$ 181,822,293.72
		750,333.55	(1,661,606.31)	20,166,129.40
		221,770.32	(29,662.00)	15,309,776.94
				14,980,932.29
				158,726.56
				8,620,950.63
<u>\$</u>	<u>\$</u>	<u>\$ 1,517,402.72</u>	<u>\$ (1,691,268.31)</u>	<u>\$ 241,058,809.54</u>
\$	\$	\$ (5,414,166.43)	\$	\$ (107,874,629.87)
		(825,756.13)		(11,819,328.89)
		(593,911.85)		(9,167,715.57)
		(1,220,133.08)	1,661,606.31	(11,239,621.53)
		(21,404.16)	29,662.00	(94,020.86)
		(330,319.19)		(6,040,776.42)
<u>\$</u>	<u>\$</u>	<u>\$ (8,405,690.84)</u>	<u>\$ 1,691,268.31</u>	<u>\$ (146,236,093.14)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (6,888,288.12)</u>	<u>\$</u>	<u>\$ 94,822,716.40</u>
<u>\$</u>	<u>\$</u>	<u>\$ 11,563.86</u>	<u>\$</u>	<u>\$ 1,291,864.14</u>
<u>\$</u>	<u>\$</u>	<u>\$ 11,563.86</u>	<u>\$</u>	<u>\$ 1,291,864.14</u>
<u>\$</u>	<u>\$</u>	<u>\$ (11,563.86)</u>	<u>\$</u>	<u>\$ (1,291,864.14)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (11,563.86)</u>	<u>\$</u>	<u>\$ (1,291,864.14)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>\$</u>	<u>\$</u>	<u>\$ (5,667,200.28)</u>	<u>\$</u>	<u>\$ 102,451,103.90</u>





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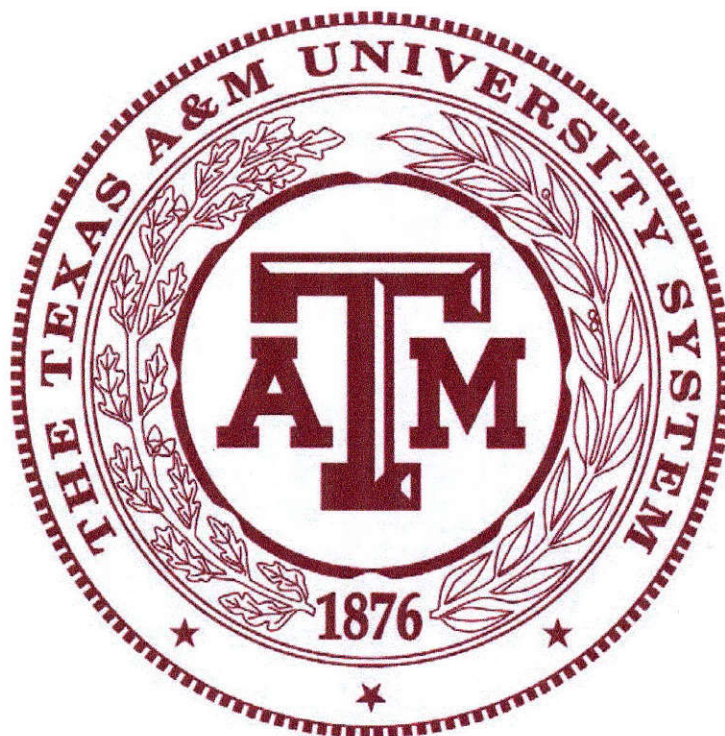
ANNUAL FINANCIAL REPORT

of

Texas A&M University – Central Texas

For the Year Ended August 31, 2017

With Comparative Totals for the Year Ended August 31, 2016



Marc A. Nigliazzo, President

Cynthia A. Carter, Vice President for Finance & Administration

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TEXAS A&M UNIVERSITY - CENTRAL TEXAS

STUDENT ENROLLMENT DATA

CURRENT YEAR

<u>TYPE OF STUDENT</u>	<u>NUMBER OF STUDENTS BY SEMESTER</u>	
	<u>FALL 2016</u>	<u>FALL 2017</u>
Texas Resident	2,413	2,380
Out-of-State	191	191
Foreign	15	4
Total Students	<u>2,619</u>	<u>2,575</u>

HISTORICAL
(Fall Semester)

<u>FISCAL YEAR</u>	<u>HEADCOUNT</u>	<u>SEMESTER CREDIT HOURS</u>
2012-13	2,253	15,687
2013-14	2,404	17,303
2014-15	2,316	17,237
2015-16	2,466	19,308
2016-17	2,619	20,456
2017-18	2,575	20,542

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TEXAS A&M UNIVERSITY - CENTRAL TEXAS

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<u>SCHEDULES</u>		
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EXHIBIT III
TEXAS A&M UNIVERSITY-CENTRAL TEXAS
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 9,767,722.41	\$ 8,177,809.40
Investments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	254,796.46	683,074.25
Investments		
Legislative Appropriations	2,729,145.09	2,107,568.10
Receivables, Net [Note 24]		
Federal	484,344.61	1,851,303.23
Other Intergovernmental		
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student	2,200,022.63	2,902,562.71
Investment Trades		
Accounts		
Other		552.99
Due From Other Agencies	3,792.98	15,519.00
Due From Other Members	2,088,551.37	1,948,585.81
Due From Other Funds		
Consumable Inventories		
Merchandise Inventories		
Loans and Contracts	1,779.75	9,772.43
Interfund Receivable [Note 12]		
Other Current Assets	1,129,280.74	893,238.55
Total Current Assets	<u>\$ 18,659,436.04</u>	<u>\$ 18,589,986.47</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 1,005,887.37	\$ 957,836.13
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts	44,909.81	39,321.59
Assets Held By System Office	12,058,940.39	10,969,181.97
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	1,740,000.00	1,740,000.00
Construction In Progress		
Other Tangible Capital Assets	949,175.00	949,175.00
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	54,302,623.90	54,072,381.06
Infrastructure	7,790,089.96	7,787,081.61
Facilities and Other Improvements	5,497,279.12	5,317,112.85
Furniture and Equipment	4,125,496.65	3,599,565.44
Vehicles, Boats, and Aircraft	173,903.87	195,397.87
Other Capital Assets	2,311,216.53	2,124,502.62
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	2,859,636.25	2,748,876.25
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(20,265,375.87)	(16,099,272.37)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 72,593,784.98</u>	<u>\$ 74,401,160.02</u>
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
Total Deferred Outflows of Resources	<u>\$</u>	<u>\$</u>
Total Assets and Deferred Outflows	<u>\$ 91,253,221.02</u>	<u>\$ 92,991,146.49</u>

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EXHIBIT III
TEXAS A&M UNIVERSITY-CENTRAL TEXAS
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 1,959,410.84	\$ 2,323,981.19
Payroll	1,539,522.60	1,389,079.45
Investment Trades		
Self-Insured Health and Dental		
Student	311,709.31	509,612.93
Other	67,250.12	74.76
Interfund Payable [Note 12]		
Due to Other Agencies		
Due to Other Funds		
Due to Other Members		
Funds Held for Investment		
Unearned Revenue	6,643,832.36	6,528,910.01
Employees' Compensable Leave	64,992.60	52,132.72
Claims and Judgments		
Notes and Loans Payable [Note 5]	598.62	
Bonds Payable [Note 6]		
Capital Lease Obligations [Note 8]		
Liabilities Payable From Restricted Assets		
Funds Held for Others	3,624.77	17,664.69
Other Current Liabilities	<u>96,813.78</u>	<u>77,854.08</u>
Total Current Liabilities	<u>\$ 10,687,755.00</u>	<u>\$ 10,899,309.83</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$	\$
Employees' Compensable Leave	644,555.54	665,893.52
Other Post Employment Benefits [Note 11]		
Pension Liability [Note 9]		
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Assets Held In Trust		
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Capital Lease Obligations [Note 8]		
Other Non-Current Liabilities	<u>130,000.00</u>	<u>130,000.00</u>
Total Non-Current Liabilities	<u>\$ 774,555.54</u>	<u>\$ 795,893.52</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 11,462,310.54</u>	<u>\$ 11,695,203.35</u>
Net Position		
Net Investment In Capital Assets	\$ 59,484,047.41	\$ 62,434,820.33
Restricted for		
Debt Service		
Capital Projects	1,877,214.61	3,462,019.68
Education	1,070,426.21	864,725.99
Endowment and Permanent Funds		
Nonexpendable	866,682.99	865,682.99
Expendable	135,131.96	88,271.40
Unrestricted	<u>16,357,407.30</u>	<u>13,580,422.75</u>
Total Net Position [Exhibit IV]	<u>\$ 79,790,910.48</u>	<u>\$ 81,295,943.14</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 91,253,221.02</u>	<u>\$ 92,991,146.49</u>

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EXHIBIT IV
 TEXAS A&M UNIVERSITY-CENTRAL TEXAS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$ 15,885,704.76	\$ 14,080,332.27
Discounts and Allowances	(3,391,505.94)	(3,183,632.89)
Professional Fees	24,034.01	
Auxiliary Enterprises	119,806.85	128,445.61
Discounts and Allowances		
Other Sales of Goods and Services	191,919.13	184,151.78
Discounts and Allowances		
Interest Revenue	4,324.47	5,656.81
Federal Revenue - Operating	162,157.26	41,000.00
Federal Pass Through Revenue	36,172.30	
State Grant Revenue		
State Pass Through Revenue	330,697.00	233,622.44
Other Grants and Contracts - Operating	368,904.19	89,779.50
Other Operating Revenue	123,821.00	59,204.92
Total Operating Revenues	<u>\$ 13,856,035.03</u>	<u>\$ 11,638,560.44</u>
Operating Expenses		
Instruction	\$ 11,133,761.73	\$ 10,794,758.00
Research	754,158.73	368,258.22
Public Service	5,842.38	2,986.07
Academic Support	5,817,725.15	5,311,447.34
Student Services	4,701,842.18	4,822,096.15
Institutional Support	4,061,376.61	3,413,670.46
Operation & Maintenance of Plant	3,115,007.60	2,070,025.27
Scholarships & Fellowships	4,500,615.36	4,165,317.82
Auxiliary	153,217.45	119,568.64
Depreciation/Amortization	4,591,643.99	4,692,691.12
Total Operating Expenses [Schedule IV-1]	<u>\$ 38,835,191.18</u>	<u>\$ 35,760,819.09</u>
Total Operating Income [Loss]	<u>\$ (24,979,156.15)</u>	<u>\$ (24,122,258.65)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 16,772,590.29	\$ 17,340,488.20
Federal Revenue Non-Operating	4,712,213.00	4,511,350.00
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	457,275.19	380,810.75
Investment Income	1,245,504.82	511,560.58
Investing Activities Expense	(30,526.00)	(26,675.79)
Interest Expense		
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	(10,173.32)	17,450.00
Settlement of Claims		
Other Nonoperating Revenues	3,426.10	5,130.00
Other Nonoperating [Expenses]	(9,209.32)	(627,747.27)
Total Nonoperating Revenues [Expenses]	<u>\$ 23,141,100.76</u>	<u>\$ 22,112,366.47</u>
Income [Loss] Before Other Revenues and Transfers	<u>\$ (1,838,055.39)</u>	<u>\$ (2,009,892.18)</u>

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EXHIBIT IV
 TEXAS A&M UNIVERSITY-CENTRAL TEXAS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Other Revenues and Transfers		
Capital Contributions	\$ 3,547.50	\$ 4,665.50
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments		300.00
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	9,812.00	15,259.00
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	1,932,968.60	1,037,521.07
Nonmandatory Transfers From Members/Agencies-Cap Assets	157,465.73	3,805,450.72
Transfers Out		
Transfers to Other State Agencies		
Mandatory Transfers to Other Members		
Nonmandatory Transfers to Other Members	(420.40)	(9,776.38)
Nonmandatory Transfers to Members/Agencies - Cap Assets		
Legislative Transfers - In	2,801,439.00	20,091.00
Legislative Transfers - Out	(4,432,095.00)	(1,646,450.00)
Legislative Appropriations Lapsed	(139,694.70)	
Total Other Revenues and Transfers	<u>\$ 333,022.73</u>	<u>\$ 3,227,060.91</u>
Change In Net Position	<u>\$ (1,505,032.66)</u>	<u>\$ 1,217,168.73</u>
Net Position, Beginning of Year Restatement	<u>\$ 81,295,943.14</u>	<u>\$ 80,078,774.41</u>
Net Position, Beginning of Year, Restated	<u>\$ 81,295,943.14</u>	<u>\$ 80,078,774.41</u>
Net Position, End of Year	<u>\$ 79,790,910.48</u>	<u>\$ 81,295,943.14</u>

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SCHEDULE IV-1
 TEXAS A&M UNIVERSITY-CENTRAL TEXAS
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
 FOR THE YEAR ENDED AUGUST 31, 2017

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$	\$	\$
Salaries & Wages	8,665,396.15	353,609.81		3,577,852.03	2,553,211.90
Payroll Related Costs	1,777,000.88	70,312.35		761,306.71	653,096.43
Payroll Related Costs-TRS Pension					
Professional Fees & Services	188,924.26	156,263.89	747.05	429,873.53	282,612.28
Travel	149,889.92	43,540.61	10.00	113,116.98	158,525.44
Materials & Supplies	120,285.89	50,989.69	4,895.18	364,133.55	227,789.87
Communication & Utilities	32,169.59	888.12		334,607.67	33,528.33
Repairs & Maintenance	11,248.87	25,686.04		70,966.66	19,940.22
Rentals & Leases	29,737.32	3,334.43		13,565.53	426,975.34
Printing & Reproduction	3,666.88	1,773.20	49.00	6,096.55	41,000.90
Federal Pass-Through					
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					9,709.87
Interest				23.41	96.71
Scholarships	1,500.00	13,382.83			(500.00)
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses	153,941.97	34,377.76	141.15	146,182.53	295,854.89
Total Operating Expenses	\$ 11,133,761.73	\$ 754,158.73	\$ 5,842.38	\$ 5,817,725.15	\$ 4,701,842.18

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$	\$	\$	\$	\$	\$
1,953,712.46	367,219.32		105,864.91		17,576,866.58	16,628,120.77
568,537.29	337,121.88	793.96	27,524.09		4,195,693.59	3,777,093.59
724,144.41	314,728.83	45,135.78	439.00		2,142,869.03	1,592,184.15
87,723.75	12,851.80				565,658.50	522,939.50
99,293.49	106,993.21	2,431.52	6,626.84		983,439.24	701,105.17
58,705.08	535,005.07	7,737.98	3,300.00		1,005,941.84	1,399,232.28
40,058.00	912,994.17	3,240.73	518.00		1,084,652.69	481,800.60
197,530.71	218,663.34				889,806.67	674,213.76
10,813.75	14,357.89		701.43		78,459.60	94,819.04
				4,591,643.99	4,591,643.99	4,692,691.12
					9,709.87	2,910.26
93.31	26.53				239.96	334.28
		4,416,913.52	8,160.00		4,439,456.35	4,115,408.20
<u>320,764.36</u>	<u>295,045.56</u>	<u>24,361.87</u>	<u>83.18</u>		<u>1,270,753.27</u>	<u>1,077,966.37</u>
<u>\$ 4,061,376.61</u>	<u>\$ 3,115,007.60</u>	<u>\$ 4,500,615.36</u>	<u>\$ 153,217.45</u>	<u>\$ 4,591,643.99</u>	<u>\$ 38,835,191.18</u>	<u>\$ 35,760,819.09</u>

[Exhibit IV]

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EXHIBIT V
TEXAS A&M UNIVERSITY-CENTRAL TEXAS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 15,123,799.84	\$ 11,567,227.25
Proceeds Received From Customers	216,900.83	522,252.20
Proceeds From Grants and Contracts	2,265,149.37	366,214.01
Proceeds From Auxiliary Enterprises	120,113.14	118,953.52
Proceeds From Loan Programs	6,144.47	6,776.81
Proceeds From Other Operating Revenues	140,960.70	58,810.40
Payments to Suppliers for Goods and Services	(10,689,959.28)	(6,797,605.22)
Payments to Employees	(21,631,563.91)	(20,152,206.61)
Payments for Loans Provided	(7,305.41)	(11,989.42)
Payments for Other Operating Expenses	(4,317,992.44)	(4,124,418.26)
Net Cash Provided [Used] By Operating Activities	<u>\$ (18,773,752.69)</u>	<u>\$ (18,445,985.32)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 18,812,757.60	\$ 16,657,978.62
Proceeds From Gifts	457,275.19	380,810.75
Proceeds From Endowments		300.00
Proceeds From Transfers From Other Funds	25,071.00	
Proceeds From Other Grant Receipts	4,712,213.00	4,957,070.77
Proceeds From Other Noncapital Financing Activities	3,096.10	21,033.11
Payments of Interest		
Payments for Transfers to Other Funds		
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(13,441.30)	(1,583.19)
Other Noncapital Transfers From/To System	932,548.20	27,744.69
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 24,929,519.79</u>	<u>\$ 22,043,354.75</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 7,375.00	\$ 17,450.00
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts		
Proceeds From Federal Grants and Contracts		
Proceeds From Gifts		
Proceeds From Interfund Payables		
Proceeds From Other Financing Activities		
Proceeds From Capital Contributions		
Payments for Additions to Capital Assets	(1,506,615.48)	(1,233,145.44)
Payments of Principal On Debt		
Payments for Capital Leases		
Payments of Interest On Debt Issuance		
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]	860,034.44	817,043.71
Intrasystem Transfers for Capital Debt [Mandatory]	(4,432,095.00)	(1,646,450.00)
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (5,071,301.04)</u>	<u>\$ (2,045,101.73)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	(168,535.25)	(160,525.95)
Proceeds From Interest and Investment Income	245,704.41	214,628.90
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ 77,169.16</u>	<u>\$ 54,102.95</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ 1,161,635.22</u>	<u>\$ 1,606,370.65</u>
Cash and Cash Equivalents, Beginning of Year Restatement	<u>\$ 8,860,883.65</u>	<u>\$ 7,254,513.00</u>
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 8,860,883.65</u>	<u>\$ 7,254,513.00</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 10,022,518.87</u>	<u>\$ 8,860,883.65</u>

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EXHIBIT V
 TEXAS A&M UNIVERSITY-CENTRAL TEXAS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(24,979,156.15)	(24,122,258.65)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	4,591,643.99	4,692,691.12
Bad Debt Expense	225,874.05	122,451.45
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	1,854,217.51	(986,292.91)
[Increase] Decrease In Due From Agencies/Funds	(3,532.98)	1,812.07
[Increase] Decrease In Due From System Members		48.19
[Increase] Decrease In Inventories		
[Increase] Decrease In Prepaid Expenses	(213,120.26)	(192,815.92)
[Increase] Decrease In Loans and Contracts	(7,305.41)	(11,989.42)
[Increase] Decrease In Other Assets	(23,825.43)	(14,983.84)
Increase [Decrease] In Payables	(343,951.96)	945,795.55
Increase [Decrease] In Due to Other Agencies/Funds		
Increase [Decrease] In Due to System Members		
Increase [Decrease] In Unearned Revenue	114,922.35	1,041,066.73
Increase [Decrease] In Deposits	18,959.70	(6,924.52)
Increase [Decrease] In Employees' Compensable Leave	(8,478.10)	85,414.83
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities		
Total Adjustments	\$ 6,205,403.46	\$ 5,676,273.33
Net Cash Provided [Used] By Operating Activities	\$ (18,773,752.69)	\$ (18,445,985.32)
Non-Cash Transactions		
Donation of Capital Assets	\$ 3,547.50	\$ 4,665.50
Net Change In Fair Value of Investments	884,094.96	207,710.57
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	147,292.41	3,822,900.72



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SCHEDULE THREE
 TEXAS A&M UNIVERSITY-CENTRAL TEXAS
 SCHEDULE OF CASH & CASH EQUIVALENTS
 FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Cashiers Account	\$ 1,600.00
Total Cash On Hand	<u>\$ 1,600.00</u>
Cash In Bank	\$ 8,886.40
Cash In State Treasury	
Fund 0291	<u>2,468,514.85</u>
Total Cash In State Treasury	<u>\$ 2,468,514.85</u>
Reimbursements Due From State Treasury	\$ 832,608.14
Assets Held By System Offices-Current	<u>6,456,113.02</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 9,767,722.41</u>
Restricted	
Assets Held By System Offices-Current	<u>\$ 254,796.46</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 254,796.46</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 10,022,518.87</u></u>

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SCHEDULE N-2
 TEXAS A&M UNIVERSITY-CENTRAL TEXAS
 NOTE 2 - CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2017

	BALANCE 9-1-16	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 1,740,000.00	\$	\$
Construction In Progress			(157,465.73)
Other Tangible Capital Assets	949,175.00		
Total Non-Depreciable/Non-Amortizable Assets	\$ 2,689,175.00	\$	\$ (157,465.73)
Depreciable Assets			
Buildings	\$ 54,072,381.06	\$	\$ 136,899.64
Infrastructure	7,787,081.61		3,008.35
Facilities and Other Improvements	5,317,112.85		17,557.74
Furniture and Equipment	3,599,565.44		
Vehicles, Boats and Aircraft	195,397.87		
Other Capital Assets	2,124,502.62		
Total Depreciable Assets at Historical Cost	\$ 73,096,041.45	\$	\$ 157,465.73
Less Accumulated Depreciation for			
Buildings	\$ (8,336,493.23)	\$	\$
Infrastructure	(1,741,609.59)		
Facilities and Other Improvements	(784,364.95)		
Furniture and Equipment	(2,068,338.86)		
Vehicles, Boats and Aircraft	(71,842.92)		
Other Capital Assets	(782,726.56)		
Total Accumulated Depreciation	\$ (13,785,376.11)	\$	\$
Depreciable Assets, Net	\$ 59,310,665.34	\$	\$ 157,465.73
Amortizable Assets - Intangible			
Computer Software	\$ 2,748,876.25	\$	\$
Total Intangible Assets at Historical Cost	\$ 2,748,876.25	\$	\$
Less Accumulated Amortization for			
Computer Software	\$ (2,313,896.26)	\$	\$
Total Accumulated Amortization	\$ (2,313,896.26)	\$	\$
Amortizable Assets, Net	\$ 434,979.99	\$	\$
Capital Assets, Net	\$ 62,434,820.33	\$	\$

INC-INTERAGENCY TRANSACTIONS	DEC-INTERAGENCY TRANSACTIONS	ADDITIONS	DELETIONS	BALANCE 8-31-17
\$ 157,465.73	\$	\$	\$	\$ 1,740,000.00
				949,175.00
<u>\$ 157,465.73</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,689,175.00</u>
\$	\$	\$ 93,343.20	\$	\$ 54,302,623.90
		162,608.53		7,790,089.96
		949,728.34	(423,797.13)	5,497,279.12
		193,722.91	(21,492.00)	4,125,496.65
			(7,009.00)	173,905.87
				2,311,216.53
<u>\$</u>	<u>\$</u>	<u>\$ 1,399,402.98</u>	<u>\$ (452,298.13)</u>	<u>\$ 74,200,612.03</u>
\$	\$	\$ (2,763,948.82)	\$	\$ (11,100,442.05)
		(438,013.87)		(2,179,623.46)
		(310,101.01)		(1,094,465.96)
		(493,989.32)	404,048.49	(2,158,279.69)
		(23,589.84)	21,492.00	(73,940.76)
		(127,021.14)		(909,747.70)
<u>\$</u>	<u>\$</u>	<u>\$ (4,156,664.00)</u>	<u>\$ 425,540.49</u>	<u>\$ (17,516,499.62)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (2,757,261.02)</u>	<u>\$ (26,757.64)</u>	<u>\$ 56,684,112.41</u>
<u>\$</u>	<u>\$</u>	<u>\$ 110,760.00</u>	<u>\$</u>	<u>\$ 2,859,636.25</u>
<u>\$</u>	<u>\$</u>	<u>\$ 110,760.00</u>	<u>\$</u>	<u>\$ 2,859,636.25</u>
<u>\$</u>	<u>\$</u>	<u>\$ (434,979.99)</u>	<u>\$</u>	<u>\$ (2,748,876.25)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (434,979.99)</u>	<u>\$</u>	<u>\$ (2,748,876.25)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (324,219.99)</u>	<u>\$</u>	<u>\$ 110,760.00</u>
<u>\$ 157,465.73</u>	<u>\$</u>	<u>\$ (3,081,481.01)</u>	<u>\$ (26,757.64)</u>	<u>\$ 59,484,047.41</u>





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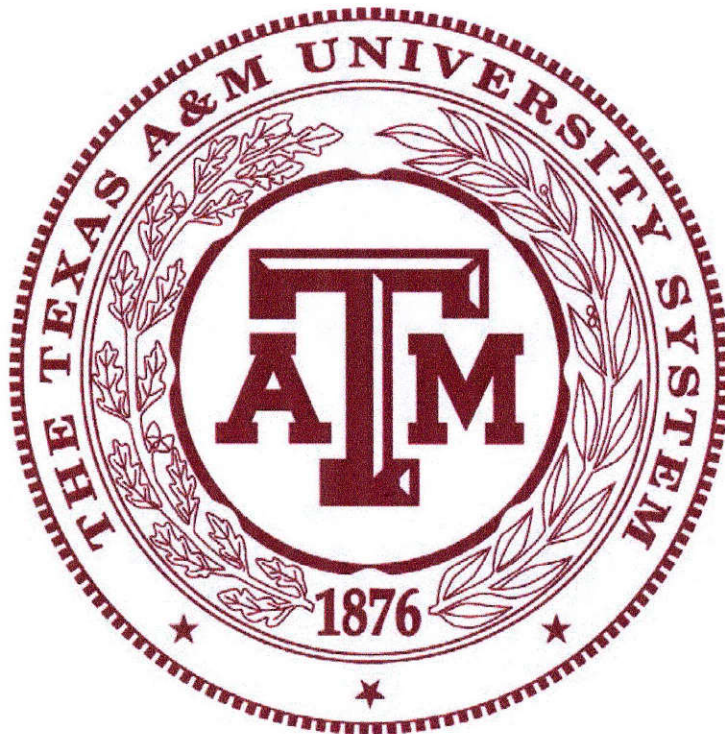
ANNUAL FINANCIAL REPORT

of

Texas A&M University-Commerce

For the Year Ended August 31, 2017

With Comparative Totals for the Year Ended August 31, 2016



Ray M. Keck, III, Ph.D., President

Alicia Currin, Vice President for Business & Administration

**Paula Hanson, Associate Vice President for Business &
Administration/Comptroller**

Sarah Baker, Director of Accounting & Financial Reporting

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TEXAS A&M UNIVERSITY - COMMERCE

STUDENT ENROLLMENT DATA

CURRENT YEAR

<u>TYPE OF STUDENT</u>	<u>NUMBER OF STUDENTS BY SEMESTER</u>	
	<u>FALL 2016</u>	<u>FALL 2017</u>
Texas Resident	11,388	11,873
Out-of-State	229	511
Foreign	768	681
Total Students	<u>12,385</u>	<u>13,065</u>

HISTORICAL
(Fall Semester)

<u>FISCAL YEAR</u>	<u>HEADCOUNT</u>	<u>SEMESTER CREDIT HOURS</u>
2011-12	10,726	105,597
2012-13	11,187	109,085
2013-14	11,068	108,666
2014-15	11,490	113,522
2015-16	12,302	123,599
2016-17	12,385	122,405

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TEXAS A&M UNIVERSITY - COMMERCE

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EXHIBIT III
TEXAS A&M UNIVERSITY-COMMERCE
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 28,458,416.80	\$ 18,239,920.44
Investments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	1,134,541.68	385,913.76
Investments		
Legislative Appropriations	11,565,505.05	8,642,005.05
Receivables, Net [Note 24]		
Federal	2,202,188.61	3,537,081.21
Other Intergovernmental		
Interest and Dividends		
Gifts	102,909.25	284,503.50
Self-Insured Health and Dental		
Student	3,584,526.76	2,498,364.32
Investment Trades		
Accounts	823,586.23	498,303.83
Other	117,489.60	184,565.24
Due From Other Agencies	4,263.48	739,053.63
Due From Other Members		
Due From Other Funds		
Consumable Inventories	407,235.61	424,470.80
Merchandise Inventories	78,737.75	80,790.35
Loans and Contracts	998,174.00	1,232,987.38
Interfund Receivable [Note 12]		
Other Current Assets	6,633,453.53	7,962,313.69
Total Current Assets	<u>\$ 56,111,028.35</u>	<u>\$ 44,710,273.20</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 29,267,081.59	\$ 24,439,504.97
Assets Held By System Office		
Investments [Note 3]	124,210.88	391,927.26
Loans, Contracts and Other		
Gifts Receivable	308,478.00	
Loans and Contracts	232,822.40	215,183.81
Assets Held By System Office	128,432,984.09	127,483,297.17
Investments [Note 3]		105,537.00
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	6,050,616.16	5,083,894.16
Construction In Progress	4,569,818.07	3,233,822.71
Other Tangible Capital Assets	87,000.00	72,000.00
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	202,554,581.16	196,466,657.03
Infrastructure	10,291,112.35	8,785,110.68
Facilities and Other Improvements	13,675,614.28	13,498,342.90
Furniture and Equipment	16,588,372.28	15,540,987.17
Vehicles, Boats, and Aircraft	2,171,500.35	2,153,002.10
Other Capital Assets	3,800,789.89	3,830,124.65
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	18,745.00	18,745.00
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(136,132,961.07)	(128,123,936.80)
Assets Held In Trust		
Other Non-Current Assets	651,888.00	
Total Non-Current Assets	<u>\$ 282,692,653.43</u>	<u>\$ 273,194,199.81</u>
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
Total Deferred Outflows of Resources	<u>\$</u>	<u>\$</u>
Total Assets and Deferred Outflows	<u>\$ 338,803,681.78</u>	<u>\$ 317,904,473.01</u>

UNAUDITED

EXHIBIT III
 TEXAS A&M UNIVERSITY-COMMERCE
 STATEMENT OF NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 4,261,497.55	\$ 3,790,612.72
Payroll	5,447,221.17	5,510,905.97
Investment Trades		
Self-Insured Health and Dental		
Student	112,175.62	669,655.86
Other	638.65	15,224.56
Intertund Payable [Note 12]		
Due to Other Agencies	48,188.15	17,426.95
Due to Other Funds		
Due to Other Members		377,328.80
Funds Held for Investment		
Unearned Revenue	32,105,346.36	28,365,057.44
Employees' Compensable Leave	288,457.13	339,425.86
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations [Note 8]		
Liabilities Payable From Restricted Assets		
Funds Held for Others	1,914,804.43	3,180,687.37
Other Current Liabilities	283,315.05	297,788.67
Total Current Liabilities	<u>\$ 44,461,644.11</u>	<u>\$ 42,564,114.20</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$ 2,115,043.00	\$ 1,952,200.62
Employees' Compensable Leave		
Other Post Employment Benefits [Note 11]		
Pension Liability [Note 9]		
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Assets Held In Trust		
Liabilities Payable From Restricted Assets		
Funds Held for Others	28,385,888.35	23,426,010.09
Capital Lease Obligations [Note 8]		
Other Non-Current Liabilities	280,983.20	336,938.53
Total Non-Current Liabilities	<u>\$ 30,781,914.55</u>	<u>\$ 25,715,149.24</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 75,243,558.66</u>	<u>\$ 68,279,263.44</u>
Net Position		
Net Investment In Capital Assets	\$ 123,675,188.47	\$ 120,558,749.60
Restricted for		
Debt Service		
Capital Projects		
Education	7,399,848.81	7,049,799.92
Endowment and Permanent Funds		
Nonexpendable	1,018,516.44	1,018,516.44
Expendable	517,191.23	445,285.75
Unrestricted	130,949,378.17	120,552,857.86
Total Net Position [Exhibit IV]	<u>\$ 263,560,123.12</u>	<u>\$ 249,625,209.57</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 338,803,681.78</u>	<u>\$ 317,904,473.01</u>

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EXHIBIT IV
 TEXAS A&M UNIVERSITY-COMMERCE
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$ 92,299,484.56	\$ 90,625,990.85
Discounts and Allowances	(22,697,175.48)	(20,035,717.34)
Professional Fees	32,646.33	23,825.66
Auxiliary Enterprises	22,689,747.87	20,868,251.84
Discounts and Allowances	(5,009,582.65)	(4,231,749.19)
Other Sales of Goods and Services	3,633,313.45	4,473,661.17
Discounts and Allowances		
Interest Revenue	21,045.45	20,692.24
Federal Revenue - Operating	3,988,279.41	4,101,427.61
Federal Pass Through Revenue	(366,874.27)	374,400.11
State Grant Revenue		
State Pass Through Revenue	7,059,470.11	5,793,501.06
Other Grants and Contracts - Operating	1,390,798.56	689,056.14
Other Operating Revenue	1,910,034.96	1,823,689.29
Total Operating Revenues	\$ 104,951,188.30	\$ 104,527,029.44
Operating Expenses		
Instruction	\$ 60,533,225.96	\$ 56,641,048.80
Research	3,364,112.37	2,516,566.79
Public Service	3,265,392.06	2,823,090.79
Academic Support	11,419,872.05	11,232,980.91
Student Services	14,133,105.34	13,365,561.39
Institutional Support	14,324,967.48	14,066,484.50
Operation & Maintenance of Plant	14,979,320.35	14,670,648.55
Scholarships & Fellowships	17,549,905.97	19,137,813.63
Auxiliary	30,848,147.57	29,894,869.15
Depreciation/Amortization	9,371,183.10	9,221,345.15
Total Operating Expenses [Schedule IV-1]	\$ 179,789,232.25	\$ 173,570,409.66
Total Operating Income [Loss]	\$ (74,838,043.95)	\$ (69,043,380.22)
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 49,748,458.06	\$ 48,616,500.59
Federal Revenue Non-Operating	18,117,123.73	16,481,466.40
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	1,656,740.97	1,898,757.11
Investment Income	12,692,378.88	5,843,472.03
Investing Activities Expense	(355,722.21)	(302,197.26)
Interest Expense		
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	(87,680.02)	(18,341.65)
Settlement of Claims	(145,718.23)	(330,816.65)
Other Nonoperating Revenues	52,773.59	66,102.22
Other Nonoperating [Expenses]	(2,524,311.89)	(604,336.68)
Total Nonoperating Revenues [Expenses]	\$ 79,154,042.88	\$ 71,650,606.11
Income [Loss] Before Other Revenues and Transfers	\$ 4,315,998.93	\$ 2,607,225.89

UNAUDITED

EXHIBIT IV
 TEXAS A&M UNIVERSITY-COMMERCE
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Other Revenues and Transfers		
Capital Contributions	\$ 15,000.00	\$
Capital Appropriations [Higher Education Fund]	10,786,313.00	7,190,875.00
Additions to Permanent and Term Endowments		
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	97,561.00	133,561.00
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	1,482,435.72	1,273,915.18
Nonmandatory Transfers From Members/Agencies-Cap Assets	6,781,269.58	6,180,614.72
Transfers Out		
Transfers to Other State Agencies		
Mandatory Transfers to Other Members	(7,252,008.37)	(5,747,274.53)
Nonmandatory Transfers to Other Members	(19,259.45)	(26,266.30)
Nonmandatory Transfers to Members/Agencies - Cap Assets		
Legislative Transfers - In	4,094,356.00	175,859.00
Legislative Transfers - Out	(6,245,459.10)	(2,533,074.66)
Legislative Appropriations Lapsed	(121,293.76)	
Total Other Revenues and Transfers	<u>\$ 9,618,914.62</u>	<u>\$ 6,648,209.41</u>
Change In Net Position	<u>\$ 13,934,913.55</u>	<u>\$ 9,255,435.30</u>
Net Position, Beginning of Year	\$ 249,625,209.57	\$ 240,369,774.27
Restatement		
Net Position, Beginning of Year, Restated	<u>\$ 249,625,209.57</u>	<u>\$ 240,369,774.27</u>
Net Position, End of Year	<u>\$ 263,560,123.12</u>	<u>\$ 249,625,209.57</u>

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SCHEDULE IV-1
 TEXAS A&M UNIVERSITY-COMMERCE
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
 FOR THE YEAR ENDED AUGUST 31, 2017

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$	\$ 15,266.22	\$ 5,047.50
Salaries & Wages	39,345,081.15	1,877,996.35	1,826,342.31	5,521,765.24	5,984,417.07
Payroll Related Costs	11,170,650.62	316,085.01	532,528.01	1,912,143.08	1,965,576.02
Payroll Related Costs-TRS Pension					
Professional Fees & Services	5,218,123.65	208,772.71	185,346.11	1,265,346.88	605,012.27
Travel	575,160.44	128,611.99	58,739.46	237,747.21	613,445.84
Materials & Supplies	2,156,377.38	267,450.67	120,449.03	1,524,175.43	1,029,484.21
Communication & Utilities	165,442.72	3,599.22	47,240.56	56,390.30	263,461.44
Repairs & Maintenance	734,975.19	3,762.48	508.15	214,372.26	627,382.70
Rentals & Leases	156,146.91	18,270.92	256,339.80	67,060.43	113,684.39
Printing & Reproduction	67,468.44	4,011.32	12,483.50	20,955.35	107,484.61
Federal Pass-Through		10,917.19			
State Pass-Through		308,703.00			
Depreciation & Amortization					
Bad Debt Expense					241,617.47
Interest	78.54	5.22	.06	48.61	50.33
Scholarships	267,810.38	56,515.04	15,000.00	189,276.57	200,625.47
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses	675,910.54	159,411.25	210,415.07	395,324.47	2,375,816.02
Total Operating Expenses	\$ 60,533,225.96	\$ 3,364,112.37	\$ 3,265,392.06	\$ 11,419,872.05	\$ 14,133,105.34

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$ 1,224.96	\$ 443.09	\$	\$ 12,221.93	\$	\$ 34,203.70	\$ 24,538.73
7,407,784.58	1,924,854.23	410,695.61	7,952,692.00		72,251,628.54	67,612,590.21
1,955,199.61	688,132.50	3,229.55	2,405,026.16		20,948,570.56	19,228,974.76
1,566,281.17	5,809,811.02		3,353,363.08		18,212,056.89	17,809,908.62
176,682.76	15,123.86	6,183.50	1,061,930.88		2,873,625.94	2,675,260.38
844,443.19	641,041.72	1,286.53	2,024,775.46		8,609,483.62	8,141,137.92
730,233.02	2,282,188.64		2,157,750.58		5,706,306.48	5,072,566.19
323,677.83	1,944,577.69		2,030,083.51		5,879,339.81	6,486,916.61
34,943.79	1,461,172.26		738,470.17		2,846,088.67	2,633,293.66
215,911.40	9,975.97	151.43	84,275.84		522,717.86	429,341.03
					10,917.19	875.87
					308,703.00	169,449.47
				9,371,183.10	9,371,183.10	9,221,345.15
					241,617.47	321,086.11
327.91	1,248.51		316.30		2,075.48	2,248.45
5,650.00		17,091,425.78	1,269,982.11		19,096,285.35	20,691,614.58
<u>1,062,607.26</u>	<u>200,750.86</u>	<u>36,933.57</u>	<u>7,757,259.55</u>		<u>12,874,428.59</u>	<u>13,049,261.92</u>
<u>\$ 14,324,967.48</u>	<u>\$ 14,979,320.35</u>	<u>\$ 17,549,905.97</u>	<u>\$ 30,848,147.57</u>	<u>\$ 9,371,183.10</u>	<u>\$ 179,789,232.25</u>	<u>\$ 173,570,409.66</u>

[Exhibit IV]

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EXHIBIT V
TEXAS A&M UNIVERSITY-COMMERCE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 71,330,152.03	\$ 67,828,977.49
Proceeds Received From Customers	3,899,162.41	4,256,056.13
Proceeds From Grants and Contracts	12,325,093.09	11,466,051.61
Proceeds From Auxiliary Enterprises	17,230,406.64	16,343,863.69
Proceeds From Loan Programs	221,481.74	2,921,955.27
Proceeds From Other Operating Revenues	1,928,153.49	1,786,415.22
Payments to Suppliers for Goods and Services	(56,627,017.75)	(56,179,180.13)
Payments to Employees	(93,151,674.34)	(85,607,230.67)
Payments for Loans Provided	(246,433.84)	(418,072.55)
Payments for Other Operating Expenses	(18,459,926.97)	(21,624,258.15)
Net Cash Provided [Used] By Operating Activities	<u>\$ (61,550,603.50)</u>	<u>\$ (59,225,422.09)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 53,651,128.29	\$ 50,369,994.67
Proceeds From Gifts	1,656,740.97	1,898,763.53
Proceeds From Endowments		
Proceeds From Transfers From Other Funds	97,561.00	133,561.00
Proceeds From Other Grant Receipts	18,117,123.73	16,481,466.40
Proceeds From Other Noncapital Financing Activities	4,982,867.77	1,498,539.40
Payments of Interest		
Payments for Transfers to Other Funds		
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(230,797.73)	(538,405.65)
Other Noncapital Transfers From/To System	1,085,718.31	647,648.88
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 79,360,342.34</u>	<u>\$ 70,491,568.23</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 246,388.00	\$
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts	12,470,159.97	4,900,393.52
Proceeds From Federal Grants and Contracts		
Proceeds From Gifts		
Proceeds From Interfund Payables		
Proceeds From Other Financing Activities		
Proceeds From Capital Contributions		
Payments for Additions to Capital Assets	(12,994,470.73)	(2,553,177.27)
Payments of Principal On Debt		
Payments for Capital Leases		
Payments of Interest On Debt Issuance		
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]		
Intrasystem Transfers for Capital Debt [Mandatory]	(13,497,467.47)	(8,280,349.19)
Intrasystem Transfers for Construction Proceeds [Non-Mand]	129.16	(3,286.25)
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (13,775,261.07)</u>	<u>\$ (5,936,419.19)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$ 373,253.38	\$
Sales and Purchases of Investments Held By System	4,648,001.14	(18,930,112.10)
Proceeds From Interest and Investment Income	1,911,391.99	1,919,781.40
Payments to Acquire Investments		(16,337.80)
Net Cash Provided [Used] By Investing Activities	<u>\$ 6,932,646.51</u>	<u>\$ (17,026,668.50)</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ 10,967,124.28</u>	<u>\$ (11,696,941.55)</u>
Cash and Cash Equivalents, Beginning of Year Restatement	<u>\$ 18,625,834.20</u>	<u>\$ 30,322,775.75</u>
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 18,625,834.20</u>	<u>\$ 30,322,775.75</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 29,592,958.48</u>	<u>\$ 18,625,834.20</u>

UNAUDITED

EXHIBIT V
TEXAS A&M UNIVERSITY-COMMERCE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(74,838,043.95)	(69,043,380.22)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	9,371,183.10	9,221,345.15
Bad Debt Expense	1,014,510.63	747,126.54
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	(2,000,265.93)	(524,939.68)
[Increase] Decrease In Due From Agencies/Funds	734,790.15	(285,586.67)
[Increase] Decrease In Due From System Members		
[Increase] Decrease In Inventories	19,287.79	(84,939.97)
[Increase] Decrease In Prepaid Expenses	1,137,014.62	(1,118,316.25)
[Increase] Decrease In Loans and Contracts	(24,442.68)	2,615,988.00
[Increase] Decrease In Other Assets	(1,270.42)	1,270.42
Increase [Decrease] In Payables	(166,113.12)	2,428,081.71
Increase [Decrease] In Due to Other Agencies/Funds	30,761.20	13,688.95
Increase [Decrease] In Due to System Members		
Increase [Decrease] In Unearned Revenue	3,074,585.08	(3,185,240.81)
Increase [Decrease] In Deposits	(14,473.62)	(30,496.16)
Increase [Decrease] In Employees' Compensable Leave	111,873.65	19,976.90
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities		
Total Adjustments	<u>\$ 13,287,440.45</u>	<u>\$ 9,817,958.13</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (61,550,603.50)</u>	<u>\$ (59,225,422.09)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$ 15,000.00	\$
Net Change In Fair Value of Investments	9,347,948.52	2,891,931.66
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	6,693,589.56	6,162,273.07



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SCHEDULE THREE
 TEXAS A&M UNIVERSITY-COMMERCE
 SCHEDULE OF CASH & CASH EQUIVALENTS
 FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Cashiers Account	\$ 5,000.00
Petty Cash Department Working Fund	<u>4,725.00</u>
Total Cash On Hand	<u>\$ 9,725.00</u>
Cash In Bank	\$ 88,562.31
Cash In State Treasury	
Fund 0257	<u>4,279,689.41</u>
Total Cash In State Treasury	<u>\$ 4,279,689.41</u>
Reimbursements Due From State Treasury	\$ 3,666,136.31
Assets Held By System Offices-Current	<u>20,414,303.77</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 28,458,416.80</u>
Restricted	
Assets Held By System Offices-Current	<u>\$ 1,134,541.68</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 1,134,541.68</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 29,592,958.48</u></u>

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SCHEDULE N-2
 TEXAS A&M UNIVERSITY-COMMERCE
 NOTE 2 - CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2017

	BALANCE 9-1-16	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 5,083,894.16	\$	\$
Construction In Progress	3,233,822.71		(11,015,986.24)
Other Tangible Capital Assets	72,000.00		
Total Non-Depreciable/Non-Amortizable Assets	\$ 8,389,716.87	\$	\$ (11,015,986.24)
Depreciable Assets			
Buildings	\$ 196,466,657.03	\$	\$ 8,264,268.33
Infrastructure	8,785,110.68		1,832,160.46
Facilities and Other Improvements	13,498,342.90		228,041.61
Furniture and Equipment	15,540,987.17		691,515.84
Vehicles, Boats and Aircraft	2,153,002.10		
Other Capital Assets	3,830,124.65		
Total Depreciable Assets at Historical Cost	\$ 240,274,224.53	\$	\$ 11,015,986.24
Less Accumulated Depreciation for			
Buildings	\$ (98,987,604.17)	\$	\$
Infrastructure	(7,082,041.61)		
Facilities and Other Improvements	(6,788,871.03)		
Furniture and Equipment	(11,645,106.35)		
Vehicles, Boats and Aircraft	(1,422,294.69)		
Other Capital Assets	(2,179,273.95)		
Total Accumulated Depreciation	\$ (128,105,191.80)	\$	\$
Depreciable Assets, Net	\$ 112,169,032.73	\$	\$ 11,015,986.24
Amortizable Assets - Intangible			
Computer Software	\$ 18,745.00	\$	\$
Total Intangible Assets at Historical Cost	\$ 18,745.00	\$	\$
Less Accumulated Amortization for			
Computer Software	\$ (18,745.00)	\$	\$
Total Accumulated Amortization	\$ (18,745.00)	\$	\$
Amortizable Assets, Net	\$	\$	\$
Capital Assets, Net	\$ 120,558,749.60	\$	\$

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-17</u>
\$ 6,781,269.58	\$	\$ 1,197,584.00 5,570,712.02 15,000.00	\$ (230,862.00)	\$ 6,050,616.16 4,569,818.07 87,000.00
<u>\$ 6,781,269.58</u>	<u>\$</u>	<u>\$ 6,783,296.02</u>	<u>\$ (230,862.00)</u>	<u>\$ 10,707,434.23</u>
\$	\$	\$ 150,921.23 10,757.13 1,327,106.93 111,380.00 184,591.49	\$ (2,327,265.43) (326,158.79) (61,527.36) (971,237.66) (92,881.75) (213,926.25)	\$ 202,554,581.16 10,291,112.35 13,675,614.28 16,588,372.28 2,171,500.35 3,800,789.89
<u>\$</u>	<u>\$</u>	<u>\$ 1,784,756.78</u>	<u>\$ (3,992,997.24)</u>	<u>\$ 249,081,970.31</u>
\$	\$	\$ (7,131,729.71) (187,590.90) (537,137.88) (1,145,247.54) (174,731.15) (194,745.92)	\$ 844,449.84 247,491.80 88,127.96 182,089.23	\$ (105,274,884.04) (7,269,632.51) (7,326,008.91) (12,542,862.09) (1,508,897.88) (2,191,930.64)
<u>\$</u>	<u>\$</u>	<u>\$ (9,371,183.10)</u>	<u>\$ 1,362,158.83</u>	<u>\$ (136,114,216.07)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (7,586,426.32)</u>	<u>\$ (2,630,838.41)</u>	<u>\$ 112,967,754.24</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 18,745.00</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 18,745.00</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (18,745.00)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (18,745.00)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>\$ 6,781,269.58</u>	<u>\$</u>	<u>\$ (803,130.30)</u>	<u>\$ (2,861,700.41)</u>	<u>\$ 123,675,188.47</u>





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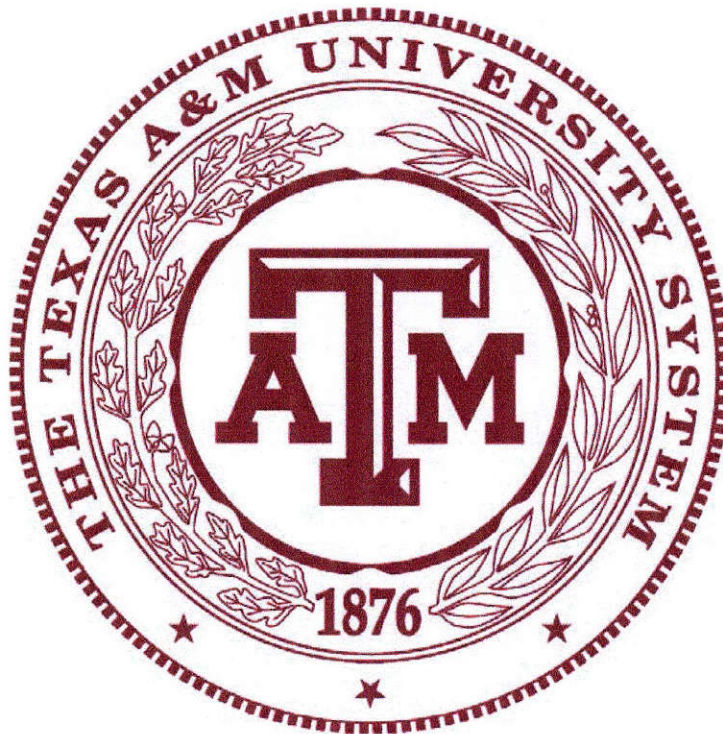
ANNUAL FINANCIAL REPORT

of

Texas A&M University – Corpus Christi

For the Year Ended August 31, 2017

With Comparative Totals for the Year Ended August 31, 2016



Kelly M. Quintanilla, PH.D., President

**Terry Tatum, CPA, JD, Executive Vice President for Finance &
Administration**

Rebecca Torres, CPA, Associate Vice President for Finance & Comptroller

Yolanda Castorena, MBA, Assistant Comptroller & Director of Accounting

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TEXAS A&M UNIVERSITY - CORPUS CHRISTI

STUDENT ENROLLMENT DATA

CURRENT YEAR

<u>TYPE OF STUDENT</u>	<u>NUMBER OF STUDENTS BY SEMESTER</u>	
	<u>FALL 2016</u>	<u>FALL 2017</u>
Texas Resident	11,362	11,433
Out-of-State	379	404
Foreign	461	375
Total Students	<u>12,202</u>	<u>12,212</u>

HISTORICAL
(Fall Semester)

<u>FISCAL YEAR</u>	<u>HEADCOUNT</u>	<u>SEMESTER CREDIT HOURS</u>
2012-13	10,508	120,276
2013-14	10,913	124,717
2014-15	11,234	127,077
2015-16	11,661	130,333
2016-17	12,202	139,882

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TEXAS A&M UNIVERSITY - CORPUS CHRISTI

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EXHIBIT III
 TEXAS A&M UNIVERSITY-CORPUS CHRISTI
 STATEMENT OF NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 33,352,413.32	\$ 28,747,303.33
Investments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	7,851,741.62	8,286,627.40
Investments		
Legislative Appropriations	14,304,151.83	11,411,379.17
Receivables, Net [Note 24]		
Federal	10,894,675.40	1,999,820.25
Other Intergovernmental		
Interest and Dividends	10,838.84	8,907.76
Gifts	212,757.58	160,764.94
Self-Insured Health and Dental		
Student	81,842.65	97,220.23
Investment Trades		
Accounts	3,939,338.07	5,427,975.65
Other	56,800.13	1,050.00
Due From Other Agencies	1,357,209.11	1,212,910.30
Due From Other Members	7,817,670.30	1,199,476.63
Due From Other Funds	976,640.91	
Consumable Inventories	7,255.69	8,330.88
Merchandise Inventories	74,824.04	139,632.51
Loans and Contracts	253,360.40	260,087.32
Interfund Receivable [Note 12]		
Other Current Assets	810,311.84	898,545.32
Total Current Assets	<u>\$ 82,001,831.73</u>	<u>\$ 59,860,031.69</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 21,477,112.18	\$ 26,892,763.44
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable	187,843.17	168,017.01
Loans and Contracts	325,208.18	292,770.00
Assets Held By System Office	94,627,820.41	69,407,571.47
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	6,488,846.19	6,488,846.19
Construction In Progress	15,574,228.57	18,711,739.60
Other Tangible Capital Assets	980,396.15	968,476.94
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	296,613,834.44	294,635,032.81
Infrastructure	18,150,600.70	14,676,750.70
Facilities and Other Improvements	26,971,960.80	26,482,118.70
Furniture and Equipment	37,061,141.78	34,005,978.32
Vehicles, Boats, and Aircraft	3,835,696.91	5,583,653.87
Other Capital Assets	10,603,559.61	10,449,058.20
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	5,217,343.08	5,400,721.58
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(195,450,118.70)	(179,440,847.37)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 342,665,473.47</u>	<u>\$ 334,722,651.46</u>
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
Total Deferred Outflows of Resources	<u>\$</u>	<u>\$</u>
Total Assets and Deferred Outflows	<u>\$ 424,667,305.20</u>	<u>\$ 394,582,683.15</u>

UNAUDITED

EXHIBIT III
 TEXAS A&M UNIVERSITY-CORPUS CHRISTI
 STATEMENT OF NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 5,004,677.86	\$ 6,528,796.33
Payroll	6,930,937.03	6,581,616.10
Investment Trades		
Self-Insured Health and Dental		
Student	54,069.24	42,578.51
Other		
Interfund Payable [Note 12]		
Due to Other Agencies	606,830.67	300,837.22
Due to Other Funds	976,640.91	
Due to Other Members	156,981.36	2,471,608.93
Funds Held for Investment		
Unearned Revenue	29,136,294.27	29,043,117.79
Employees' Compensable Leave	376,954.20	348,479.04
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations [Note 8]		
Liabilities Payable From Restricted Assets		
Funds Held for Others	4,146,894.71	4,039,031.33
Other Current Liabilities	3,765,661.89	3,821,564.70
Total Current Liabilities	<u>\$ 51,155,942.14</u>	<u>\$ 53,177,629.95</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$	\$
Employees' Compensable Leave	3,476,443.74	3,639,313.14
Other Post Employment Benefits [Note 11]		
Pension Liability [Note 9]		
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Assets Held In Trust		
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Capital Lease Obligations [Note 8]	6,895,145.00	
Other Non-Current Liabilities	50,000.00	70,000.00
Total Non-Current Liabilities	<u>\$ 10,421,588.74</u>	<u>\$ 3,709,313.14</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 61,577,530.88</u>	<u>\$ 56,886,943.09</u>
Net Position		
Net Investment In Capital Assets	\$ 226,047,489.53	\$ 237,961,529.54
Restricted for		
Debt Service		
Capital Projects	5,873.51	5,873.51
Education	10,815,719.18	11,413,323.47
Endowment and Permanent Funds		
Nonexpendable	9,950,512.45	9,394,584.75
Expendable	2,614,636.71	2,037,101.02
Unrestricted	113,655,542.94	76,883,327.77
Total Net Position [Exhibit IV]	<u>\$ 363,089,774.32</u>	<u>\$ 337,695,740.06</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 424,667,305.20</u>	<u>\$ 394,582,683.15</u>

UNAUDITED

EXHIBIT IV
 TEXAS A&M UNIVERSITY-CORPUS CHRISTI
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$ 106,328,001.28	\$ 98,383,376.40
Discounts and Allowances	(29,338,154.97)	(25,762,740.00)
Professional Fees		
Auxiliary Enterprises	6,733,014.93	6,894,469.41
Discounts and Allowances		
Other Sales of Goods and Services	4,286,070.03	3,938,592.73
Discounts and Allowances		
Interest Revenue	4,023.40	4,633.61
Federal Revenue - Operating	13,689,121.73	11,339,246.60
Federal Pass Through Revenue	1,913,064.60	1,569,408.92
State Grant Revenue		31,316.76
State Pass Through Revenue	10,125,324.02	8,024,392.35
Other Grants and Contracts - Operating	8,854,254.52	6,871,291.11
Other Operating Revenue	1,024,154.06	699,576.67
Total Operating Revenues	<u>\$ 123,618,873.60</u>	<u>\$ 111,993,564.56</u>
Operating Expenses		
Instruction	\$ 55,602,851.19	\$ 54,575,806.73
Research	22,469,615.43	20,086,853.66
Public Service	3,594,330.52	2,767,152.84
Academic Support	24,971,838.99	25,520,981.23
Student Services	10,019,939.30	9,329,092.85
Institutional Support	15,451,293.10	14,296,956.73
Operation & Maintenance of Plant	11,445,675.47	11,161,281.25
Scholarships & Fellowships	16,870,116.82	16,504,527.95
Auxiliary	21,111,649.88	20,673,634.72
Depreciation/Amortization	18,246,033.16	18,410,643.33
Total Operating Expenses [Schedule IV-1]	<u>\$ 199,783,343.86</u>	<u>\$ 193,326,931.29</u>
Total Operating Income [Loss]	<u>\$ (76,164,470.26)</u>	<u>\$ (81,333,366.73)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 56,506,512.44	\$ 56,710,623.33
Federal Revenue Non-Operating	18,659,878.50	17,944,280.80
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	6,536,156.58	6,493,514.76
Investment Income	10,620,853.01	4,183,873.57
Investing Activities Expense	(239,684.02)	(200,145.20)
Interest Expense		
Borrower Rebates and Agent Fees	(35,000.00)	
Gain [Loss] On Sale or Disposal of Capital Assets	(33,505.97)	(98,332.97)
Settlement of Claims		(39,000.00)
Other Nonoperating Revenues	397,221.74	1,130,412.11
Other Nonoperating [Expenses]	(2,927,777.21)	(4,939,160.07)
Total Nonoperating Revenues [Expenses]	<u>\$ 89,484,655.07</u>	<u>\$ 81,186,066.33</u>
Income [Loss] Before Other Revenues and Transfers	<u>\$ 13,320,184.81</u>	<u>\$ (147,300.40)</u>

UNAUDITED

EXHIBIT IV
 TEXAS A&M UNIVERSITY-CORPUS CHRISTI
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Other Revenues and Transfers		
Capital Contributions	\$ 12,011.52	\$ 4,785.84
Capital Appropriations [Higher Education Fund]	11,136,344.00	7,424,229.00
Additions to Permanent and Term Endowments	509,818.15	615,897.64
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	257,415.00	268,877.00
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	13,018,408.33	1,017,573.53
Nonmandatory Transfers From Members/Agencies-Cap Assets	240,901.32	3,623,373.54
Transfers Out		
Transfers to Other State Agencies	(.10)	
Mandatory Transfers to Other Members	(5,440,756.90)	(5,486,205.52)
Nonmandatory Transfers to Other Members	(735.70)	(3,900,739.93)
Nonmandatory Transfers to Members/Agencies - Cap Assets		
Legislative Transfers - In	5,086,588.00	354,029.00
Legislative Transfers - Out	(12,628,750.57)	(8,557,386.63)
Legislative Appropriations Lapsed	(117,393.60)	
Total Other Revenues and Transfers	<u>\$ 12,073,849.45</u>	<u>\$ (4,635,566.53)</u>
Change In Net Position	<u>\$ 25,394,034.26</u>	<u>\$ (4,782,866.93)</u>
Net Position, Beginning of Year	<u>\$ 337,695,740.06</u>	<u>\$ 342,478,606.99</u>
Restatement		
Net Position, Beginning of Year, Restated	<u>\$ 337,695,740.06</u>	<u>\$ 342,478,606.99</u>
Net Position, End of Year	<u>\$ 363,089,774.32</u>	<u>\$ 337,695,740.06</u>

UNAUDITED

SCHEDULE IV-1
 TEXAS A&M UNIVERSITY-CORPUS CHRISTI
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
 FOR THE YEAR ENDED AUGUST 31, 2017

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$ 300.00	\$	\$ 3,705.90
Salaries & Wages	39,471,422.12	10,553,257.74	1,600,983.05	13,225,801.68	4,225,955.19
Payroll Related Costs	10,470,397.84	2,641,614.66	403,698.89	3,145,845.99	1,078,451.62
Payroll Related Costs-TRS Pension					
Professional Fees & Services	1,249,919.29	1,238,204.30	216,239.08	2,241,181.14	549,055.38
Travel	599,739.78	926,812.45	49,720.13	414,653.39	242,372.24
Materials & Supplies	1,159,227.95	1,326,690.95	237,600.71	3,161,179.47	749,541.86
Communication & Utilities	229,311.52	109,182.97	132,745.41	1,795,071.73	763,014.79
Repairs & Maintenance	642,892.55	161,425.54	87,551.40	333,570.82	502,173.75
Rentals & Leases	169,688.41	465,326.76	88,082.00	35,498.97	152,431.17
Printing & Reproduction	112,872.11	68,427.21	69,510.13	141,161.86	138,245.90
Federal Pass-Through	49,925.37	527,536.17			
State Pass-Through		241,382.48			
Depreciation & Amortization					
Bad Debt Expense					276,031.41
Interest	3,257.46	656.44		1,280.98	23.21
Scholarships	833,618.79	521,667.05	15,719.23	22,836.06	289,896.93
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses	610,578.00	3,687,430.71	692,180.49	453,756.90	1,049,039.95
Total Operating Expenses	\$ 55,602,851.19	\$ 22,469,615.43	\$ 3,594,330.52	\$ 24,971,838.99	\$ 10,019,939.30

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$ 1,685.25	\$	\$ 553.80	\$ 92,844.51	\$	\$ 99,089.46	\$ 104,719.77
8,689,497.43	1,491,342.15	1,563,363.03	8,148,062.25		88,969,684.64	86,470,696.52
3,333,820.64	446,978.23	74,523.04	2,215,526.21		23,810,857.12	22,244,740.05
977,534.09	90,537.78	65,171.71	1,083,272.78		7,711,115.55	7,616,472.08
176,228.89	13,776.39	34,809.90	1,410,402.45		3,868,515.62	3,844,685.77
855,352.21	351,495.05	6,589.73	1,213,387.47		9,061,065.40	10,273,377.36
166,796.98	3,491,186.17	1,451.15	844,081.00		7,532,841.72	6,750,562.51
26,943.30	3,620,459.58	7,367.45	1,156,317.18		6,538,701.57	6,432,992.39
26,391.71	393.80	5,846.52	375,091.91		1,318,751.25	1,049,671.86
86,714.17	25,917.91	6,679.89	173,094.05		822,623.23	936,703.14
					577,461.54	290,429.07
					241,382.48	
				18,246,033.16	18,246,033.16	18,410,643.33
					276,031.41	340,979.37
71.93	54.90		15.15		5,360.07	4,981.52
33,440.00		15,028,584.56	2,710,838.87		19,456,601.49	19,112,587.55
<u>1,076,816.50</u>	<u>1,913,533.51</u>	<u>75,176.04</u>	<u>1,688,716.05</u>		<u>11,247,228.15</u>	<u>9,442,689.00</u>
<u>\$ 15,451,293.10</u>	<u>\$ 11,445,675.47</u>	<u>\$ 16,870,116.82</u>	<u>\$ 21,111,649.88</u>	<u>\$ 18,246,033.16</u>	<u>\$ 199,783,343.86</u>	<u>\$ 193,326,931.29</u>

[Exhibit IV]

UNAUDITED

EXHIBIT V
TEXAS A&M UNIVERSITY-CORPUS CHRISTI
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 76,684,290.73	\$ 72,462,983.18
Proceeds Received From Customers	4,724,617.14	3,261,583.53
Proceeds From Grants and Contracts	25,669,247.89	29,896,406.23
Proceeds From Auxiliary Enterprises	7,337,007.18	6,108,432.46
Proceeds From Loan Programs	16,049.77	7,722.52
Proceeds From Other Operating Revenues	991,386.05	721,856.58
Payments to Suppliers for Goods and Services	(50,071,210.51)	(46,329,631.15)
Payments to Employees	(112,609,452.37)	(108,232,484.99)
Payments for Loans Provided	(329,335.12)	(315,576.94)
Payments for Other Operating Expenses	(19,873,059.90)	(19,322,849.71)
Net Cash Provided [Used] By Operating Activities	<u>\$ (67,460,459.14)</u>	<u>\$ (61,741,558.29)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 60,898,054.32	\$ 54,517,691.07
Proceeds From Gifts	6,533,446.37	6,700,224.88
Proceeds From Endowments	440,709.56	615,897.64
Proceeds From Transfers From Other Funds	524,860.99	307,311.90
Proceeds From Other Grant Receipts	18,659,878.50	17,944,280.80
Proceeds From Other Noncapital Financing Activities	1,227,133.05	2,967,852.13
Payments of Interest		
Payments for Transfers to Other Funds	(.10)	
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(416,814.52)	(195,807.65)
Other Noncapital Transfers From/To System	1,225,082.26	816,833.60
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 89,092,350.43</u>	<u>\$ 83,674,284.37</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$	\$
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts	8,821,223.86	8,095,421.79
Proceeds From Federal Grants and Contracts		
Proceeds From Gifts		
Proceeds From Interfund Payables		
Proceeds From Other Financing Activities	6,895,145.00	
Proceeds From Capital Contributions		
Payments for Additions to Capital Assets	(8,389,410.76)	(10,144,112.65)
Payments of Principal On Debt		
Payments for Capital Leases		
Payments of Interest On Debt Issuance		
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance	(35,000.00)	
Transfer of Capital Debt Proceeds From System [Nonmandatory]	1,365,425.35	2,032,997.28
Intrasystem Transfers for Capital Debt [Mandatory]	(18,069,507.47)	(14,043,592.15)
Intrasystem Transfers for Construction Proceeds [Non-Mand]	1,375,816.71	(1,808,260.98)
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (8,036,307.31)</u>	<u>\$ (15,867,546.71)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	(11,184,732.28)	(9,094,320.28)
Proceeds From Interest and Investment Income	1,759,372.51	1,528,629.41
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ (9,425,359.77)</u>	<u>\$ (7,565,690.87)</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ 4,170,224.21</u>	<u>\$ (1,500,511.50)</u>
Cash and Cash Equivalents, Beginning of Year Restatement	<u>\$ 37,033,930.73</u>	<u>\$ 38,534,442.23</u>
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 37,033,930.73</u>	<u>\$ 38,534,442.23</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 41,204,154.94</u>	<u>\$ 37,033,930.73</u>

UNAUDITED

EXHIBIT V
 TEXAS A&M UNIVERSITY-CORPUS CHRISTI
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(76,164,470.26)	(81,333,366.73)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	18,246,033.16	18,410,643.33
Bad Debt Expense	569,032.49	840,085.28
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	(8,513,049.68)	(1,185,541.15)
[Increase] Decrease In Due From Agencies/Funds	(411,744.80)	691,156.59
[Increase] Decrease In Due From System Members	23,406.98	78,616.65
[Increase] Decrease In Inventories	65,883.66	(69,605.24)
[Increase] Decrease In Prepaid Expenses	88,233.48	(226,270.81)
[Increase] Decrease In Loans and Contracts	(301,742.67)	(301,005.15)
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	(1,347,743.75)	869,554.98
Increase [Decrease] In Due to Other Agencies/Funds	305,993.45	65,654.98
Increase [Decrease] In Due to System Members	95,120.09	14,511.93
Increase [Decrease] In Unearned Revenue	43,802.85	212,777.36
Increase [Decrease] In Deposits	(24,819.90)	25,368.82
Increase [Decrease] In Employees' Compensable Leave	(134,394.24)	165,860.87
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities		
Total Adjustments	<u>\$ 8,704,011.12</u>	<u>\$ 19,591,808.44</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (67,460,459.14)</u>	<u>\$ (61,741,558.29)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$ 12,011.52	\$ 4,785.84
Net Change In Fair Value of Investments	7,153,292.16	1,682,652.97
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	326,366.25	3,647,255.72



UNAUDITED

SCHEDULE THREE
 TEXAS A&M UNIVERSITY-CORPUS CHRISTI
 SCHEDULE OF CASH & CASH EQUIVALENTS
 FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Cashiers Account	\$ 24,100.00
Petty Cash Department Working Fund	<u>26,530.00</u>
Total Cash On Hand	<u>\$ 50,630.00</u>
Cash In Bank	\$ 6,860,145.00
Cash In State Treasury	
Fund 0230	<u>13,640,822.15</u>
Total Cash In State Treasury	<u>\$ 13,640,822.15</u>
Reimbursements Due From State Treasury	\$ 160,426.99
Assets Held By System Offices-Current	<u>12,640,389.18</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 33,352,413.32</u>
Restricted	
Cash On Hand	
Cash In Bank	<u>\$ 23,393.50</u>
Assets Held By System Offices-Current	<u>\$ 7,828,348.12</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 7,851,741.62</u>
Total Cash & Cash Equivalents [Exhibit V]	<u>\$ 41,204,154.94</u>

UNAUDITED

SCHEDULE N-2
 TEXAS A&M UNIVERSITY-CORPUS CHRISTI
 NOTE 2 - CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2017

	BALANCE 9-1-16	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 6,488,846.19	\$	\$
Construction In Progress	18,711,739.60		(7,299,934.90)
Other Tangible Capital Assets	968,476.94		
Total Non-Depreciable/Non-Amortizable Assets	\$ 26,169,062.73	\$	\$ (7,299,934.90)
Depreciable Assets			
Buildings	\$ 294,635,032.81	\$	\$ 2,674,994.06
Infrastructure	14,676,750.70		3,885,504.61
Facilities and Other Improvements	26,482,118.70		515,238.40
Furniture and Equipment	34,005,978.32		224,197.83
Vehicles, Boats and Aircraft	5,583,653.87		
Other Capital Assets	10,449,058.20		
Total Depreciable Assets at Historical Cost	\$ 385,832,592.60	\$	\$ 7,299,934.90
Less Accumulated Depreciation for			
Buildings	\$ (120,262,504.42)	\$	\$
Infrastructure	(10,997,588.70)		
Facilities and Other Improvements	(12,075,828.89)		
Furniture and Equipment	(19,772,579.55)		
Vehicles, Boats and Aircraft	(3,662,420.50)		
Other Capital Assets	(7,988,303.64)		
Total Accumulated Depreciation	\$ (174,759,225.70)	\$	\$
Depreciable Assets, Net	\$ 211,073,366.90	\$	\$ 7,299,934.90
Amortizable Assets - Intangible			
Computer Software	\$ 5,400,721.58	\$	\$
Total Intangible Assets at Historical Cost	\$ 5,400,721.58	\$	\$
Less Accumulated Amortization for			
Computer Software	\$ (4,681,621.67)	\$	\$
Total Accumulated Amortization	\$ (4,681,621.67)	\$	\$
Amortizable Assets, Net	\$ 719,099.91	\$	\$
Capital Assets, Net	\$ 237,961,529.54	\$	\$

INC-INTERAGENCY TRANSACTIONS	DEC-INTERAGENCY TRANSACTIONS	ADDITIONS	DELETIONS	BALANCE 8-31-17
\$ 240,901.32	\$	\$ 3,921,522.55 11,919.21	\$	\$ 6,488,846.19 15,574,228.57 980,396.15
<u>\$ 240,901.32</u>	<u>\$</u>	<u>\$ 3,933,441.76</u>	<u>\$</u>	<u>\$ 23,043,470.91</u>
\$	\$	\$	\$ (696,192.43) (411,654.61) (25,396.30)	\$ 296,613,834.44 18,150,600.70 26,971,960.80
63,266.05		4,235,006.16 144,960.76 250,510.31	(1,404,040.53) (1,956,183.77) (96,008.90)	37,061,141.78 3,835,696.91 10,603,559.61
<u>\$ 63,266.05</u>	<u>\$</u>	<u>\$ 4,630,477.23</u>	<u>\$ (4,589,476.54)</u>	<u>\$ 393,236,794.24</u>
\$	\$	\$ (12,311,148.85) (597,537.24) (1,093,766.90) (3,452,826.97) (340,700.13) (389,088.63)	\$ 1,088,025.50 840,973.48 96,008.90	\$ (132,573,653.27) (11,595,125.94) (13,169,595.79) (22,137,381.02) (3,225,413.20) (8,281,383.37)
<u>\$ (63,266.05)</u>	<u>\$</u>	<u>\$ (18,185,068.72)</u>	<u>\$ 2,025,007.88</u>	<u>\$ (190,982,552.59)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (13,554,591.49)</u>	<u>\$ (2,564,468.66)</u>	<u>\$ 202,254,241.65</u>
<u>\$</u>	<u>\$</u>	<u>\$ 91,641.50</u>	<u>\$ (275,020.00)</u>	<u>\$ 5,217,343.08</u>
<u>\$</u>	<u>\$</u>	<u>\$ 91,641.50</u>	<u>\$ (275,020.00)</u>	<u>\$ 5,217,343.08</u>
<u>\$</u>	<u>\$</u>	<u>\$ (60,964.44)</u>	<u>\$ 275,020.00</u>	<u>\$ (4,467,566.11)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (60,964.44)</u>	<u>\$ 275,020.00</u>	<u>\$ (4,467,566.11)</u>
<u>\$</u>	<u>\$</u>	<u>\$ 30,677.06</u>	<u>\$</u>	<u>\$ 749,776.97</u>
<u>\$ 240,901.32</u>	<u>\$</u>	<u>\$ (9,590,472.67)</u>	<u>\$ (2,564,468.66)</u>	<u>\$ 226,047,489.53</u>





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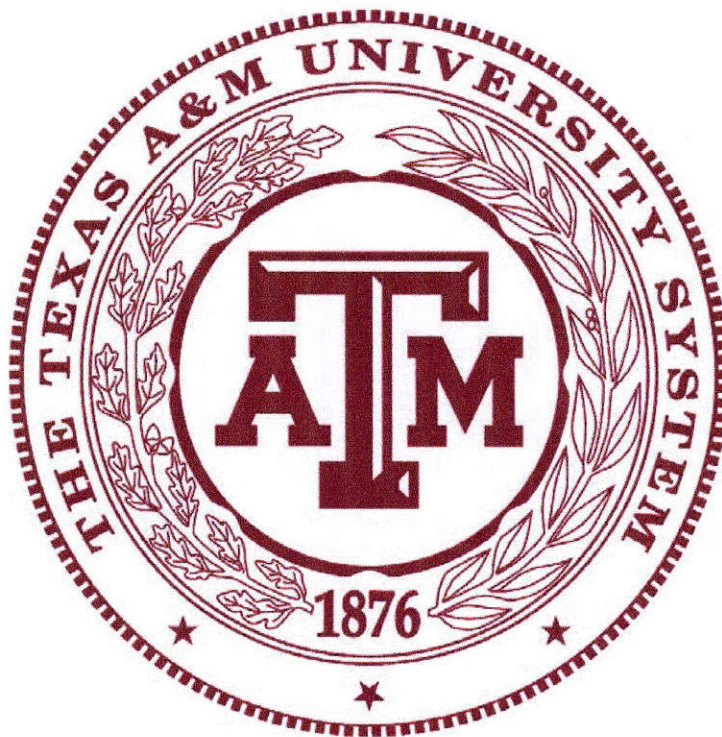
ANNUAL FINANCIAL REPORT

of

Texas A&M University - Kingsville

For the Year Ended August 31, 2017

With Comparative Totals for the Year Ended August 31, 2016



Steven H. Tallant, PH.D., President

Raaj S. Kurapati, Vice President for Finance & CFO

Joanne Macias, Executive Director, Financial Accounting & Reporting

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TEXAS A&M UNIVERSITY - KINGSVILLE

STUDENT ENROLLMENT DATA

CURRENT YEAR

<u>TYPE OF STUDENT</u>	<u>NUMBER OF STUDENTS BY SEMESTER</u>	
	<u>FALL 2016</u>	<u>FALL 2017</u>
Texas Resident	7,438	7,247
Out-of-State	138	132
Foreign	1,702	1,184
Total Students	9,278	8,563

HISTORICAL
(Fall Semester)

<u>FISCAL YEAR</u>	<u>HEADCOUNT</u>	<u>SEMESTER CREDIT HOURS</u>
2012-13	7,234	85,963
2013-14	7,730	90,594
2014-15	8,728	97,761
2015-16	9,207	101,923
2016-17	9,278	102,665

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TEXAS A&M UNIVERSITY - KINGSVILLE

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EXHIBIT III
TEXAS A&M UNIVERSITY-KINGSVILLE
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 32,584,760.68	\$ 31,125,822.98
Investments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	2,624,390.93	2,071,301.04
Investments		
Legislative Appropriations	12,740,054.91	11,923,659.59
Receivables, Net [Note 24]		
Federal	1,007,380.49	956,079.39
Other Intergovernmental		
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student	4,631,124.00	4,108,388.48
Investment Trades		
Accounts	572,466.89	634,726.02
Other	366,321.72	173,535.37
Due From Other Agencies	838,854.42	849,123.99
Due From Other Members	1,566,834.89	8,823,193.43
Due From Other Funds		
Consumable Inventories		
Merchandise Inventories		
Loans and Contracts	471,893.40	943,426.92
Interfund Receivable [Note 12]		
Other Current Assets	6,221,456.55	4,804,310.36
Total Current Assets	<u>\$ 63,625,538.88</u>	<u>\$ 66,413,567.57</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 39,060,196.90	\$ 34,246,433.22
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts	199,086.79	260,548.73
Assets Held By System Office	62,903,617.02	61,980,606.81
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	2,643,687.12	2,643,687.12
Construction In Progress	20,177,947.35	14,293,711.97
Other Tangible Capital Assets	181,675.69	86,092.69
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	202,351,350.66	201,221,531.82
Infrastructure	14,506,653.18	12,318,323.24
Facilities and Other Improvements	12,214,113.62	11,854,311.70
Furniture and Equipment	18,400,712.33	18,385,512.58
Vehicles, Boats, and Aircraft	3,648,691.41	3,424,710.43
Other Capital Assets	6,441,024.39	6,415,285.96
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	2,149,129.00	2,157,755.93
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(147,412,141.03)	(138,873,099.71)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 237,465,744.43</u>	<u>\$ 230,415,412.49</u>
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
Total Deferred Outflows of Resources	<u>\$</u>	<u>\$</u>
Total Assets and Deferred Outflows	<u>\$ 301,091,283.31</u>	<u>\$ 296,828,980.06</u>

UNAUDITED

EXHIBIT III
TEXAS A&M UNIVERSITY-KINGSVILLE
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 2,975,857.36	\$ 2,570,498.45
Payroll	6,208,186.10	5,375,466.08
Investment Trades		
Self-Insured Health and Dental		
Student	536,686.84	476,089.28
Other	114.61	68,204.39
Interfund Payable [Note 12]		
Due to Other Agencies	66,198.22	9,561.49
Due to Other Funds		
Due to Other Members		78,391.17
Funds Held for Investment		
Unearned Revenue	25,412,787.06	24,736,758.98
Employees' Compensable Leave	200,366.63	228,905.41
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations [Note 8]		
Liabilities Payable From Restricted Assets		
Funds Held for Others	154,660.32	158,933.35
Other Current Liabilities	160,068.34	135,573.33
Total Current Liabilities	\$ 35,714,925.48	\$ 33,838,381.93
Non-Current Liabilities		
Interfund Payable [Note 12]	\$	\$
Employees' Compensable Leave	3,092,404.98	2,742,441.36
Other Post Employment Benefits [Note 11]		
Pension Liability [Note 9]		
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Assets Held In Trust		
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Capital Lease Obligations [Note 8]		
Other Non-Current Liabilities	267,923.60	276,246.07
Total Non-Current Liabilities	\$ 3,360,328.58	\$ 3,018,687.43
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	\$	\$
Total Liabilities and Deferred Inflows	\$ 39,075,254.06	\$ 36,857,069.36
Net Position		
Net Investment In Capital Assets	\$ 135,302,843.72	\$ 133,927,823.73
Restricted for		
Debt Service		
Capital Projects	1,076,803.84	8,159,573.31
Education	22,915,250.08	19,658,469.48
Endowment and Permanent Funds		
Nonexpendable	16,881,375.16	16,610,193.88
Expendable	6,506,038.20	5,283,963.73
Unrestricted	79,333,718.25	76,331,886.57
Total Net Position [Exhibit IV]	\$ 262,016,029.25	\$ 259,971,910.70
Total Liabilities, Deferred Inflows, and Net Position	\$ 301,091,283.31	\$ 296,828,980.06

UNAUDITED

EXHIBIT IV
 TEXAS A&M UNIVERSITY-KINGSVILLE
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$ 70,383,523.39	\$ 73,325,446.07
Discounts and Allowances	(18,540,299.83)	(15,906,628.61)
Professional Fees		
Auxiliary Enterprises	17,477,457.28	18,856,106.53
Discounts and Allowances	(3,539,476.35)	(2,946,608.17)
Other Sales of Goods and Services	5,523,059.75	6,371,726.51
Discounts and Allowances		
Interest Revenue	30,192.01	68,100.29
Federal Revenue - Operating	9,882,217.30	10,395,853.62
Federal Pass Through Revenue	965,123.08	1,035,571.51
State Grant Revenue	9,340.75	
State Pass Through Revenue	6,953,770.82	7,699,802.08
Other Grants and Contracts - Operating	3,024,297.85	3,045,007.77
Other Operating Revenue	619,907.83	595,929.93
Total Operating Revenues	<u>\$ 92,789,113.88</u>	<u>\$ 102,540,307.53</u>
Operating Expenses		
Instruction	\$ 45,453,417.84	\$ 43,043,103.89
Research	18,660,588.63	17,500,750.64
Public Service	1,007,039.59	1,199,805.03
Academic Support	14,984,255.87	12,697,044.43
Student Services	16,195,842.31	15,356,836.17
Institutional Support	11,689,265.27	12,637,890.89
Operation & Maintenance of Plant	12,567,228.68	10,446,714.41
Scholarships & Fellowships	13,715,710.60	17,222,655.67
Auxiliary	23,885,476.23	23,133,462.12
Depreciation/Amortization	9,438,045.25	9,440,266.41
Total Operating Expenses [Schedule IV-1]	<u>\$ 167,596,870.27</u>	<u>\$ 162,678,529.66</u>
Total Operating Income [Loss]	<u>\$ (74,807,756.39)</u>	<u>\$ (60,138,222.13)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 46,564,745.22	\$ 46,626,080.26
Federal Revenue Non-Operating	15,063,943.60	17,720,688.50
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	5,488,710.35	5,243,110.24
Investment Income	9,392,219.62	4,073,525.69
Investing Activities Expense	(209,758.85)	(177,680.82)
Interest Expense		
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	(4,649.58)	(5,825.64)
Settlement of Claims	(21,200.00)	(166,453.00)
Other Nonoperating Revenues	98,993.97	171,351.96
Other Nonoperating [Expenses]	(1,823,060.74)	(2,726,472.88)
Total Nonoperating Revenues [Expenses]	<u>\$ 74,549,943.59</u>	<u>\$ 70,758,324.31</u>
Income [Loss] Before Other Revenues and Transfers	<u>\$ (257,812.80)</u>	<u>\$ 10,620,102.18</u>

UNAUDITED

EXHIBIT IV
 TEXAS A&M UNIVERSITY-KINGSVILLE
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Other Revenues and Transfers		
Capital Contributions	\$ 173,171.56	\$ 70,261.09
Capital Appropriations [Higher Education Fund]	8,966,056.00	5,977,371.00
Additions to Permanent and Term Endowments	197,471.00	635,219.00
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	109,380.00	104,599.00
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	1,659,562.15	9,832,737.20
Nonmandatory Transfers From Members/Agencies-Cap Assets		
Transfers Out		
Transfers to Other State Agencies		(8,802.97)
Mandatory Transfers to Other Members	(5,224,217.13)	(5,251,906.76)
Nonmandatory Transfers to Other Members	(76,130.70)	(300,300.06)
Nonmandatory Transfers to Members/Agencies - Cap Assets		
Legislative Transfers - In	4,830,190.00	137,725.00
Legislative Transfers - Out	(8,333,551.53)	(4,332,938.00)
Legislative Appropriations Lapsed		
Total Other Revenues and Transfers	<u>\$ 2,301,931.35</u>	<u>\$ 6,863,964.50</u>
Change In Net Position	<u>\$ 2,044,118.55</u>	<u>\$ 17,484,066.68</u>
Net Position, Beginning of Year	\$ 259,971,910.70	\$ 242,487,844.02
Restatement		
Net Position, Beginning of Year, Restated	<u>\$ 259,971,910.70</u>	<u>\$ 242,487,844.02</u>
Net Position, End of Year	<u>\$ 262,016,029.25</u>	<u>\$ 259,971,910.70</u>

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SCHEDULE IV-1
 TEXAS A&M UNIVERSITY-KINGSVILLE
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
 FOR THE YEAR ENDED AUGUST 31, 2017

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$	\$	\$
Salaries & Wages	32,570,171.44	9,030,784.04	300,821.47	8,197,644.96	5,661,780.17
Payroll Related Costs	9,696,830.91	2,467,192.74	29,288.32	2,095,855.16	1,772,616.94
Payroll Related Costs-TRS Pension					
Professional Fees & Services	271,990.98	735,264.82	485,520.32	1,062,232.36	1,685,280.23
Travel	435,290.13	758,114.91	18,835.34	206,137.09	543,691.03
Materials & Supplies	1,457,135.25	2,852,089.67	37,963.21	2,549,629.75	1,009,228.16
Communication & Utilities	27,586.51	183,490.76	2,736.44	20,555.54	46,448.82
Repairs & Maintenance	99,187.56	276,895.23	2,640.36	164,181.46	613,182.56
Rentals & Leases	141,182.76	71,892.36	33,391.57	74,136.92	143,173.44
Printing & Reproduction	24,669.69	86,386.94	1,467.41	49,785.59	130,319.63
Federal Pass-Through		113,187.96			
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					(44,486.82)
Interest	917.81	320.65	49.16	1,305.69	664.46
Scholarships	196,744.61	762,754.47		28,000.00	326,839.30
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses	531,710.19	1,322,214.08	94,325.99	534,791.35	4,307,104.39
Total Operating Expenses	\$ 45,453,417.84	\$ 18,660,588.63	\$ 1,007,039.59	\$ 14,984,255.87	\$ 16,195,842.31

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$	\$	\$	\$	\$	\$
			95.00		95.00	7,262.09
6,014,505.06	1,879,243.32	395,902.30	5,917,570.99		69,968,423.75	67,291,374.02
2,181,984.45	355,428.43	23,793.78	1,377,946.89		20,000,937.62	18,367,853.42
1,543,300.72	6,231,338.24	9,982.46	8,785,738.00		20,810,648.13	18,551,817.33
214,170.12	32,856.29	13,373.37	1,109,522.06		3,331,990.34	3,045,188.66
766,764.06	1,026,278.48	4,584.19	1,868,723.81		11,572,396.58	9,111,115.42
41,711.57	2,677,457.98		2,286,342.71		5,286,330.33	5,481,149.45
6,521.76	268,152.01		118,449.17		1,549,210.11	2,416,236.38
57,931.97	8,660.66		249,755.59		780,125.27	678,277.12
148,857.25	7,632.74		87,471.38		536,590.63	472,194.10
		1,444.00			114,631.96	4,615,471.08
						52,639.00
				9,438,045.25	9,438,045.25	9,440,266.41
					(44,486.82)	(208,505.17)
113.24	1,585.00		518.20		5,474.21	9,378.93
13,300.00		13,075,829.23	565,569.76		14,969,037.37	13,136,484.18
<u>700,105.07</u>	<u>78,595.53</u>	<u>190,801.27</u>	<u>1,517,772.67</u>		<u>9,277,420.54</u>	<u>10,210,327.24</u>
<u>\$ 11,689,265.27</u>	<u>\$ 12,567,228.68</u>	<u>\$ 13,715,710.60</u>	<u>\$ 23,885,476.23</u>	<u>\$ 9,438,045.25</u>	<u>\$ 167,596,870.27</u>	<u>\$ 162,678,529.66</u>

[Exhibit IV]

UNAUDITED

EXHIBIT V
TEXAS A&M UNIVERSITY-KINGSVILLE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 51,195,151.68	\$ 56,218,652.60
Proceeds Received From Customers	5,593,884.44	6,299,176.45
Proceeds From Grants and Contracts	20,756,083.08	22,215,601.42
Proceeds From Auxiliary Enterprises	14,865,364.08	15,340,645.29
Proceeds From Loan Programs	37,417.97	187,151.14
Proceeds From Other Operating Revenues	599,033.87	575,145.62
Payments to Suppliers for Goods and Services	(52,228,714.65)	(48,412,978.30)
Payments to Employees	(88,815,216.51)	(85,201,801.34)
Payments for Loans Provided	(381,336.41)	
Payments for Other Operating Expenses	(16,239,144.41)	(18,240,080.90)
Net Cash Provided [Used] By Operating Activities	<u>\$ (64,617,476.86)</u>	<u>\$ (51,018,488.02)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 52,965,811.19	\$ 46,106,410.87
Proceeds From Gifts	5,488,710.35	5,243,110.24
Proceeds From Endowments	197,471.00	635,219.00
Proceeds From Transfers From Other Funds	104,599.00	
Proceeds From Other Grant Receipts	15,063,943.60	17,720,688.50
Proceeds From Other Noncapital Financing Activities	98,993.97	186,453.42
Payments of Interest		(8,802.97)
Payments for Transfers to Other Funds		
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(62,166.62)	(568,377.73)
Other Noncapital Transfers From/To System	1,583,431.45	1,332,437.14
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 75,440,793.94</u>	<u>\$ 70,647,138.47</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$	\$
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts	6,578,784.71	4,926,303.27
Proceeds From Federal Grants and Contracts		
Proceeds From Gifts		
Proceeds From Interfund Payables		
Proceeds From Other Financing Activities		
Proceeds From Capital Contributions		
Payments for Additions to Capital Assets	(12,384,111.89)	(9,570,057.59)
Payments of Principal On Debt		
Payments for Capital Leases		
Payments of Interest On Debt Issuance		
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]	7,106,119.47	2,769,206.61
Intrasystem Transfers for Capital Debt [Mandatory]	(13,557,768.66)	(9,584,844.76)
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (12,256,976.37)</u>	<u>\$ (11,459,392.47)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	1,786,952.89	(11,065,109.07)
Proceeds From Interest and Investment Income	1,658,733.99	1,516,481.12
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ 3,445,686.88</u>	<u>\$ (9,548,627.95)</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ 2,012,027.59</u>	<u>\$ (1,379,369.97)</u>
Cash and Cash Equivalents, Beginning of Year	\$ 33,197,124.02	\$ 34,576,493.99
Restatement		
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 33,197,124.02</u>	<u>\$ 34,576,493.99</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 35,209,151.61</u>	<u>\$ 33,197,124.02</u>

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EXHIBIT V
TEXAS A&M UNIVERSITY-KINGSVILLE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(74,807,756.39)	(60,138,222.13)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	9,438,045.25	9,440,266.41
Bad Debt Expense	576,148.91	115,755.22
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	(1,325,199.57)	(1,815,593.89)
[Increase] Decrease In Due From Agencies/Funds	15,050.57	435,611.86
[Increase] Decrease In Due From System Members	150,239.07	(129,822.13)
[Increase] Decrease In Inventories		
[Increase] Decrease In Prepaid Expenses	(1,411,688.95)	(381,227.01)
[Increase] Decrease In Loans and Contracts	577,482.28	957,500.37
[Increase] Decrease In Other Assets	(5,457.24)	(9,553.85)
Increase [Decrease] In Payables	1,213,788.19	638,418.47
Increase [Decrease] In Due to Other Agencies/Funds	56,636.73	(36,247.03)
Increase [Decrease] In Due to System Members	(78,391.17)	70,703.04
Increase [Decrease] In Unearned Revenue	676,028.08	(329,353.89)
Increase [Decrease] In Deposits	24,803.38	(88,638.52)
Increase [Decrease] In Employees' Compensable Leave	321,424.84	169,670.89
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities	(38,630.84)	82,244.17
Total Adjustments	<u>\$ 10,190,279.53</u>	<u>\$ 9,119,734.11</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (64,617,476.86)</u>	<u>\$ (51,018,488.02)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$ 173,171.56	\$ 70,261.09
Net Change In Fair Value of Investments	6,008,572.75	1,817,720.02
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	(4,649.58)	(5,825.64)



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SCHEDULE THREE
 TEXAS A&M UNIVERSITY-KINGSVILLE
 SCHEDULE OF CASH & CASH EQUIVALENTS
 FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Cashiers Account	\$ 30,000.00
Petty Cash Department Working Fund	583.25
Temporary Working Fund	<u>1,200.00</u>
Total Cash On Hand	<u>\$ 31,783.25</u>
Cash In State Treasury	
Fund 0254	<u>\$ 21,290,766.18</u>
Total Cash In State Treasury	<u>\$ 21,290,766.18</u>
Reimbursements Due From State Treasury	\$ 794,476.00
Assets Held By System Offices-Current	<u>10,467,735.25</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 32,584,760.68</u>
Restricted	
Assets Held By System Offices-Current	<u>\$ 2,624,390.93</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 2,624,390.93</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 35,209,151.61</u></u>

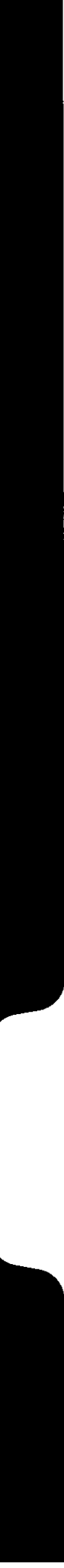
UNAUDITED

SCHEDULE N-2
 TEXAS A&M UNIVERSITY-KINGSVILLE
 NOTE 2 - CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2017

	BALANCE 9-1-16	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 2,643,687.12	\$	\$
Construction In Progress	14,293,711.97		(5,402,213.55)
Other Tangible Capital Assets	86,092.69		
Total Non-Depreciable/Non-Amortizable Assets	<u>\$ 17,023,491.78</u>	<u>\$</u>	<u>\$ (5,402,213.55)</u>
Depreciable Assets			
Buildings	\$ 201,221,531.82	\$	\$ 2,854,081.69
Infrastructure	12,318,323.24		2,188,329.94
Facilities and Other Improvements	11,854,311.70		359,801.92
Furniture and Equipment	18,385,512.58		
Vehicles, Boats and Aircraft	3,424,710.43		
Other Capital Assets	6,415,285.96		
Total Depreciable Assets at Historical Cost	<u>\$ 253,619,675.73</u>	<u>\$</u>	<u>\$ 5,402,213.55</u>
Less Accumulated Depreciation for			
Buildings	\$ (99,699,271.65)	\$	\$
Infrastructure	(8,051,837.44)		
Facilities and Other Improvements	(6,562,168.72)		
Furniture and Equipment	(14,398,502.89)		
Vehicles, Boats and Aircraft	(2,079,907.31)		
Other Capital Assets	(5,923,655.77)		
Total Accumulated Depreciation	<u>\$ (136,715,343.78)</u>	<u>\$</u>	<u>\$</u>
Depreciable Assets, Net	<u>\$ 116,904,331.95</u>	<u>\$</u>	<u>\$ 5,402,213.55</u>
Amortizable Assets - Intangible			
Computer Software	\$ 2,157,755.93	\$	\$
Total Intangible Assets at Historical Cost	<u>\$ 2,157,755.93</u>	<u>\$</u>	<u>\$</u>
Less Accumulated Amortization for			
Computer Software	\$ (2,157,755.93)	\$	\$
Total Accumulated Amortization	<u>\$ (2,157,755.93)</u>	<u>\$</u>	<u>\$</u>
Amortizable Assets, Net	<u>\$</u>	<u>\$</u>	<u>\$</u>
Capital Assets, Net	<u>\$ 133,927,823.73</u>	<u>\$</u>	<u>\$</u>

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-17</u>
\$	\$	\$	\$	\$
		11,286,448.93		2,643,687.12
		95,583.00		20,177,947.35
				181,675.69
<u>\$</u>	<u>\$</u>	<u>\$ 11,382,031.93</u>	<u>\$</u>	<u>\$ 23,003,310.16</u>
\$	\$	\$	\$ (1,724,262.85)	\$ 202,351,350.66
				14,506,653.18
				12,214,113.62
		923,367.54	(908,167.79)	18,400,712.33
		223,980.98		3,648,691.41
		44,701.52	(18,963.09)	6,441,024.39
<u>\$</u>	<u>\$</u>	<u>\$ 1,192,050.04</u>	<u>\$ (2,651,393.73)</u>	<u>\$ 257,562,545.59</u>
\$	\$	\$ (7,233,221.88)	\$	\$ (106,932,493.53)
		(464,967.70)		(8,516,805.14)
		(503,617.90)		(7,065,786.62)
		(929,445.61)	890,377.00	(14,437,571.50)
		(251,942.62)		(2,331,849.93)
		(54,849.54)		(5,978,505.31)
<u>\$</u>	<u>\$</u>	<u>\$ (9,438,045.25)</u>	<u>\$ 890,377.00</u>	<u>\$ (145,263,012.03)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (8,245,995.21)</u>	<u>\$ (1,761,016.73)</u>	<u>\$ 112,299,533.56</u>
\$	\$	\$	\$ (8,626.93)	\$ 2,149,129.00
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (8,626.93)</u>	<u>\$ 2,149,129.00</u>
\$	\$	\$	\$ 8,626.93	\$ (2,149,129.00)
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 8,626.93</u>	<u>\$ (2,149,129.00)</u>
\$	\$	\$	\$	\$
<u>\$</u>	<u>\$</u>	<u>\$ 3,136,036.72</u>	<u>\$ (1,761,016.73)</u>	<u>\$ 135,302,843.72</u>





UNAUDITED

ANNUAL FINANCIAL REPORT

of

Texas A&M University - San Antonio

For the Year Ended August 31, 2017

With Comparative Totals for the Year Ended August 31, 2016



Dr. Cynthia Teniente-Matson, President

**Dr. Bill Spindle, Vice President for Business Affairs
and Chief Financial Officer**

Dr. Michael O'Brien, Provost and Vice President for Academic Affairs

UNAUDITED

TEXAS A&M UNIVERSITY - SAN ANTONIO

STUDENT ENROLLMENT DATA

CURRENT YEAR

<u>TYPE OF STUDENT</u>	<u>NUMBER OF STUDENTS BY SEMESTER</u>	
	<u>FALL 2016</u>	<u>FALL 2017</u>
Texas Resident	5,410	6,359
Out-of-State	33	53
Foreign	31	65
Total Students	<u>5,474</u>	<u>6,477</u>

HISTORICAL
(Fall Semester)

<u>FISCAL YEAR</u>	<u>HEADCOUNT</u>	<u>SEMESTER CREDIT HOURS</u>
2012-13	4,116	36,825
2013-14	4,512	40,202
2014-15	4,521	39,272
2015-16	4,564	40,460

UNAUDITED

TEXAS A&M UNIVERSITY - SAN ANTONIO

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EXHIBIT III
TEXAS A&M UNIVERSITY-SAN ANTONIO
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 25,084,013.02	\$ 24,285,728.56
Investments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	1,065,533.68	1,539,537.37
Investments		
Legislative Appropriations	2,729,165.06	1,618,954.40
Receivables, Net [Note 24]		
Federal	3,466,175.15	412,121.61
Other Intergovernmental		
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student	8,651,633.86	6,966,107.92
Investment Trades		
Accounts	27,806.86	61,296.84
Other	13.89	3,257.36
Due From Other Agencies		14,235.00
Due From Other Members	4,885,090.02	2,540,964.94
Due From Other Funds	2,519,333.16	1,162,237.85
Consumable Inventories		
Merchandise Inventories		
Loans and Contracts	286,116.23	518,808.70
Interfund Receivable [Note 12]		
Other Current Assets	1,038,547.11	583,702.27
Total Current Assets	<u>\$ 49,753,428.04</u>	<u>\$ 39,706,952.82</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 4,170,884.89	\$ 3,872,233.77
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts		
Assets Held By System Office	24,289,583.00	14,880,209.71
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	15,761,847.10	15,761,847.10
Construction In Progress	4,688,365.33	
Other Tangible Capital Assets	675,263.95	675,263.95
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	88,761,653.30	88,657,271.21
Infrastructure	11,557,139.25	10,942,186.42
Facilities and Other Improvements	4,782,662.00	4,192,688.27
Furniture and Equipment	4,035,235.89	2,286,061.24
Vehicles, Boats, and Aircraft	288,486.03	288,486.03
Other Capital Assets	464,391.03	597,963.88
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	384,763.96	384,763.96
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(22,821,707.16)	(17,128,804.02)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 137,038,568.57</u>	<u>\$ 125,410,171.52</u>
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
Total Deferred Outflows of Resources	<u>\$</u>	<u>\$</u>
Total Assets and Deferred Outflows	<u>\$ 186,791,996.61</u>	<u>\$ 165,117,124.34</u>

UNAUDITED

EXHIBIT III
TEXAS A&M UNIVERSITY-SAN ANTONIO
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 7,187,359.27	\$ 1,161,438.47
Payroll	2,150,366.19	2,327,556.28
Investment Trades		
Self-Insured Health and Dental		
Student	410,840.22	394,791.40
Other	303.24	5,387.88
Interfund Payable [Note 12]		
Due to Other Agencies		
Due to Other Funds	2,519,333.16	1,162,237.85
Due to Other Members	561,045.81	750,801.35
Funds Held for Investment		
Unearned Revenue	18,663,858.75	14,607,304.59
Employees' Compensable Leave	162,256.74	114,628.21
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations [Note 8]		29,353.27
Liabilities Payable From Restricted Assets		
Funds Held for Others	1,936,428.01	890,186.13
Other Current Liabilities	1.55	.98
Total Current Liabilities	<u>\$ 33,591,792.94</u>	<u>\$ 21,443,686.41</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$ 822,867.26	\$ 816,252.45
Employees' Compensable Leave		
Other Post Employment Benefits [Note 11]		
Pension Liability [Note 9]		
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Assets Held In Trust		
Liabilities Payable From Restricted Assets		
Funds Held for Others	2,033,087.88	1,584,934.32
Capital Lease Obligations [Note 8]		
Other Non-Current Liabilities	120,000.00	55,402.99
Total Non-Current Liabilities	<u>\$ 2,975,955.14</u>	<u>\$ 2,456,589.76</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 36,567,748.08</u>	<u>\$ 23,900,276.17</u>
Net Position		
Net Investment In Capital Assets	\$ 108,578,100.68	\$ 106,657,728.04
Restricted for		
Debt Service		
Capital Projects	2,241,413.30	
Education	3,203,126.01	3,100,079.65
Endowment and Permanent Funds		
Nonexpendable		
Expendable	313,596.15	298,912.83
Unrestricted	35,888,012.39	31,160,127.65
Total Net Position [Exhibit IV]	<u>\$ 150,224,248.53</u>	<u>\$ 141,216,848.17</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 186,791,996.61</u>	<u>\$ 165,117,124.34</u>

UNAUDITED

EXHIBIT IV
TEXAS A&M UNIVERSITY-SAN ANTONIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$ 35,154,497.84	\$ 26,739,963.56
Discounts and Allowances	(9,010,827.79)	(5,168,475.87)
Professional Fees		
Auxiliary Enterprises	311,880.33	364,499.99
Discounts and Allowances		
Other Sales of Goods and Services	359,282.27	314,173.37
Discounts and Allowances		
Interest Revenue	(352.70)	(4,459.39)
Federal Revenue - Operating	69,095.07	43,494.43
Federal Pass Through Revenue	233,510.37	75,503.26
State Grant Revenue		
State Pass Through Revenue	1,016,800.00	92,988.00
Other Grants and Contracts - Operating	151,639.16	30,666.99
Other Operating Revenue	87,393.53	78,642.40
Total Operating Revenues	<u>\$ 28,372,918.08</u>	<u>\$ 22,566,996.74</u>
Operating Expenses		
Instruction	\$ 19,111,162.33	\$ 15,611,422.34
Research	443,566.13	419,424.78
Public Service	398,069.69	404,023.46
Academic Support	5,702,101.97	5,179,146.41
Student Services	11,712,501.26	9,521,061.35
Institutional Support	8,071,521.35	7,193,942.13
Operation & Maintenance of Plant	5,028,333.95	4,932,281.90
Scholarships & Fellowships	8,770,194.81	5,628,869.62
Auxiliary	566,802.64	195,581.43
Depreciation/Amortization	5,833,510.68	5,775,329.22
Total Operating Expenses [Schedule IV-1]	<u>\$ 65,637,764.81</u>	<u>\$ 54,861,082.64</u>
Total Operating Income [Loss]	<u>\$ (37,264,846.73)</u>	<u>\$ (32,294,085.90)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 29,000,713.45	\$ 28,696,334.70
Federal Revenue Non-Operating	11,503,662.75	3,487,839.00
Federal Pass Through Non-Operating	1,444.00	4,522,040.93
State Pass Through Non-Operating		
Gifts	830,013.36	387,510.64
Investment Income	2,540,061.43	803,791.95
Investing Activities Expense	(62,444.66)	(38,557.66)
Interest Expense	(3,331.48)	
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets		
Settlement of Claims		
Other Nonoperating Revenues	460.05	
Other Nonoperating [Expenses]	(1,595,344.32)	(146,120.63)
Total Nonoperating Revenues [Expenses]	<u>\$ 42,215,234.58</u>	<u>\$ 37,712,838.93</u>
Income [Loss] Before Other Revenues and Transfers	<u>\$ 4,950,387.85</u>	<u>\$ 5,418,753.03</u>

UNAUDITED

EXHIBIT IV
 TEXAS A&M UNIVERSITY-SAN ANTONIO
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Other Revenues and Transfers		
Capital Contributions	\$ 460,443.45	\$ 12,943.50
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments		
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	38,621.00	40,588.00
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	4,525,812.43	1,987,407.29
Nonmandatory Transfers From Members/Agencies-Cap Assets	1,612,379.18	704,968.59
Transfers Out		
Transfers to Other State Agencies		
Mandatory Transfers to Other Members		
Nonmandatory Transfers to Other Members		(1,520.92)
Nonmandatory Transfers to Members/Agencies - Cap Assets		
Legislative Transfers - In	4,939,672.00	53,443.00
Legislative Transfers - Out	(7,508,217.00)	(2,634,838.00)
Legislative Appropriations Lapsed	(11,698.55)	
Total Other Revenues and Transfers	<u>\$ 4,057,012.51</u>	<u>\$ 162,991.46</u>
Change In Net Position	<u>\$ 9,007,400.36</u>	<u>\$ 5,581,744.49</u>
Net Position, Beginning of Year	\$ 141,216,848.17	\$ 135,635,103.68
Restatement		
Net Position, Beginning of Year, Restated	<u>\$ 141,216,848.17</u>	<u>\$ 135,635,103.68</u>
Net Position, End of Year	<u>\$ 150,224,248.53</u>	<u>\$ 141,216,848.17</u>

UNAUDITED

SCHEDULE IV-1
 TEXAS A&M UNIVERSITY-SAN ANTONIO
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
 FOR THE YEAR ENDED AUGUST 31, 2017

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$	\$	\$
Salaries & Wages	12,953,940.96	324,383.44	77,282.49	3,355,312.40	5,912,480.90
Payroll Related Costs	2,864,033.47	67,473.86	7,805.87	1,156,263.08	1,294,698.66
Payroll Related Costs-TRS Pension					
Professional Fees & Services	191,129.73	3,152.42	101,730.10	102,173.34	876,878.20
Travel	242,996.56	16,362.39	5,563.18	29,608.36	146,719.99
Materials & Supplies	2,370,363.64	10,064.47	36,205.25	342,262.27	2,061,784.11
Communication & Utilities	20,898.74	4,839.99	273.00	615,275.84	104,715.84
Repairs & Maintenance	21,312.22		520.00	18,666.11	202,580.92
Rentals & Leases	74,461.30	11,343.02	30,691.00	6,407.94	156,440.26
Printing & Reproduction	14,784.36	98.80	22,709.38	16,678.72	155,330.13
Federal Pass-Through					
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					(95,043.40)
Interest	221.46		17.97	75.32	240.81
Scholarships	1,200.00				26,400.00
Claims & Losses			130.00		
Net Change In OPEB Obligation					
Other Operating Expenses	355,819.89	5,847.74	115,141.45	59,378.59	869,274.84
Total Operating Expenses	\$ 19,111,162.33	\$ 443,566.13	\$ 398,069.69	\$ 5,702,101.97	\$ 11,712,501.26

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$	\$	\$	\$	\$	\$
4,037,365.50	765,081.73	3,638.50	189,965.98		27,619,451.90	23,610,707.32
1,092,842.41	194,049.51	10.19	44,956.13		6,722,133.18	5,566,692.69
1,229,302.87	2,312,733.96		239,578.93		5,056,679.55	4,391,498.36
77,462.90	18,908.64				537,622.02	488,866.35
851,277.87	485,550.49		62,935.40		6,220,443.50	4,457,970.71
132,065.91	734,639.18		2,086.17		1,614,794.67	1,324,804.15
49,489.07	9,950.52		9,346.68		311,865.52	295,719.95
25,705.79	400,326.05		13,155.20		718,530.56	1,200,363.61
44,869.59	37,859.71				292,330.69	263,789.61
						7,309.49
				5,833,510.68	5,833,510.68	5,775,329.22
					(95,043.40)	(30,807.43)
37.17	1,391.74		100.80		2,085.27	237.25
		8,742,274.12			8,769,874.12	5,631,125.80
					130.00	72,503.00
<u>531,102.27</u>	<u>67,842.42</u>	<u>24,272.00</u>	<u>4,677.35</u>		<u>2,033,356.55</u>	<u>1,804,972.56</u>
<u>\$ 8,071,521.35</u>	<u>\$ 5,028,333.95</u>	<u>\$ 8,770,194.81</u>	<u>\$ 566,802.64</u>	<u>\$ 5,833,510.68</u>	<u>\$ 65,637,764.81</u>	<u>\$ 54,861,082.64</u>

[Exhibit IV]

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EXHIBIT V
TEXAS A&M UNIVERSITY-SAN ANTONIO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 28,832,859.97	\$ 22,732,142.41
Proceeds Received From Customers	461,694.07	191,706.80
Proceeds From Grants and Contracts	1,471,044.60	242,652.68
Proceeds From Auxiliary Enterprises	324,901.82	377,677.11
Proceeds From Loan Programs		
Proceeds From Other Operating Revenues	87,394.10	76,788.11
Payments to Suppliers for Goods and Services	(10,877,826.60)	(14,307,225.17)
Payments to Employees	(34,464,531.83)	(28,327,315.86)
Payments for Loans Provided	(1,638,040.52)	(307,647.50)
Payments for Other Operating Expenses	(8,770,004.12)	(5,623,628.80)
Net Cash Provided [Used] By Operating Activities	<u>\$ (24,572,508.51)</u>	<u>\$ (24,944,850.22)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 32,818,476.24	\$ 27,111,702.52
Proceeds From Gifts	830,013.36	387,510.64
Proceeds From Endowments		
Proceeds From Transfers From Other Funds	38,621.00	40,588.00
Proceeds From Other Grant Receipts	11,505,106.75	8,009,879.93
Proceeds From Other Noncapital Financing Activities	460.05	701,058.24
Payments of Interest		
Payments for Transfers to Other Funds		
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(417,321.95)	7,301.93
Other Noncapital Transfers From/To System	25,812.43	985,886.37
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 44,801,167.88</u>	<u>\$ 37,243,927.63</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$	\$
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts		
Proceeds From Federal Grants and Contracts		
Proceeds From Gifts		
Proceeds From Interfund Payables		
Proceeds From Other Financing Activities		
Proceeds From Capital Contributions		
Payments for Additions to Capital Assets	(7,241,161.27)	(77,801.21)
Payments of Principal On Debt		
Payments for Capital Leases		
Payments of Interest On Debt Issuance	(3,331.48)	
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]	2,078,738.79	3,255.00
Intrasystem Transfers for Capital Debt [Mandatory]	(7,508,217.00)	(2,634,838.00)
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (12,673,970.96)</u>	<u>\$ (2,709,384.21)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	(7,750,965.47)	(3,003,707.63)
Proceeds From Interest and Investment Income	520,557.83	343,838.63
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ (7,230,407.64)</u>	<u>\$ (2,659,869.00)</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ 324,280.77</u>	<u>\$ 6,929,824.20</u>
Cash and Cash Equivalents, Beginning of Year	\$ 25,825,265.93	\$ 18,895,441.73
Restatement		
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 25,825,265.93</u>	<u>\$ 18,895,441.73</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 26,149,546.70</u>	<u>\$ 25,825,265.93</u>

UNAUDITED

EXHIBIT V
 TEXAS A&M UNIVERSITY-SAN ANTONIO
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(37,264,846.73)	(32,294,085.90)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	5,833,510.68	5,775,329.22
Bad Debt Expense	218,364.47	78,789.31
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	(3,318,802.52)	(6,340,375.07)
[Increase] Decrease In Due From Agencies/Funds	14,235.00	(14,235.00)
[Increase] Decrease In Due From System Members	77,136.13	(77,136.13)
[Increase] Decrease In Inventories		
[Increase] Decrease In Prepaid Expenses	(419,839.05)	(153,195.82)
[Increase] Decrease In Loans and Contracts	327,735.87	108,739.95
[Increase] Decrease In Other Assets	(35,005.79)	(845.68)
Increase [Decrease] In Payables	6,073,960.90	1,121,476.12
Increase [Decrease] In Due to Other Agencies/Funds		
Increase [Decrease] In Due to System Members	(189,755.54)	141,500.94
Increase [Decrease] In Unearned Revenue	4,056,554.16	6,710,597.93
Increase [Decrease] In Deposits	.57	(1,884.29)
Increase [Decrease] In Employees' Compensable Leave	54,243.34	474.20
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities		
Total Adjustments	<u>\$ 12,692,338.22</u>	<u>\$ 7,349,235.68</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (24,572,508.51)</u>	<u>\$ (24,944,850.22)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$ 460,443.45	\$ 12,943.50
Net Change In Fair Value of Investments	1,837,676.71	337,715.54
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	1,612,379.18	704,968.59



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SCHEDULE THREE
 TEXAS A&M UNIVERSITY-SAN ANTONIO
 SCHEDULE OF CASH & CASH EQUIVALENTS
 FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Petty Cash Department Working Fund	\$ 2,550.00
Total Cash On Hand	<u>\$ 2,550.00</u>
Cash In State Treasury	
Fund 0290	\$ 11,020,403.71
Total Cash In State Treasury	<u>\$ 11,020,403.71</u>
Reimbursements Due From State Treasury	\$ 805,970.04
Assets Held By System Offices-Current	<u>13,255,089.27</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 25,084,013.02</u>
Restricted	
Assets Held By System Offices-Current	<u>\$ 1,065,533.68</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 1,065,533.68</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 26,149,546.70</u></u>

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SCHEDULE N-2
 TEXAS A&M UNIVERSITY-SAN ANTONIO
 NOTE 2 - CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2017

	BALANCE 9-1-16	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 15,761,847.10	\$	\$
Construction In Progress			(3,648,650.58)
Other Tangible Capital Assets	675,263.95		
Total Non-Depreciable/Non-Amortizable Assets	<u>\$ 16,437,111.05</u>	<u>\$</u>	<u>\$ (3,648,650.58)</u>
Depreciable Assets			
Buildings	\$ 88,657,271.21	\$	\$ 104,382.09
Infrastructure	10,942,186.42		614,952.83
Facilities and Other Improvements	4,192,688.27		589,973.73
Furniture and Equipment	2,286,061.24		2,339,341.93
Vehicles, Boats and Aircraft	288,486.03		
Other Capital Assets	597,963.88		
Total Depreciable Assets at Historical Cost	<u>\$ 106,964,657.05</u>	<u>\$</u>	<u>\$ 3,648,650.58</u>
Less Accumulated Depreciation for			
Buildings	\$ (12,536,520.17)	\$	\$
Infrastructure	(1,619,384.42)		
Facilities and Other Improvements	(852,332.43)		
Furniture and Equipment	(1,329,514.96)		
Vehicles, Boats and Aircraft	(195,039.94)		
Other Capital Assets	(219,720.21)		
Total Accumulated Depreciation	<u>\$ (16,752,512.13)</u>	<u>\$</u>	<u>\$</u>
Depreciable Assets, Net	<u>\$ 90,212,144.92</u>	<u>\$</u>	<u>\$ 3,648,650.58</u>
Amortizable Assets - Intangible			
Computer Software	\$ 384,763.96	\$	\$
Total Intangible Assets at Historical Cost	<u>\$ 384,763.96</u>	<u>\$</u>	<u>\$</u>
Less Accumulated Amortization for			
Computer Software	\$ (376,291.89)	\$	\$
Total Accumulated Amortization	<u>\$ (376,291.89)</u>	<u>\$</u>	<u>\$</u>
Amortizable Assets, Net	<u>\$ 8,472.07</u>	<u>\$</u>	<u>\$</u>
Capital Assets, Net	<u>\$ 106,657,728.04</u>	<u>\$</u>	<u>\$</u>

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-17</u>
\$ 1,612,379.18	\$	\$ 6,724,636.73	\$	\$ 15,761,847.10 4,688,365.33 675,263.95
<u>\$ 1,612,379.18</u>	<u>\$</u>	<u>\$ 6,724,636.73</u>	<u>\$</u>	<u>\$ 21,125,476.38</u>
\$ 28,391.00	\$	\$ 911,674.62	\$ (1,530,232.90)	\$ 88,761,653.30 11,557,139.25 4,782,662.00 4,035,235.89 288,486.03 464,391.03
<u>\$ 28,391.00</u>	<u>\$</u>	<u>\$ 947,614.72</u>	<u>\$ (1,699,745.85)</u>	<u>\$ 109,889,567.50</u>
\$ (28,391.00)	\$	\$ (4,426,173.32) (654,437.70) (295,673.62) (372,626.19) (29,863.25) (46,264.53)	\$ 168,998.54	\$ (16,962,693.49) (2,273,822.12) (1,148,006.05) (1,730,532.15) (224,903.19) (96,986.20)
<u>\$ (28,391.00)</u>	<u>\$</u>	<u>\$ (5,825,038.61)</u>	<u>\$ 168,998.54</u>	<u>\$ (22,436,943.20)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (4,877,423.89)</u>	<u>\$ (1,530,747.31)</u>	<u>\$ 87,452,624.30</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 384,763.96</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 384,763.96</u>
<u>\$</u>	<u>\$</u>	<u>\$ (8,472.07)</u>	<u>\$</u>	<u>\$ (384,763.96)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (8,472.07)</u>	<u>\$</u>	<u>\$ (384,763.96)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (8,472.07)</u>	<u>\$</u>	<u>\$</u>
<u>\$ 1,612,379.18</u>	<u>\$</u>	<u>\$ 1,838,740.77</u>	<u>\$ (1,530,747.31)</u>	<u>\$ 108,578,100.68</u>





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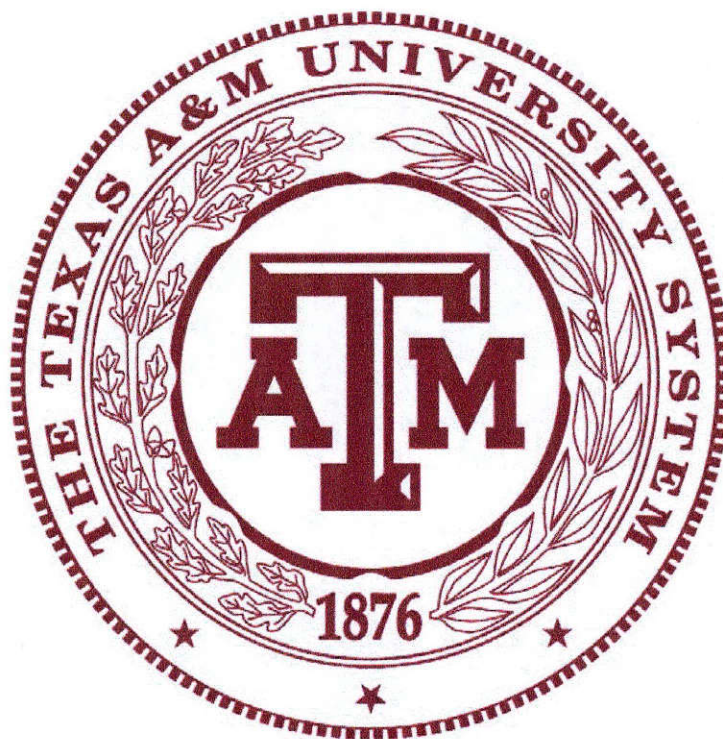
ANNUAL FINANCIAL REPORT

of

Texas A&M University - Texarkana

For the Year Ended August 31, 2017

With Comparative Totals for the Year Ended August 31, 2016



Dr. Emily Cutrer, President
James Scogin, Vice President for Finance and Administration



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TEXAS A&M UNIVERSITY - TEXARKANA

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EXHIBIT III
 TEXAS A&M UNIVERSITY-TEXARKANA
 STATEMENT OF NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 4,995,651.38	\$ 6,612,784.49
Investments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	236,601.09	306,227.38
Investments		
Legislative Appropriations	4,526,806.27	4,388,753.34
Receivables, Net [Note 24]		
Federal	6,033,862.03	5,674,191.19
Other Intergovernmental		
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student	480,028.89	841,487.87
Investment Trades		
Accounts	115,290.50	194,697.49
Other		
Due From Other Agencies	12,035.00	15,898.00
Due From Other Members		
Due From Other Funds	4,211,677.00	5,998,159.42
Consumable Inventories		
Merchandise Inventories		
Loans and Contracts	7,307.36	44,439.92
Interfund Receivable [Note 12]		
Other Current Assets	1,092,750.72	842,558.43
Total Current Assets	<u>\$ 21,712,010.24</u>	<u>\$ 24,919,197.53</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 11,702,204.05	\$ 14,531,002.21
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts		
Assets Held By System Office	20,328,293.03	12,552,812.83
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	5,200,858.00	5,200,858.00
Construction In Progress	5,820,262.60	5,724,262.60
Other Tangible Capital Assets		
Land Use Rights	45,495.00	45,495.00
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	84,561,510.17	84,561,510.17
Infrastructure	15,479,072.68	15,479,072.68
Facilities and Other Improvements	3,566,260.16	3,566,260.16
Furniture and Equipment	2,245,520.10	2,213,253.95
Vehicles, Boats, and Aircraft	147,099.95	251,258.71
Other Capital Assets	4,955,901.90	4,911,099.88
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	112,354.17	112,354.17
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(41,333,167.60)	(36,136,898.59)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 112,831,664.21</u>	<u>\$ 113,012,341.77</u>
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
Total Deferred Outflows of Resources	<u>\$</u>	<u>\$</u>
Total Assets and Deferred Outflows	<u>\$ 134,543,674.45</u>	<u>\$ 137,931,539.30</u>

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EXHIBIT III
TEXAS A&M UNIVERSITY-TEXARKANA
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>	<u>PRIOR YEAR TOTAL</u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 918,656.82	\$ 1,088,925.15
Payroll	1,796,303.88	1,475,548.80
Investment Trades		
Self-Insured Health and Dental		
Student	79,587.56	17,098.77
Other		
Interfund Payable [Note 12]		
Due to Other Agencies		
Due to Other Funds	4,211,677.00	5,998,159.42
Due to Other Members		3,200,000.00
Funds Held for Investment		
Unearned Revenue	5,118,194.07	5,151,906.29
Employees' Compensable Leave	89,646.68	97,248.93
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations [Note 8]		
Liabilities Payable From Restricted Assets		
Funds Held for Others	82,004.88	121,186.42
Other Current Liabilities	<u>287,220.86</u>	<u>328,450.52</u>
Total Current Liabilities	<u>\$ 12,583,291.75</u>	<u>\$ 17,478,524.30</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$	\$
Employees' Compensable Leave	526,028.04	438,400.38
Other Post Employment Benefits [Note 11]		
Pension Liability [Note 9]		
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Assets Held In Trust		
Liabilities Payable From Restricted Assets		
Funds Held for Others	1,276,447.80	1,549,248.09
Capital Lease Obligations [Note 8]		
Other Non-Current Liabilities	<u>100,000.00</u>	<u>50,000.00</u>
Total Non-Current Liabilities	<u>\$ 1,902,475.84</u>	<u>\$ 2,037,648.47</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	\$	\$
Total Liabilities and Deferred Inflows	<u>\$ 14,485,767.59</u>	<u>\$ 19,516,172.77</u>
Net Position		
Net Investment In Capital Assets	\$ 80,801,167.13	\$ 85,928,526.73
Restricted for		
Debt Service		340,000.00
Capital Projects		
Education	5,065,835.08	2,998,589.50
Endowment and Permanent Funds		
Nonexpendable	4,949,824.73	4,550,361.63
Expendable	691,679.34	438,624.43
Unrestricted	<u>28,549,400.58</u>	<u>24,159,264.24</u>
Total Net Position [Exhibit IV]	<u>\$ 120,057,906.86</u>	<u>\$ 118,415,366.53</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 134,543,674.45</u>	<u>\$ 137,931,539.30</u>

UNAUDITED

EXHIBIT IV
 TEXAS A&M UNIVERSITY-TEXARKANA
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$ 13,040,573.17	\$ 11,254,614.53
Discounts and Allowances	(3,128,886.38)	(3,197,842.77)
Professional Fees		
Auxiliary Enterprises	1,388,038.47	1,253,318.95
Discounts and Allowances	(333,038.63)	(308,791.67)
Other Sales of Goods and Services	323,183.72	176,534.78
Discounts and Allowances		
Interest Revenue	1,770.00	2,635.23
Federal Revenue - Operating	417,796.43	351,492.50
Federal Pass Through Revenue	370,726.84	
State Grant Revenue		
State Pass Through Revenue	699,528.56	659,939.37
Other Grants and Contracts - Operating	(135,345.46)	230,288.66
Other Operating Revenue	13,223.50	22,081.04
Total Operating Revenues	\$ 12,657,570.22	\$ 10,444,270.62
Operating Expenses		
Instruction	\$ 12,078,638.06	\$ 11,419,881.66
Research	75,440.83	112,034.41
Public Service	265,014.98	235,851.39
Academic Support	5,066,708.71	4,850,158.19
Student Services	3,584,778.30	3,254,869.56
Institutional Support	4,971,731.19	5,004,261.21
Operation & Maintenance of Plant	1,687,894.46	1,831,076.88
Scholarships & Fellowships	2,817,648.43	2,538,795.20
Auxiliary	1,801,451.48	1,541,138.92
Depreciation/Amortization	5,379,577.51	5,540,958.30
Total Operating Expenses [Schedule IV-1]	\$ 37,728,883.95	\$ 36,329,025.72
Total Operating Income [Loss]	\$ (25,071,313.73)	\$ (25,884,755.10)
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 21,216,957.32	\$ 21,606,256.39
Federal Revenue Non-Operating	3,716,462.57	3,501,347.26
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	832,834.81	635,721.18
Investment Income	2,946,235.65	590,903.87
Investing Activities Expense	(59,884.58)	(33,988.31)
Interest Expense		
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	56,163.02	(712,850.47)
Settlement of Claims		
Other Nonoperating Revenues	141,627.21	98,457.50
Other Nonoperating [Expenses]	(34,365.61)	(68,250.87)
Total Nonoperating Revenues [Expenses]	\$ 28,816,030.39	\$ 25,617,596.55
Income [Loss] Before Other Revenues and Transfers	\$ 3,744,716.66	\$ (267,158.55)

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EXHIBIT IV
 TEXAS A&M UNIVERSITY-TEXARKANA
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Other Revenues and Transfers		
Capital Contributions	\$	\$
Capital Appropriations [Higher Education Fund]	1,823,883.00	1,215,922.00
Additions to Permanent and Term Endowments	125,610.00	75,907.97
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	12,035.00	15,898.00
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	3,496,334.26	222,220.42
Nonmandatory Transfers From Members/Agencies-Cap Assets		
Transfers Out		
Transfers to Other State Agencies		(9,398.73)
Mandatory Transfers to Other Members	(1,318,146.39)	(877,646.95)
Nonmandatory Transfers to Other Members	(210.20)	(3,257,190.51)
Nonmandatory Transfers to Members/Agencies - Cap Assets		
Legislative Transfers - In	2,495,907.00	20,933.00
Legislative Transfers - Out	(8,160,857.00)	(6,025,830.00)
Legislative Appropriations Lapsed	(576,732.00)	
	<u> </u>	<u> </u>
Total Other Revenues and Transfers	\$ (2,102,176.33)	\$ (8,619,184.80)
	<u> </u>	<u> </u>
Change In Net Position	\$ 1,642,540.33	\$ (8,886,343.35)
	<u> </u>	<u> </u>
Net Position, Beginning of Year Restatement	\$ 118,415,366.53	\$ 127,301,709.88
	<u> </u>	<u> </u>
Net Position, Beginning of Year, Restated	\$ 118,415,366.53	\$ 127,301,709.88
	<u> </u>	<u> </u>
Net Position, End of Year	\$ 120,057,906.86	\$ 118,415,366.53
	<u> </u>	<u> </u>

UNAUDITED

SCHEDULE IV-1
 TEXAS A&M UNIVERSITY-TEXARKANA
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
 FOR THE YEAR ENDED AUGUST 31, 2017

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$	\$	\$
Salaries & Wages	8,450,797.42	52,955.43	9,762.50	2,538,187.90	1,770,634.09
Payroll Related Costs	2,611,120.67	4,124.97	(75.17)	546,043.17	482,035.34
Payroll Related Costs-TRS Pension					
Professional Fees & Services	247,891.66	2,392.20		317,409.49	573,507.89
Travel	193,932.14	6,351.08	1,165.01	81,882.31	83,638.18
Materials & Supplies	290,613.63	4,581.69	18.46	499,686.04	98,138.89
Communication & Utilities	5,058.67		4,067.27	567,495.54	14,367.88
Repairs & Maintenance	2,668.14	3,543.53	249,802.28	225,433.97	105,442.65
Rentals & Leases	46,058.29			43,943.99	43,433.36
Printing & Reproduction	3,591.52			12,812.21	30,119.00
Federal Pass-Through					
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					32,220.00
Interest	14.79			74.48	119.89
Scholarships	17,914.88			23,926.74	23,650.00
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses	208,976.25	1,491.93	274.63	209,812.87	327,471.13
Total Operating Expenses	\$ 12,078,638.06	\$ 75,440.83	\$ 265,014.98	\$ 5,066,708.71	\$ 3,584,778.30

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$	\$	\$	\$	\$	\$
2,415,017.58	328,187.16	43,873.25	4,741.66	619,056.80	4,741.66	3,329.43
812,130.64	79,495.24	44.65	186,796.43		16,228,472.13	14,975,001.40
					4,721,715.94	4,585,901.34
778,734.79	861,761.68	1,622.44	318,539.06		3,101,859.21	3,219,820.85
55,859.72	1,069.53		99,276.86		523,174.83	530,776.65
72,049.62	29,045.97	1,780.96	140,586.82		1,136,502.08	1,290,326.97
204,137.88	344,442.15		128,360.90		1,267,930.29	1,233,468.03
119,972.68	2,869.28		16,736.81		726,469.34	840,066.45
50,697.70		404.00	39,359.85		223,897.19	188,497.96
44,015.23	295.05	1,464.55	4,054.18		96,351.74	112,859.99
				5,379,577.51	5,379,577.51	5,540,958.30
					32,220.00	(14,289.00)
7.77					216.93	19.08
		2,669,419.31	93,851.95		2,828,762.88	2,619,924.17
<u>419,107.58</u>	<u>40,728.40</u>	<u>99,039.27</u>	<u>150,090.16</u>		<u>1,456,992.22</u>	<u>1,202,364.10</u>
<u>\$ 4,971,731.19</u>	<u>\$ 1,687,894.46</u>	<u>\$ 2,817,648.43</u>	<u>\$ 1,801,451.48</u>	<u>\$ 5,379,577.51</u>	<u>\$ 37,728,883.95</u>	<u>\$ 36,329,025.72</u>

[Exhibit IV]

UNAUDITED

EXHIBIT V
TEXAS A&M UNIVERSITY-TEXARKANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 10,292,124.00	\$ 9,026,956.02
Proceeds Received From Customers	516,199.45	161,422.86
Proceeds From Grants and Contracts	1,352,706.37	1,048,944.28
Proceeds From Auxiliary Enterprises	945,316.77	943,527.28
Proceeds From Loan Programs	6,682.56	2,635.23
Proceeds From Other Operating Revenues	13,023.50	40,240.46
Payments to Suppliers for Goods and Services	(8,830,429.44)	(8,310,662.74)
Payments to Employees	(20,568,084.59)	(19,087,798.27)
Payments for Loans Provided		
Payments for Other Operating Expenses	(2,945,616.60)	(2,712,477.83)
Net Cash Provided [Used] By Operating Activities	<u>\$ (19,218,077.98)</u>	<u>\$ (18,887,212.71)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 24,002,578.30	\$ 21,631,919.92
Proceeds From Gifts	832,834.81	635,721.18
Proceeds From Endowments	125,610.00	75,907.97
Proceeds From Transfers From Other Funds	12,035.00	15,898.00
Proceeds From Other Grant Receipts	3,522,324.73	3,430,597.29
Proceeds From Other Noncapital Financing Activities	141,627.21	379,628.22
Payments of Interest		
Payments for Transfers to Other Funds		(9,398.73)
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(478,010.33)	(40,000.00)
Other Noncapital Transfers From/To System	296,124.06	165,029.91
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 28,455,123.78</u>	<u>\$ 26,285,303.76</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 70,475.00	\$ 438,250.00
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts	819,384.09	893,882.50
Proceeds From Federal Grants and Contracts		
Proceeds From Gifts		
Proceeds From Interfund Payables		
Proceeds From Other Financing Activities		
Proceeds From Capital Contributions		
Payments for Additions to Capital Assets	(274,329.93)	(1,042,957.57)
Payments of Principal On Debt		
Payments for Capital Leases		
Payments of Interest On Debt Issuance		
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]		22,293.89
Intrasystem Transfers for Capital Debt [Mandatory]	(9,479,003.39)	(6,903,476.95)
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (8,863,474.23)</u>	<u>\$ (6,592,008.13)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	(2,527,585.44)	(1,797,494.29)
Proceeds From Interest and Investment Income	467,254.47	330,593.92
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ (2,060,330.97)</u>	<u>\$ (1,466,900.37)</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ (1,686,759.40)</u>	<u>\$ (660,817.45)</u>
Cash and Cash Equivalents, Beginning of Year Restatement	<u>\$ 6,919,011.87</u>	<u>\$ 7,579,829.32</u>
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 6,919,011.87</u>	<u>\$ 7,579,829.32</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 5,232,252.47</u>	<u>\$ 6,919,011.87</u>

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EXHIBIT V
TEXAS A&M UNIVERSITY-TEXARKANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(25,071,313.73)	(25,884,755.10)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	5,379,577.51	5,540,958.30
Bad Debt Expense	246,055.33	85,059.00
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	227,030.64	(193,658.78)
[Increase] Decrease In Due From Agencies/Funds	3,863.00	(15,898.00)
[Increase] Decrease In Due From System Members		
[Increase] Decrease In Inventories		
[Increase] Decrease In Prepaid Expenses	(239,374.84)	(212,261.60)
[Increase] Decrease In Loans and Contracts	4,912.56	24,325.50
[Increase] Decrease In Other Assets	(10,817.45)	22,401.64
Increase [Decrease] In Payables	213,471.04	658,625.60
Increase [Decrease] In Due to Other Agencies/Funds		
Increase [Decrease] In Due to System Members		(378.77)
Increase [Decrease] In Unearned Revenue	(33,712.22)	1,070,878.76
Increase [Decrease] In Deposits	(17,795.23)	18,159.42
Increase [Decrease] In Employees' Compensable Leave	80,025.41	(668.68)
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities		
Total Adjustments	<u>\$ 5,853,235.75</u>	<u>\$ 6,997,542.39</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (19,218,077.98)</u>	<u>\$ (18,887,212.71)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$	\$
Net Change In Fair Value of Investments	1,920,048.99	397,928.29
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	56,163.02	(712,850.47)



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SCHEDULE THREE
 TEXAS A&M UNIVERSITY-TEXARKANA
 SCHEDULE OF CASH & CASH EQUIVALENTS
 FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Petty Cash Department Working Fund	\$ 2,530.00
Total Cash On Hand	<u>\$ 2,530.00</u>
Cash In State Treasury	
Fund 0232	\$ 3,406,687.22
Total Cash In State Treasury	<u>\$ 3,406,687.22</u>
Reimbursements Due From State Treasury	\$ 481,834.57
Assets Held By System Offices-Current	<u>1,104,599.59</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 4,995,651.38</u>
Restricted	
Assets Held By System Offices-Current	<u>\$ 236,601.09</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 236,601.09</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 5,232,252.47</u></u>

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SCHEDULE N-2
 TEXAS A&M UNIVERSITY-TEXARKANA
 NOTE 2 - CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2017

	BALANCE 9-1-16	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 5,200,858.00	\$	\$
Construction In Progress	5,724,262.60		
Land Use Rights	45,495.00		
Total Non-Depreciable/Non-Amortizable Assets	\$ 10,970,615.60	\$	\$
Depreciable Assets			
Buildings	\$ 84,561,510.17	\$	\$
Infrastructure	15,479,072.68		
Facilities and Other Improvements	3,566,260.16		
Furniture and Equipment	2,213,253.95		
Vehicles, Boats and Aircraft	251,258.71		
Other Capital Assets	4,911,099.88		
Total Depreciable Assets at Historical Cost	\$ 110,982,455.55	\$	\$
Less Accumulated Depreciation for			
Buildings	\$ (24,411,583.85)	\$	\$
Infrastructure	(4,481,898.17)		
Facilities and Other Improvements	(1,363,475.83)		
Furniture and Equipment	(1,564,062.45)		
Vehicles, Boats and Aircraft	(209,565.74)		
Other Capital Assets	(3,993,958.38)		
Total Accumulated Depreciation	\$ (36,024,544.42)	\$	\$
Depreciable Assets, Net	\$ 74,957,911.13	\$	\$
Amortizable Assets - Intangible			
Computer Software	\$ 112,354.17	\$	\$
Total Intangible Assets at Historical Cost	\$ 112,354.17	\$	\$
Less Accumulated Amortization for			
Computer Software	\$ (112,354.17)	\$	\$
Total Accumulated Amortization	\$ (112,354.17)	\$	\$
Amortizable Assets, Net	\$	\$	\$
Capital Assets, Net	\$ 85,928,526.73	\$	\$

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-17</u>
\$	\$	\$ 96,000.00	\$	\$ 5,200,858.00 5,820,262.60 45,495.00
<u>\$</u>	<u>\$</u>	<u>\$ 96,000.00</u>	<u>\$</u>	<u>\$ 11,066,615.60</u>
\$	\$	\$	\$	\$ 84,561,510.17 15,479,072.68 3,566,260.16 97,391.44 (65,125.29) 2,245,520.10 (104,158.76) 147,099.95 80,938.49 (36,136.47) 4,955,901.90
<u>\$</u>	<u>\$</u>	<u>\$ 178,329.93</u>	<u>\$ (205,420.52)</u>	<u>\$ 110,955,364.96</u>
\$	\$	\$ (4,081,373.64) (722,389.68) (216,293.16) (214,555.32) (10,902.13) (134,063.58)	\$ 57,325.25 89,846.78 36,136.47	\$ (28,492,957.49) (5,204,287.85) (1,579,768.99) (1,721,292.52) (130,621.09) (4,091,885.49)
<u>\$</u>	<u>\$</u>	<u>\$ (5,379,577.51)</u>	<u>\$ 183,308.50</u>	<u>\$ (41,220,813.43)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (5,201,247.58)</u>	<u>\$ (22,112.02)</u>	<u>\$ 69,734,551.53</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 112,354.17</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 112,354.17</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (112,354.17)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (112,354.17)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$ (5,105,247.58)</u></u>	<u><u>\$ (22,112.02)</u></u>	<u><u>\$ 80,801,167.13</u></u>





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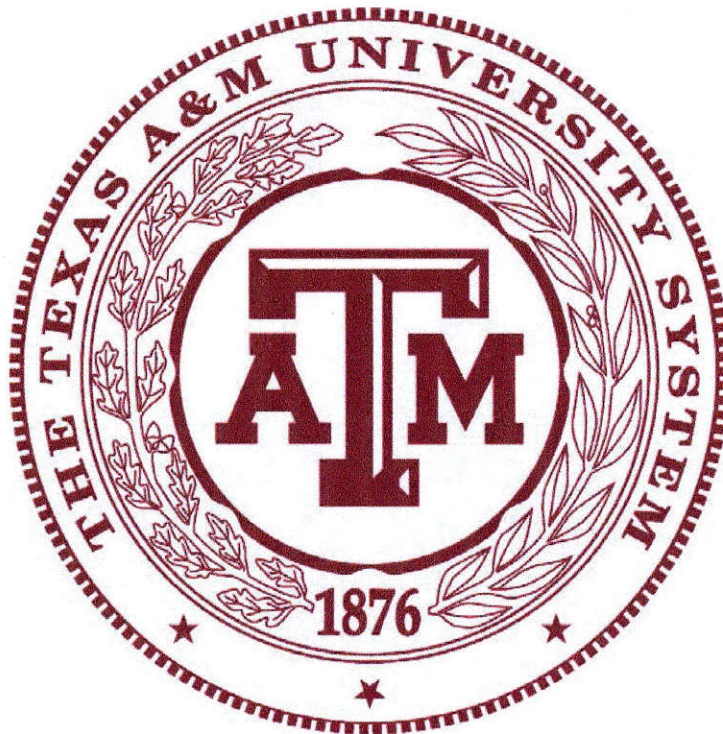
ANNUAL FINANCIAL REPORT

of

West Texas A&M University

For the Year Ended August 31, 2017

With Comparative Totals for the Year Ended August 31, 2016



Walter Wendler, Ph.D., President and Chief Executive Officer
Randy Rikel, Vice President for Business and Finance
Shelly Davis, Associate Vice-President/Controller
Todd McNeill, Director of Finance

UNAUDITED

WEST TEXAS A&M UNIVERSITY

STUDENT ENROLLMENT DATA

CURRENT YEAR

<u>TYPE OF STUDENT</u>	<u>NUMBER OF STUDENTS BY SEMESTER</u>	
	<u>FALL 2016</u>	<u>FALL 2017</u>
Texas Resident	7,807	7,940
Out-of-State	1,839	1,908
Foreign	255	224
Total Students	<u>9,901</u>	<u>10,072</u>

HISTORICAL
(Fall Semester)

<u>FISCAL YEAR</u>	<u>HEADCOUNT</u>	<u>SEMESTER CREDIT HOURS</u>
2012-13	7,909	92,799
2013-14	8,381	98,307
2014-15	8,970	103,177
2015-16	9,482	106,304

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WEST TEXAS A&M UNIVERSITY

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EXHIBIT III
WEST TEXAS A&M UNIVERSITY
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 25,085,257.75	\$ 18,811,970.01
Investments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	2,567,547.92	1,574,568.26
Investments		
Legislative Appropriations	11,488,176.66	9,066,838.69
Receivables, Net [Note 24]		
Federal	1,258,652.34	2,711,020.66
Other Intergovernmental		
Interest and Dividends		
Gifts	5,379,606.02	5,952,485.63
Self-Insured Health and Dental		
Student	5,079,884.54	4,625,271.17
Investment Trades		
Accounts	2,752,265.72	8,124,573.94
Other		130.00
Due From Other Agencies	145,816.80	18,991.55
Due From Other Members	5,818,059.61	964,475.44
Due From Other Funds	1,087,035.12	3,223,748.11
Consumable Inventories	313,801.39	610,025.25
Merchandise Inventories	1,252,224.68	1,481,770.38
Loans and Contracts	908,682.01	842,686.63
Interfund Receivable [Note 12]		
Other Current Assets	1,212,466.94	1,827,799.15
Total Current Assets	<u>\$ 64,349,477.50</u>	<u>\$ 59,836,354.87</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 87,569,958.91	\$ 79,265,472.87
Assets Held By System Office	1,151,237.14	1,008,452.81
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts		
Assets Held By System Office	84,404,406.23	74,758,073.29
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	3,449,064.62	3,449,064.62
Construction In Progress	12,943,820.69	3,426,780.91
Other Tangible Capital Assets	209,143.66	209,143.66
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	241,304,732.75	238,782,246.04
Infrastructure	26,627,785.35	26,627,785.35
Facilities and Other Improvements	30,227,229.40	30,068,965.81
Furniture and Equipment	20,168,787.74	18,827,705.52
Vehicles, Boats, and Aircraft	2,889,075.22	2,754,195.71
Other Capital Assets	10,801,165.85	11,094,245.50
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	156,945.67	156,945.67
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(172,650,994.44)	(160,190,157.48)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 349,252,358.79</u>	<u>\$ 330,238,920.28</u>
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
Total Deferred Outflows of Resources	<u>\$</u>	<u>\$</u>
Total Assets and Deferred Outflows	<u>\$ 413,601,836.29</u>	<u>\$ 390,075,275.15</u>

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EXHIBIT III
WEST TEXAS A&M UNIVERSITY
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 2,067,636.27	\$ 3,512,689.12
Payroll	2,872,546.20	2,898,205.04
Investment Trades		
Self-Insured Health and Dental		
Student		
Other	4,053.93	
Interfund Payable [Note 12]		
Due to Other Agencies		
Due to Other Funds	1,087,035.12	3,223,748.11
Due to Other Members	7,168,629.95	20,059.50
Funds Held for Investment		
Unearned Revenue	26,387,170.37	24,742,876.58
Employees' Compensable Leave	185,541.19	194,395.25
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations [Note 8]		
Liabilities Payable From Restricted Assets		
Funds Held for Others	7,471,156.61	8,816,066.76
Other Current Liabilities	533,558.40	565,963.53
Total Current Liabilities	\$ 47,777,328.04	\$ 43,974,003.89
Non-Current Liabilities		
Interfund Payable [Note 12]	\$	\$
Employees' Compensable Leave	2,672,467.03	2,621,391.64
Other Post Employment Benefits [Note 11]		
Pension Liability [Note 9]		
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Assets Held In Trust		
Liabilities Payable From Restricted Assets		
Funds Held for Others	63,615,155.29	55,941,412.55
Capital Lease Obligations [Note 8]		
Other Non-Current Liabilities		
Total Non-Current Liabilities	\$ 66,287,622.32	\$ 58,562,804.19
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	\$	\$
Total Liabilities and Deferred Inflows	\$ 114,064,950.36	\$ 102,536,808.08
Net Position		
Net Investment In Capital Assets	\$ 176,126,756.51	\$ 175,206,921.31
Restricted for		
Debt Service		
Capital Projects		
Education	4,529,678.70	5,031,065.08
Endowment and Permanent Funds		
Nonexpendable	13,680,258.62	13,533,454.94
Expendable	9,609,140.73	8,264,833.48
Unrestricted	95,591,051.37	85,502,192.26
Total Net Position [Exhibit IV]	\$ 299,536,885.93	\$ 287,538,467.07
Total Liabilities, Deferred Inflows, and Net Position	\$ 413,601,836.29	\$ 390,075,275.15

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EXHIBIT IV
WEST TEXAS A&M UNIVERSITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$ 72,776,433.37	\$ 69,368,893.17
Discounts and Allowances	(17,615,280.94)	(14,960,623.20)
Professional Fees		
Auxiliary Enterprises	19,966,498.40	20,775,768.81
Discounts and Allowances	(3,695,537.55)	(3,289,503.99)
Other Sales of Goods and Services	9,630,863.77	9,726,922.44
Discounts and Allowances		
Interest Revenue	52,781.06	49,754.19
Federal Revenue - Operating	3,716,246.01	3,108,779.61
Federal Pass Through Revenue	276,023.49	445,982.80
State Grant Revenue		
State Pass Through Revenue	5,137,688.68	4,997,080.10
Other Grants and Contracts - Operating	1,149,143.66	1,039,941.49
Other Operating Revenue	3,182,525.20	737,415.23
Total Operating Revenues	<u>\$ 94,577,385.15</u>	<u>\$ 92,000,410.65</u>
Operating Expenses		
Instruction	\$ 40,926,683.66	\$ 38,942,884.23
Research	4,423,903.43	3,508,153.66
Public Service	4,702,934.09	4,419,564.48
Academic Support	13,228,842.88	12,661,617.21
Student Services	14,296,654.21	8,477,717.47
Institutional Support	12,337,408.66	12,604,059.49
Operation & Maintenance of Plant	17,667,104.30	18,539,457.32
Scholarships & Fellowships	11,106,087.90	9,673,579.62
Auxiliary	19,098,628.83	23,616,916.50
Depreciation/Amortization	13,535,830.93	13,218,573.48
Total Operating Expenses [Schedule IV-1]	<u>\$ 151,324,078.89</u>	<u>\$ 145,662,523.46</u>
Total Operating Income [Loss]	<u>\$ (56,746,693.74)</u>	<u>\$ (53,662,112.81)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 39,442,040.53	\$ 39,524,338.03
Federal Revenue Non-Operating	11,497,027.74	10,836,372.38
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	7,804,707.37	5,121,085.87
Investment Income	10,068,373.42	3,964,265.89
Investing Activities Expense	(235,695.91)	(193,966.46)
Interest Expense		
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	25,725.00	10,940.00
Settlement of Claims		
Other Nonoperating Revenues	8,127,829.91	8,301,165.24
Other Nonoperating [Expenses]	(7,128,471.79)	(1,226,550.71)
Total Nonoperating Revenues [Expenses]	<u>\$ 69,601,536.27</u>	<u>\$ 66,337,650.24</u>
Income [Loss] Before Other Revenues and Transfers	<u>\$ 12,854,842.53</u>	<u>\$ 12,675,537.43</u>

UNAUDITED

EXHIBIT IV
 WEST TEXAS A&M UNIVERSITY
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Other Revenues and Transfers		
Capital Contributions	\$ 22,568.00	\$
Capital Appropriations [Higher Education Fund]	7,164,408.00	4,776,272.00
Additions to Permanent and Term Endowments	10,233.78	37,663.90
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	83,788.00	105,111.00
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	11,879,007.08	1,188,752.72
Nonmandatory Transfers From Members/Agencies-Cap Assets		61,931.86
Transfers Out		
Transfers to Other State Agencies		
Mandatory Transfers to Other Members	(6,587,996.37)	(6,178,056.22)
Nonmandatory Transfers to Other Members	(8,627,430.42)	(481,028.93)
Nonmandatory Transfers to Members/Agencies - Cap Assets		
Legislative Transfers - In	3,653,523.00	138,399.00
Legislative Transfers - Out	(8,261,796.74)	(4,953,429.52)
Legislative Appropriations Lapsed	(192,728.00)	
	<u> </u>	<u> </u>
Total Other Revenues and Transfers	\$ (856,423.67)	\$ (5,304,384.19)
Change In Net Position	<u>\$ 11,998,418.86</u>	<u>\$ 7,371,153.24</u>
Net Position, Beginning of Year	\$ 287,538,467.07	\$ 280,167,313.83
Restatement		
	<u> </u>	<u> </u>
Net Position, Beginning of Year, Restated	\$ 287,538,467.07	\$ 280,167,313.83
	<u> </u>	<u> </u>
Net Position, End of Year	<u>\$ 299,536,885.93</u>	<u>\$ 287,538,467.07</u>

UNAUDITED

SCHEDULE IV-1
 WEST TEXAS A&M UNIVERSITY
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
 FOR THE YEAR ENDED AUGUST 31, 2017

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$	\$ 11,619.19	\$ 12,871.32
Salaries & Wages	27,317,423.08	2,279,851.48	2,257,048.90	6,601,380.06	5,288,178.70
Payroll Related Costs	7,878,311.54	539,332.85	323,369.61	1,081,540.80	2,380,660.00
Payroll Related Costs-TRS Pension					
Professional Fees & Services	524,316.33	345,904.86	437,606.79	270,641.18	359,026.72
Travel	451,645.45	242,527.65	162,908.50	454,607.67	544,058.05
Materials & Supplies	3,188,042.72	512,810.45	186,237.50	2,915,336.39	956,912.44
Communication & Utilities	1,022.93	8,836.99	45,229.78	1,061,886.18	31,198.00
Repairs & Maintenance	54,724.29	48,810.27	12,572.48	88,987.98	141,502.97
Rentals & Leases	166,893.71	6,954.25	198,307.66	48,553.28	101,533.28
Printing & Reproduction	10,217.82	7,464.28	8,534.19	4,902.59	19,998.14
Federal Pass-Through		77,976.98			
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					2,595,783.10
Interest	4.76			16.73	
Scholarships	16,850.00	171,188.63	45,718.18	18,160.00	180,522.00
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses	1,317,231.03	182,244.74	1,025,400.50	671,210.83	1,684,409.49
Total Operating Expenses	\$ 40,926,683.66	\$ 4,423,903.43	\$ 4,702,934.09	\$ 13,228,842.88	\$ 14,296,654.21

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$ 479.80	\$	\$ 2,795,703.23	\$	\$ 2,820,673.54	\$ 3,823,832.17
6,427,981.01	2,063,083.42	75,059.62	4,574,166.18		56,884,172.45	54,776,904.56
654,948.20	1,763,919.50	88,743.58	1,650,050.75		16,360,876.83	16,654,661.84
297,246.48	9,081,871.15	11,474.99	4,124,997.39		15,453,085.89	17,733,014.85
262,470.82	27,928.05	122.04	1,014,948.28		3,161,216.51	3,089,790.31
499,219.80	1,055,466.34	1,593.12	507,417.50		9,823,036.26	6,781,236.45
554,552.95	2,441,641.74		1,370,243.01		5,514,611.58	4,659,309.34
503,550.81	291,864.81		212,162.92		1,354,176.53	801,452.00
43,880.48	440,714.49	3,142.94	98,597.02		1,108,577.11	999,929.70
51,919.78	363.20		10,067.44		113,467.44	143,045.67
					77,976.98	60,003.21
				13,535,830.93	13,535,830.93	13,218,573.48
					2,595,783.10	320,559.18
11.42					32.91	224.98
	69,650.00	10,857,657.11	1,401,921.42		12,761,667.34	12,009,693.19
3,041,626.91	430,121.80	68,294.50	1,338,353.69		9,758,893.49	10,590,292.53
<u>\$ 12,337,408.66</u>	<u>\$ 17,667,104.30</u>	<u>\$ 11,106,087.90</u>	<u>\$ 19,098,628.83</u>	<u>\$ 13,535,830.93</u>	<u>\$ 151,324,078.89</u>	<u>\$ 145,662,523.46</u>

[Exhibit IV]

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EXHIBIT V
WEST TEXAS A&M UNIVERSITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 56,350,832.85	\$ 53,383,820.87
Proceeds Received From Customers	9,411,340.35	2,260,619.12
Proceeds From Grants and Contracts	10,477,215.01	9,826,031.65
Proceeds From Auxiliary Enterprises	16,262,724.43	17,507,491.18
Proceeds From Loan Programs	2,462,643.16	51,380.99
Proceeds From Other Operating Revenues	909,350.37	663,461.52
Payments to Suppliers for Goods and Services	(49,405,743.96)	(48,132,401.02)
Payments to Employees	(73,227,939.59)	(71,187,675.77)
Payments for Loans Provided	(2,661,778.48)	(721,132.30)
Payments for Other Operating Expenses	(13,008,736.72)	(12,069,696.40)
Net Cash Provided [Used] By Operating Activities	<u>\$ (42,430,092.58)</u>	<u>\$ (48,418,100.16)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 43,080,351.77	\$ 40,765,724.99
Proceeds From Gifts	7,804,707.37	5,121,085.87
Proceeds From Endowments	10,233.78	37,663.90
Proceeds From Transfers From Other Funds	83,788.00	105,111.00
Proceeds From Other Grant Receipts	11,497,027.74	10,836,372.38
Proceeds From Other Noncapital Financing Activities	14,804,573.16	7,587,080.44
Payments of Interest		
Payments for Transfers to Other Funds		
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(325,737.30)	
Other Noncapital Transfers From/To System	451,576.66	407,861.55
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 77,406,521.18</u>	<u>\$ 64,860,900.13</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 25,725.00	\$ 10,940.00
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts	4,565,553.79	5,706,960.52
Proceeds From Federal Grants and Contracts		
Proceeds From Gifts		
Proceeds From Interfund Payables		
Proceeds From Other Financing Activities		
Proceeds From Capital Contributions		
Payments for Additions to Capital Assets	(14,048,714.34)	(6,113,721.24)
Payments of Principal On Debt		
Payments for Capital Leases		
Payments of Interest On Debt Issuance		
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]	4,857,993.26	367,675.48
Intrasystem Transfers for Capital Debt [Mandatory]	(14,849,793.11)	(11,131,485.74)
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (19,449,235.40)</u>	<u>\$ (11,159,630.98)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	(9,709,903.34)	(8,210,628.58)
Proceeds From Interest and Investment Income	1,591,761.87	1,445,411.72
Payments to Acquire Investments	(142,784.33)	(300.68)
Net Cash Provided [Used] By Investing Activities	<u>\$ (8,260,925.80)</u>	<u>\$ (6,765,517.54)</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ 7,266,267.40</u>	<u>\$ (1,482,348.55)</u>
Cash and Cash Equivalents, Beginning of Year Restatement	<u>\$ 20,386,538.27</u>	<u>\$ 21,868,886.82</u>
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 20,386,538.27</u>	<u>\$ 21,868,886.82</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 27,652,805.67</u>	<u>\$ 20,386,538.27</u>

UNAUDITED

EXHIBIT V
WEST TEXAS A&M UNIVERSITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(56,746,693.74)	(53,662,112.81)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	13,535,830.93	13,218,573.48
Bad Debt Expense	2,653,770.12	(581,576.16)
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	(194,196.41)	(7,334,994.34)
[Increase] Decrease In Due From Agencies/Funds	(126,825.25)	144,868.75
[Increase] Decrease In Due From System Members	(221,225.40)	(255,761.80)
[Increase] Decrease In Inventories	525,769.56	(361,814.76)
[Increase] Decrease In Prepaid Expenses	615,332.21	(594,660.08)
[Increase] Decrease In Loans and Contracts	(2,661,778.48)	(721,132.30)
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	(1,462,756.56)	1,594,594.24
Increase [Decrease] In Due to Other Agencies/Funds		
Increase [Decrease] In Due to System Members	(1,429.55)	(14,367.59)
Increase [Decrease] In Unearned Revenue	1,644,293.79	112,744.32
Increase [Decrease] In Deposits	(32,405.13)	(72,326.91)
Increase [Decrease] In Employees' Compensable Leave	42,221.33	109,865.80
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities		
Total Adjustments	<u>\$ 14,316,601.16</u>	<u>\$ 5,244,012.65</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (42,430,092.58)</u>	<u>\$ (48,418,100.16)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$ 22,568.00	\$
Net Change In Fair Value of Investments	9,419,304.85	1,776,729.86
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	25,725.00	72,871.86



UNAUDITED

SCHEDULE THREE
 WEST TEXAS A&M UNIVERSITY
 SCHEDULE OF CASH & CASH EQUIVALENTS
 FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Petty Cash Department Working Fund	\$ 82,980.00
Total Cash On Hand	<u>\$ 82,980.00</u>
Cash In State Treasury	
Fund 0263	\$ 5,208,371.65
Total Cash In State Treasury	<u>\$ 5,208,371.65</u>
Assets Held By System Offices-Current	<u>\$ 19,793,906.10</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 25,085,257.75</u>
Restricted	
Cash On Hand	
Cash In Bank	<u>\$ 187,970.95</u>
Assets Held By System Offices-Current	<u>\$ 2,379,576.97</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 2,567,547.92</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 27,652,805.67</u></u>

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SCHEDULE N-2
 WEST TEXAS A&M UNIVERSITY
 NOTE 2 - CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2017

	BALANCE 9-1-16	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 3,449,064.62	\$	\$
Construction In Progress	3,426,780.91		(2,680,750.30)
Other Tangible Capital Assets	209,143.66		
Total Non-Depreciable/Non-Amortizable Assets	\$ 7,084,989.19	\$	\$ (2,680,750.30)
Depreciable Assets			
Buildings	\$ 238,782,246.04	\$	\$ 2,522,486.71
Infrastructure	26,627,785.35		
Facilities and Other Improvements	30,068,965.81		158,263.59
Furniture and Equipment	18,827,705.52		
Vehicles, Boats and Aircraft	2,754,195.71		
Other Capital Assets	11,094,245.50		
Total Depreciable Assets at Historical Cost	\$ 328,155,143.93	\$	\$ 2,680,750.30
Less Accumulated Depreciation for			
Buildings	\$ (106,565,651.41)	\$	\$
Infrastructure	(13,743,245.58)		
Facilities and Other Improvements	(13,762,923.46)		
Furniture and Equipment	(14,287,488.97)		
Vehicles, Boats and Aircraft	(2,152,382.49)		
Other Capital Assets	(9,521,519.90)		
Total Accumulated Depreciation	\$ (160,033,211.81)	\$	\$
Depreciable Assets, Net	\$ 168,121,932.12	\$	\$ 2,680,750.30
Amortizable Assets - Intangible			
Computer Software	\$ 156,945.67	\$	\$
Total Intangible Assets at Historical Cost	\$ 156,945.67	\$	\$
Less Accumulated Amortization for			
Computer Software	\$ (156,945.67)	\$	\$
Total Accumulated Amortization	\$ (156,945.67)	\$	\$
Amortizable Assets, Net	\$	\$	\$
Capital Assets, Net	\$ 175,206,921.31	\$	\$

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-17</u>
\$	\$	\$ 12,574,295.05	\$ (376,504.97)	\$ 3,449,064.62 12,943,820.69 209,143.66
\$	\$	\$ 12,574,295.05	\$ (376,504.97)	\$ 16,602,028.97
\$	\$	\$ 3,867,321.46	\$ (3,867,321.46)	\$ 241,304,732.75 26,627,785.35 30,227,229.40 20,168,787.74 2,889,075.22 10,801,165.85
\$	\$	\$ 8,687,923.93	\$ (7,505,041.85)	\$ 332,018,776.31
\$	\$	\$ (9,273,583.88) (904,047.72) (1,890,071.19) (1,070,458.12) (203,030.78) (194,639.24)	\$ 103,835.75 130,625.54 840,532.68	\$ (115,839,235.29) (14,647,293.30) (15,652,994.65) (15,254,111.34) (2,224,787.73) (8,875,626.46)
\$	\$	\$ (13,535,830.93)	\$ 1,074,993.97	\$ (172,494,048.77)
\$	\$	\$ (4,847,907.00)	\$ (6,430,047.88)	\$ 159,524,727.54
\$	\$	\$	\$	\$ 156,945.67
\$	\$	\$	\$	\$ 156,945.67
\$	\$	\$	\$	\$ (156,945.67)
\$	\$	\$	\$	\$ (156,945.67)
\$	\$	\$	\$	\$
\$	\$	\$ 7,726,388.05	\$ (6,806,552.85)	\$ 176,126,756.51





UNAUDITED

ANNUAL FINANCIAL REPORT

of

Texas A&M AgriLife Research

For the Year Ended August 31, 2017

With Comparative Totals for the Year Ended August 31, 2016



Dr. Craig Nessler, Director
Debra A. Cummings, Chief Financial Officer



UNAUDITED

TEXAS A&M AGRILIFE RESEARCH

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EXHIBIT III
TEXAS A&M AGRILIFE RESEARCH
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 807,466.41	\$ 171,618.76
Investments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	6,419,469.74	8,561,927.85
Investments		
Legislative Appropriations	6,666,473.16	8,876,284.46
Receivables, Net [Note 24]		
Federal	15,021,245.88	10,928,891.13
Other Intergovernmental	2,358,600.65	2,836,080.88
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student		
Investment Trades		
Accounts	6,048,317.17	5,353,642.73
Other	42,789.81	21,305.98
Due From Other Agencies	1,154,260.86	2,326,784.14
Due From Other Members	1,673,089.33	3,832,034.01
Due From Other Funds	65,361,881.23	24,818,504.66
Consumable Inventories	189,604.86	195,341.87
Merchandise Inventories	451,601.74	545,667.89
Loans and Contracts		
Interfund Receivable [Note 12]		129,212.11
Other Current Assets		
Total Current Assets	\$ 106,194,800.84	\$ 68,597,296.47
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 49,375,790.73	\$ 65,950,702.27
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts		
Assets Held By System Office	145,218,045.73	120,162,036.52
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	14,364,191.47	14,157,144.58
Construction In Progress	12,738,779.12	12,061,785.80
Other Tangible Capital Assets	32,457.00	32,457.00
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	140,500,934.79	117,863,587.30
Infrastructure	3,467,251.67	3,098,869.22
Facilities and Other Improvements	2,599,664.86	2,818,576.83
Furniture and Equipment	86,640,271.04	80,357,772.32
Vehicles, Boats, and Aircraft	12,203,594.28	12,052,571.51
Other Capital Assets	30,000,000.00	30,000,000.00
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	65,696.70	65,696.70
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(150,828,406.18)	(140,871,788.82)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	\$ 346,378,271.21	\$ 317,749,411.23
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
Total Deferred Outflows of Resources	\$	\$
Total Assets and Deferred Outflows	\$ 452,573,072.05	\$ 386,346,707.70

UNAUDITED

EXHIBIT III
TEXAS A&M AGRILIFE RESEARCH
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 10,589,482.79	\$ 9,119,292.99
Payroll	10,706,712.87	9,456,018.76
Investment Trades		
Self-Insured Health and Dental		
Student		
Other	131.01	26,002.03
Interfund Payable [Note 12]		
Due to Other Agencies	216,122.37	109,793.52
Due to Other Funds	65,361,881.23	24,818,504.66
Due to Other Members	30,858,726.32	14,081,369.33
Funds Held for Investment		
Unearned Revenue	13,996,548.39	11,651,032.02
Employees' Compensable Leave	1,031,179.81	766,418.39
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations [Note 8]		
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Other Current Liabilities	500.03	114,416.70
Total Current Liabilities	<u>\$ 132,761,284.82</u>	<u>\$ 70,142,848.40</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$ 7,207,010.23	\$ 7,317,990.40
Employees' Compensable Leave		
Other Post Employment Benefits [Note 11]		
Pension Liability [Note 9]		
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Assets Held In Trust		
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Capital Lease Obligations [Note 8]		
Other Non-Current Liabilities	70,000.00	70,000.00
Total Non-Current Liabilities	<u>\$ 7,277,010.23</u>	<u>\$ 7,387,990.40</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 140,038,295.05</u>	<u>\$ 77,530,838.80</u>
Net Position		
Net Investment In Capital Assets	\$ 151,784,434.75	\$ 131,636,672.44
Restricted for		
Debt Service		
Capital Projects	956,025.57	2,919,978.55
Education	6,005,559.17	20,189,243.54
Endowment and Permanent Funds		
Nonexpendable	100,000.00	100,000.00
Expendable	49,275,790.73	65,850,702.27
Unrestricted	104,412,966.78	88,119,272.10
Total Net Position [Exhibit IV]	<u>\$ 312,534,777.00</u>	<u>\$ 308,815,868.90</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 452,573,072.05</u>	<u>\$ 386,346,707.70</u>

UNAUDITED

EXHIBIT IV
 TEXAS A&M AGRILIFE RESEARCH
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Operating Revenues		
Tuition and Fees	\$	\$
Discounts and Allowances		
Professional Fees		
Auxiliary Enterprises		
Discounts and Allowances		
Other Sales of Goods and Services	27,432,640.75	26,966,299.82
Discounts and Allowances		
Interest Revenue		
Federal Revenue - Operating	62,086,396.76	56,426,119.41
Federal Pass Through Revenue	3,141,705.34	4,459,282.09
State Grant Revenue	46,474.06	35,762.35
State Pass Through Revenue	2,546,349.75	1,668,956.01
Other Grants and Contracts - Operating	19,860,692.65	21,875,704.02
Other Operating Revenue	1,034,921.89	655,853.47
	<u> </u>	<u> </u>
Total Operating Revenues	\$ 116,149,181.20	\$ 112,087,977.17
Operating Expenses		
Instruction	\$	\$
Research	188,219,536.92	180,578,706.33
Public Service	5,210,443.34	5,712,470.32
Academic Support		
Student Services		
Institutional Support		
Operation & Maintenance of Plant		
Scholarships & Fellowships		
Auxiliary		
Depreciation/Amortization	13,082,195.07	12,870,732.72
	<u> </u>	<u> </u>
Total Operating Expenses [Schedule IV-1]	\$ 206,512,175.33	\$ 199,161,909.37
Total Operating Income [Loss]	\$ (90,362,994.13)	\$ (87,073,932.20)
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 71,332,101.53	\$ 70,200,943.19
Federal Revenue Non-Operating	9,082,427.00	9,156,520.00
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	872,782.00	2,134,475.21
Investment Income	16,015,045.54	5,326,774.31
Investing Activities Expense	(343,895.93)	(270,153.22)
Interest Expense	(17,148.29)	(7,206.75)
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	(158,701.95)	(31,831.40)
Settlement of Claims		(35,435.00)
Other Nonoperating Revenues	1,149,494.69	501,159.40
Other Nonoperating [Expenses]	(1,727,610.09)	(1,108,587.99)
	<u> </u>	<u> </u>
Total Nonoperating Revenues [Expenses]	\$ 96,204,494.50	\$ 85,866,657.75
Income [Loss] Before Other Revenues and Transfers	\$ 5,841,500.37	\$ (1,207,274.45)

UNAUDITED

EXHIBIT IV
 TEXAS A&M AGRILIFE RESEARCH
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Other Revenues and Transfers		
Capital Contributions	\$ 195,549.41	\$ 179,305.24
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments		
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	532,900.27	533,458.65
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	9,512,653.64	9,124,412.52
Nonmandatory Transfers From Members/Agencies-Cap Assets	24,374,290.43	104,154.99
Transfers Out		
Transfers to Other State Agencies	(135,700.15)	(58,758.65)
Mandatory Transfers to Other Members	(1,366,640.78)	(1,377,565.15)
Nonmandatory Transfers to Other Members	(31,370,810.60)	(13,784,042.42)
Nonmandatory Transfers to Members/Agencies - Cap Assets	(2,577,784.49)	(4,494,128.95)
Legislative Transfers - In		
Legislative Transfers - Out	(1,000,004.00)	(1,002,094.00)
Legislative Appropriations Lapsed	(287,046.00)	
	<u> </u>	<u> </u>
Total Other Revenues and Transfers	\$ (2,122,592.27)	\$ (10,775,257.77)
Change in Net Position	<u>\$ 3,718,908.10</u>	<u>\$ (11,982,532.22)</u>
Net Position, Beginning of Year	\$ 308,815,868.90	\$ 320,798,401.12
Restatement		
Net Position, Beginning of Year, Restated	<u>\$ 308,815,868.90</u>	<u>\$ 320,798,401.12</u>
Net Position, End of Year	<u>\$ 312,534,777.00</u>	<u>\$ 308,815,868.90</u>

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SCHEDULE IV-1
 TEXAS A&M AGRILIFE RESEARCH
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
 FOR THE YEAR ENDED AUGUST 31, 2017

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$ 643,124.09	\$	\$	\$
Salaries & Wages		89,316,824.21	3,251,709.95		
Payroll Related Costs		26,412,938.37	947,091.97		
Payroll Related Costs-TRS Pension					
Professional Fees & Services		13,393,941.66	8,247.46		
Travel		4,346,504.91	180,571.22		
Materials & Supplies		18,281,727.50	548,620.13		
Communication & Utilities		4,945,182.88	29,258.65		
Repairs & Maintenance		6,358,117.74	108,051.99		
Rentals & Leases		1,726,713.62	33,082.37		
Printing & Reproduction		430,001.82	21,646.27		
Federal Pass-Through		3,998,272.74			
State Pass-Through		703,280.31			
Depreciation & Amortization					
Bad Debt Expense					
Interest		3,909.34	1.10		
Scholarships		3,072,266.89	5,938.10		
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses		14,586,730.84	76,224.13		
Total Operating Expenses	\$	\$ 188,219,536.92	\$ 5,210,443.34	\$	\$

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL.	PRIOR YEAR
\$	\$	\$	\$	\$	\$ 643,124.09	\$ 608,673.11
					92,568,534.16	86,609,466.94
					27,360,030.34	24,752,837.32
					13,402,189.12	13,655,187.24
					4,527,076.13	4,645,995.83
					18,830,347.63	17,721,203.59
					4,974,441.53	5,725,737.77
					6,466,169.73	6,548,476.50
					1,759,795.99	2,279,800.78
					451,648.09	409,586.85
					3,998,272.74	3,426,480.89
					703,280.31	658,723.60
				13,082,195.07	13,082,195.07	12,870,732.72
					3,910.44	5,470.34
					3,078,204.99	4,382,033.22
					14,662,954.97	14,861,502.67
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 13,082,195.07</u>	<u>\$ 206,512,175.33</u>	<u>\$ 199,161,909.37</u>

[Exhibit IV]

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EXHIBIT V
TEXAS A&M AGRILIFE RESEARCH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$	\$
Proceeds Received From Customers	27,466,866.97	27,281,174.96
Proceeds From Grants and Contracts	86,874,628.27	83,597,745.63
Proceeds From Auxiliary Enterprises		
Proceeds From Loan Programs		
Proceeds From Other Operating Revenues	941,005.22	653,522.49
Payments to Suppliers for Goods and Services	(63,417,390.72)	(63,987,915.81)
Payments to Employees	(118,524,089.14)	(110,977,160.30)
Payments for Loans Provided		
Payments for Other Operating Expenses	(7,676,541.95)	(7,953,533.62)
Net Cash Provided [Used] By Operating Activities	\$ (74,335,521.35)	\$ (71,386,166.65)
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 73,254,866.83	\$ 68,465,078.88
Proceeds From Gifts	872,782.00	2,127,725.21
Proceeds From Endowments		
Proceeds From Transfers From Other Funds	662,112.38	662,670.77
Proceeds From Other Grant Receipts	9,082,427.00	9,156,520.00
Proceeds From Other Noncapital Financing Activities	903,556.17	146,420.32
Payments of Interest		
Payments for Transfers to Other Funds	(135,700.15)	(58,758.65)
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(20,000.00)	(55,435.00)
Other Noncapital Transfers From/To System	2,521,941.89	5,088,276.10
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	\$ 87,141,986.12	\$ 85,532,497.63
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 106,395.00	\$ 161,367.50
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts		
Proceeds From Federal Grants and Contracts		
Proceeds From Gifts		
Proceeds From Interfund Payables		
Proceeds From Other Financing Activities		
Proceeds From Capital Contributions		
Payments for Additions to Capital Assets	(13,759,623.40)	(17,127,740.23)
Payments of Principal On Debt		
Payments for Capital Leases		
Payments of Interest On Debt Issuance	(17,148.29)	(7,206.75)
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]	2,133,523.40	946,649.32
Intrasystem Transfers for Capital Debt [Mandatory]	(1,366,640.78)	(1,377,565.15)
Intrasystem Transfers for Construction Proceeds [Non-Mand]	(8,599,633.10)	(1,457,134.52)
Net Cash Provided [Used] By Capital and Related Financing Act.	\$ (21,503,127.17)	\$ (18,861,629.83)
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	4,592,917.04	4,467,344.59
Proceeds From Interest and Investment Income	2,597,134.90	2,600,068.26
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	\$ 7,190,051.94	\$ 7,067,412.85
Net Increase [Decrease] In Cash and Cash Equivalents	\$ (1,506,610.46)	\$ 2,352,114.00
Cash and Cash Equivalents, Beginning of Year Restatement	\$ 8,733,546.61	\$ 6,381,432.61
Cash and Cash Equivalents, Beginning of Year, As Restated	\$ 8,733,546.61	\$ 6,381,432.61
Cash and Cash Equivalents, End of Year [Sch Three]	\$ 7,226,936.15	\$ 8,733,546.61

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EXHIBIT V
TEXAS A&M AGRILIFE RESEARCH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(90,362,994.13)	(87,073,932.20)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	13,082,195.07	12,870,732.72
Bad Debt Expense	(183,254.08)	236,764.75
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	(4,147,778.71)	(1,341,626.04)
[Increase] Decrease In Due From Agencies/Funds	1,172,523.28	(339,967.28)
[Increase] Decrease In Due From System Members	25,421.28	889,781.99
[Increase] Decrease In Inventories	99,803.16	(100,229.07)
[Increase] Decrease In Prepaid Expenses		
[Increase] Decrease In Loans and Contracts		
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	3,469,965.74	3,750,896.94
Increase [Decrease] In Due to Other Agencies/Funds	106,328.85	16,151.23
Increase [Decrease] In Due to System Members	(3,112.76)	497,552.86
Increase [Decrease] In Unearned Revenue	2,345,516.37	25,963.74
Increase [Decrease] In Deposits	(93,916.67)	(2,330.98)
Increase [Decrease] In Employees' Compensable Leave	153,781.25	(815,925.31)
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities		
Total Adjustments	<u>\$ 16,027,472.78</u>	<u>\$ 15,687,765.55</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (74,335,521.35)</u>	<u>\$ (71,386,166.65)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$ 195,549.41	\$ 179,305.24
Net Change In Fair Value of Investments	11,802,556.13	2,204,007.67
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	21,637,803.99	(4,421,805.36)



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SCHEDULE THREE
 TEXAS A&M AGRILIFE RESEARCH
 SCHEDULE OF CASH & CASH EQUIVALENTS
 FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Cashiers Account	\$ 700.00
Petty Cash Department Working Fund	<u>17,791.93</u>
Total Cash On Hand	<u>\$ 18,491.93</u>
Cash In Bank	\$ 60,186.15
Cash In State Treasury	
Reimbursements Due From State Treasury	<u>728,788.33</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 807,466.41</u>
Restricted	
Assets Held By System Offices-Current	<u>\$ 6,419,469.74</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 6,419,469.74</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 7,226,936.15</u></u>

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SCHEDULE N-2
 TEXAS A&M AGRILIFE RESEARCH
 NOTE 2 - CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2017

	BALANCE 9-1-16	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 14,157,144.58	\$	\$
Construction In Progress	12,061,785.80		(26,846,595.69)
Other Tangible Capital Assets	32,457.00		
Total Non-Depreciable/Non-Amortizable Assets	\$ 26,251,387.38	\$	\$ (26,846,595.69)
Depreciable Assets			
Buildings	\$ 117,863,587.30	\$	\$ 26,144,407.27
Infrastructure	3,098,869.22		368,382.45
Facilities and Other Improvements	2,818,576.83		235,345.97
Furniture and Equipment	80,357,772.32		98,460.00
Vehicles, Boats and Aircraft	12,052,571.51		
Other Capital Assets	30,000,000.00		
Total Depreciable Assets at Historical Cost	\$ 246,191,377.18	\$	\$ 26,846,595.69
Less Accumulated Depreciation for			
Buildings	\$ (49,771,159.38)	\$	\$
Infrastructure	(924,641.23)		
Facilities and Other Improvements	(1,477,258.92)		
Furniture and Equipment	(60,442,912.88)		
Vehicles, Boats and Aircraft	(9,644,455.91)		
Other Capital Assets	(18,545,663.80)		
Total Accumulated Depreciation	\$ (140,806,092.12)	\$	\$
Depreciable Assets, Net	\$ 105,385,285.06	\$	\$ 26,846,595.69
Amortizable Assets - Intangible			
Computer Software	\$ 65,696.70	\$	\$
Total Intangible Assets at Historical Cost	\$ 65,696.70	\$	\$
Less Accumulated Amortization for			
Computer Software	\$ (65,696.70)	\$	\$
Total Accumulated Amortization	\$ (65,696.70)	\$	\$
Amortizable Assets, Net	\$	\$	\$
Capital Assets, Net	\$ 131,636,672.44	\$	\$

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-17</u>
\$ 24,201,229.64	\$ (380.99)	\$ 209,019.88 3,322,359.37	\$ (1,592.00)	\$ 14,364,191.47 12,738,779.12 32,457.00
<u>\$ 24,201,229.64</u>	<u>\$ (380.99)</u>	<u>\$ 3,531,379.25</u>	<u>\$ (1,592.00)</u>	<u>\$ 27,135,427.59</u>
\$ 12,994.50	\$ (2,503,040.70)	\$ 271,180.81	\$ (1,288,194.39)	\$ 140,500,934.79 3,467,251.67 2,599,664.86
307,161.34	(19,400.00)	8,762,525.51	(434,857.94)	86,640,271.04
27,589.67	(277,634.25)	897,707.50	(2,608,013.88)	12,203,594.28
9,999.00	(81,833.32)		(692,441.08)	30,000,000.00
			(9,999.00)	
<u>\$ 357,744.51</u>	<u>\$ (2,881,908.27)</u>	<u>\$ 9,931,413.82</u>	<u>\$ (5,033,506.29)</u>	<u>\$ 275,411,716.64</u>
\$ (34.29)	\$ 96,976.10	\$ (4,861,316.29)	\$ 5,916.36	\$ (54,529,617.50)
		(174,044.44)		(1,098,685.67)
	220.98	(150,680.26)	230,716.54	(1,397,001.66)
(160,699.36)	139,668.67	(5,131,655.18)	2,188,533.84	(63,407,064.91)
(22,640.66)	67,639.02	(683,201.59)	580,589.92	(9,702,069.22)
(1,309.41)		(2,081,297.31)		(20,628,270.52)
<u>\$ (184,683.72)</u>	<u>\$ 304,504.77</u>	<u>\$ (13,082,195.07)</u>	<u>\$ 3,005,756.66</u>	<u>\$ (150,762,709.48)</u>
<u>\$ 173,060.79</u>	<u>\$ (2,577,403.50)</u>	<u>\$ (3,150,781.25)</u>	<u>\$ (2,027,749.63)</u>	<u>\$ 124,649,007.16</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 65,696.70</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 65,696.70</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (65,696.70)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (65,696.70)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>\$ 24,374,290.43</u>	<u>\$ (2,577,784.49)</u>	<u>\$ 380,598.00</u>	<u>\$ (2,029,341.63)</u>	<u>\$ 151,784,434.75</u>





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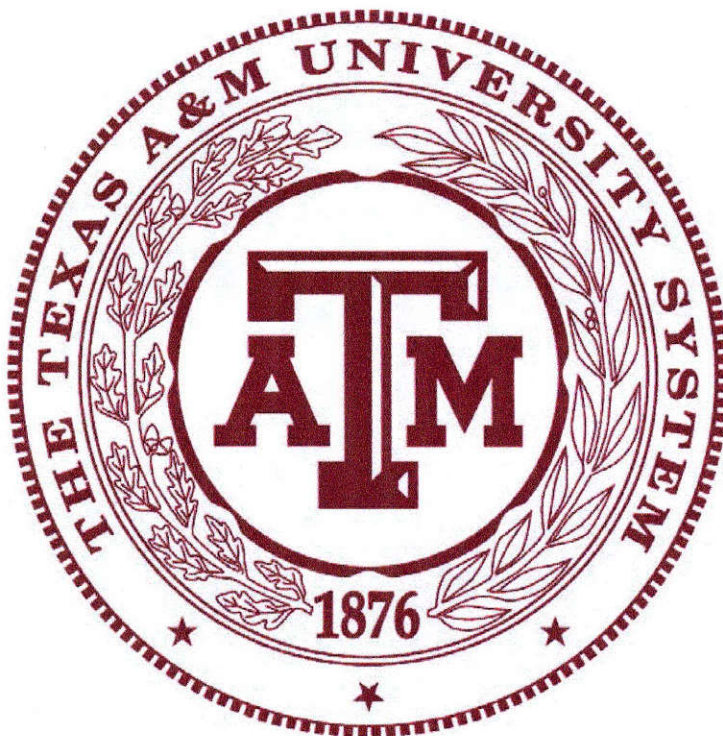
ANNUAL FINANCIAL REPORT

of

Texas A&M AgriLife Extension Service

For the Year Ended August 31, 2017

With Comparative Totals for the Year Ended August 31, 2016



Douglas L. Steele, Director



UNAUDITED

TEXAS A&M AGRILIFE EXTENSION SERVICE

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EXHIBIT III
 TEXAS A&M AGRILIFE EXTENSION SERVICE
 STATEMENT OF NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 3,214,983.60	\$ 4,495,170.16
Investments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	178,198.60	2,538.52
Investments		
Legislative Appropriations	5,284,100.54	5,624,215.96
Receivables, Net [Note 24]		
Federal	22,149,767.43	21,181,894.70
Other Intergovernmental	568,128.04	926,881.51
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student		
Investment Trades		
Accounts	1,940,205.26	1,810,889.14
Other	410.99	2,326.38
Due From Other Agencies	2,256,232.27	2,246,445.92
Due From Other Members	700,964.21	1,110,099.41
Due From Other Funds	3,723,977.55	3,783,312.85
Consumable Inventories	24,123.00	72,679.63
Merchandise Inventories	1,074,830.43	944,605.91
Loans and Contracts		
Interfund Receivable [Note 12]		
Other Current Assets		
Total Current Assets	<u>\$ 41,115,921.92</u>	<u>\$ 42,201,060.09</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 1,653,818.09	\$ 285,115.73
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts		
Assets Held By System Office	26,259,658.44	25,713,157.77
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	1,715,200.00	394,693.64
Construction In Progress	602,632.87	
Other Tangible Capital Assets		
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	5,825,704.64	2,032,067.67
Infrastructure		
Facilities and Other Improvements		
Furniture and Equipment	5,809,518.52	5,462,919.40
Vehicles, Boats, and Aircraft	7,420,857.76	7,455,708.02
Other Capital Assets	16,192.00	16,192.00
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software		
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(12,214,532.86)	(10,303,420.20)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 37,089,049.46</u>	<u>\$ 31,056,434.03</u>
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
Total Deferred Outflows of Resources	<u>\$</u>	<u>\$</u>
Total Assets and Deferred Outflows	<u>\$ 78,204,971.38</u>	<u>\$ 73,257,494.12</u>

UNAUDITED

EXHIBIT III
 TEXAS A&M AGRILIFE EXTENSION SERVICE
 STATEMENT OF NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>	<u>PRIOR YEAR TOTAL</u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 2,135,993.92	\$ 2,407,683.26
Payroll	6,541,718.60	8,700,274.75
Investment Trades		
Self-Insured Health and Dental		
Student		
Other	5,007.17	8,917.60
Interfund Payable [Note 12]		
Due to Other Agencies	112,667.61	92,466.29
Due to Other Funds	3,723,977.55	3,783,312.85
Due to Other Members	1,500,356.13	261,087.60
Funds Held for Investment		
Unearned Revenue	1,725,331.01	1,836,552.44
Employees' Compensable Leave	691,683.78	665,675.06
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations [Note 8]		
Liabilities Payable From Restricted Assets		
Funds Held for Others	3,421.55	2,538.52
Other Current Liabilities	24.73	56.42
Total Current Liabilities	<u>\$ 16,440,182.05</u>	<u>\$ 17,758,564.79</u>
Non-Current Liabilities		
Interfund Payable [Note 12]		
Employees' Compensable Leave	\$ 7,846,807.44	\$ 8,240,183.56
Other Post Employment Benefits [Note 11]		
Pension Liability [Note 9]		
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Assets Held In Trust		
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Capital Lease Obligations [Note 8]		
Other Non-Current Liabilities		
Total Non-Current Liabilities	<u>\$ 7,846,807.44</u>	<u>\$ 8,240,183.56</u>
Deferred Inflows of Resources [Note 28]		
Pension	<u>\$</u>	<u>\$</u>
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 24,286,989.49</u>	<u>\$ 25,998,748.35</u>
Net Position		
Net Investment In Capital Assets	\$ 9,175,572.93	\$ 5,058,160.53
Restricted for		
Debt Service		
Capital Projects	429,954.82	1,002,373.54
Education	20,417,296.77	20,490,049.24
Endowment and Permanent Funds		
Nonexpendable	1,322,363.90	
Expendable	331,454.19	285,115.73
Unrestricted	22,241,339.28	20,423,046.73
Total Net Position [Exhibit IV]	<u>\$ 53,917,981.89</u>	<u>\$ 47,258,745.77</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 78,204,971.38</u>	<u>\$ 73,257,494.12</u>

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EXHIBIT IV
 TEXAS A&M AGRILIFE EXTENSION SERVICE
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Operating Revenues		
Tuition and Fees	\$	\$
Discounts and Allowances		
Professional Fees		
Auxiliary Enterprises		
Discounts and Allowances		
Other Sales of Goods and Services	8,314,600.43	8,529,053.78
Discounts and Allowances		
Interest Revenue		
Federal Revenue - Operating	8,181,718.73	9,243,362.43
Federal Pass Through Revenue	9,668,178.95	7,016,864.85
State Grant Revenue	9,427.10	51,079.20
State Pass Through Revenue	2,891,251.74	3,166,282.63
Other Grants and Contracts - Operating	11,914,123.59	11,851,741.18
Other Operating Revenue	<u>713,268.38</u>	<u>490,189.89</u>
Total Operating Revenues	<u>\$ 41,692,568.92</u>	<u>\$ 40,348,573.96</u>
Operating Expenses		
Instruction	\$	\$
Research	1,107,062.21	349,601.97
Public Service	117,316,985.81	116,098,189.84
Academic Support		
Student Services		
Institutional Support	7,921,881.78	7,741,780.08
Operation & Maintenance of Plant		
Scholarships & Fellowships		
Auxiliary		
Depreciation/Amortization	<u>1,004,531.66</u>	<u>809,322.15</u>
Total Operating Expenses [Schedule IV-1]	<u>\$ 127,350,461.46</u>	<u>\$ 124,998,894.04</u>
Total Operating Income [Loss]	<u>\$ (85,657,892.54)</u>	<u>\$ (84,650,320.08)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 66,106,590.07	\$ 64,930,979.25
Federal Revenue Non-Operating	18,440,912.88	18,125,462.64
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	1,985,206.47	2,515,811.37
Investment Income	2,670,923.57	1,115,276.89
Investing Activities Expense	(71,128.80)	(52,822.75)
Interest Expense		(130.03)
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	54,572.80	66,345.00
Settlement of Claims		
Other Nonoperating Revenues	48,175.57	26,538.12
Other Nonoperating [Expenses]	<u>(98,931.14)</u>	<u>(32,754.67)</u>
Total Nonoperating Revenues [Expenses]	<u>\$ 89,136,321.42</u>	<u>\$ 86,694,705.82</u>
Income [Loss] Before Other Revenues and Transfers	<u>\$ 3,478,428.88</u>	<u>\$ 2,044,385.74</u>

UNAUDITED

EXHIBIT IV
 TEXAS A&M AGRILIFE EXTENSION SERVICE
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Other Revenues and Transfers		
Capital Contributions	\$ 32,103.00	\$ 17,500.00
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments	1,406,962.00	300,000.00
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies		
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	233,081.72	618,356.94
Nonmandatory Transfers From Members/Agencies-Cap Assets	3,716,175.20	4,627.78
Transfers Out		
Transfers to Other State Agencies		
Mandatory Transfers to Other Members	(261,226.39)	
Nonmandatory Transfers to Other Members	(2,000,000.00)	
Nonmandatory Transfers to Members/Agencies - Cap Assets	(53,956.60)	(49,058.66)
Legislative Transfers - In	416,269.00	425,462.00
Legislative Transfers - Out		
Legislative Appropriations Lapsed	(308,600.69)	
Total Other Revenues and Transfers	<u>\$ 3,180,807.24</u>	<u>\$ 1,316,888.06</u>
Change In Net Position	<u>\$ 6,659,236.12</u>	<u>\$ 3,361,273.80</u>
Net Position, Beginning of Year	<u>\$ 47,258,745.77</u>	<u>\$ 43,897,471.97</u>
Restatement		
Net Position, Beginning of Year, Restated	<u>\$ 47,258,745.77</u>	<u>\$ 43,897,471.97</u>
Net Position, End of Year	<u>\$ 53,917,981.89</u>	<u>\$ 47,258,745.77</u>

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SCHEDULE IV-1
 TEXAS A&M AGRILIFE EXTENSION SERVICE
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
 FOR THE YEAR ENDED AUGUST 31, 2017

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$ 83,175.62	\$	\$
Salaries & Wages		123,787.16	66,125,260.39		
Payroll Related Costs		60,250.68	28,568,418.34		
Payroll Related Costs-TRS Pension					
Professional Fees & Services			4,671,155.97		
Travel			2,884,326.87		
Materials & Supplies			5,133,685.80		
Communication & Utilities			1,483,101.68		
Repairs & Maintenance			518,012.53		
Rentals & Leases			2,721,946.89		
Printing & Reproduction			533,757.71		
Federal Pass-Through		17,131.86	650,140.88		
State Pass-Through		773,192.74	6,660.55		
Depreciation & Amortization					
Bad Debt Expense					
Interest			1,573.60		
Scholarships			178,096.76		
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses		132,699.77	3,757,672.22		
Total Operating Expenses	\$	\$ 1,107,062.21	\$ 117,316,985.81	\$	\$

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$	\$	\$	\$	\$ 83,175.62	\$ 117,449.44
5,075,988.27					71,325,035.82	71,203,808.26
2,470,625.56					31,099,294.58	29,960,191.97
10,981.26					4,682,137.23	3,590,837.85
26,666.48					2,910,993.35	2,864,811.53
209,815.92					5,343,501.72	5,757,031.99
74,275.96					1,557,377.64	1,360,335.51
12,474.26					530,486.79	664,873.13
22,252.70					2,744,199.59	2,555,180.71
5,796.55					539,554.26	1,049,694.37
					667,272.74	1,018,475.69
					779,853.29	381,411.45
				1,004,531.66	1,004,531.66	809,322.15
	3.58				1,577.18	1,509.32
					178,096.76	109,608.10
13,001.24					3,903,373.23	3,554,352.57
<u>\$ 7,921,881.78</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,004,531.66</u>	<u>\$ 127,350,461.46</u>	<u>\$ 124,998,894.04</u>

[Exhibit IV]

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EXHIBIT V
TEXAS A&M AGRILIFE EXTENSION SERVICE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 8,461,162.31	\$ 8,525,030.18
Proceeds Received From Customers	31,538,237.24	33,256,118.43
Proceeds From Grants and Contracts		
Proceeds From Auxiliary Enterprises		
Proceeds From Loan Programs	713,236.69	488,826.22
Proceeds From Other Operating Revenues		
Payments to Suppliers for Goods and Services	(21,640,936.17)	(22,165,674.22)
Payments to Employees	(104,950,253.95)	(98,767,128.65)
Payments for Loans Provided		
Payments for Other Operating Expenses	(1,365,782.10)	(2,033,396.22)
Net Cash Provided [Used] By Operating Activities	<u>\$ (87,244,335.98)</u>	<u>\$ (80,696,224.26)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 66,138,104.80	\$ 65,497,224.29
Proceeds From Gifts	1,985,206.47	2,515,811.37
Proceeds From Endowments	1,406,962.00	300,000.00
Proceeds From Transfers From Other Funds		
Proceeds From Other Grant Receipts	18,440,912.88	18,125,462.64
Proceeds From Other Noncapital Financing Activities	36,975.57	26,538.12
Payments of Interest		
Payments for Transfers to Other Funds		
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(68,275.07)	(20,920.95)
Other Noncapital Transfers From/To System	(1,550,649.28)	543,818.94
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 86,389,237.37</u>	<u>\$ 86,987,934.41</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 63,705.00	\$ 66,345.00
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts		
Proceeds From Federal Grants and Contracts		
Proceeds From Gifts		
Proceeds From Interfund Payables		
Proceeds From Other Financing Activities		
Proceeds From Capital Contributions		
Payments for Additions to Capital Assets	(1,454,137.70)	(1,443,979.51)
Payments of Principal On Debt		
Payments for Capital Leases		
Payments of Interest On Debt Issuance		(130.03)
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]	717,639.48	219,875.64
Intrasystem Transfers for Capital Debt [Mandatory]	(261,226.39)	
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (934,019.61)</u>	<u>\$ (1,157,888.90)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$ 282,286.19	\$ (5,118,972.89)
Sales and Purchases of Investments Held By System	402,305.55	357,405.15
Proceeds From Interest and Investment Income		
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ 684,591.74</u>	<u>\$ (4,761,567.74)</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ (1,104,526.48)</u>	<u>\$ 372,253.51</u>
Cash and Cash Equivalents, Beginning of Year Restatement	<u>\$ 4,497,708.68</u>	<u>\$ 4,125,455.17</u>
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 4,497,708.68</u>	<u>\$ 4,125,455.17</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 3,393,182.20</u>	<u>\$ 4,497,708.68</u>

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EXHIBIT V
TEXAS A&M AGRILIFE EXTENSION SERVICE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(85,657,892.54)	(84,650,320.08)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	1,004,531.66	809,322.15
Bad Debt Expense	641.46	(1,294.56)
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	(737,161.45)	2,648,651.49
[Increase] Decrease In Due From Agencies/Funds	(9,786.35)	(761,379.51)
[Increase] Decrease In Due From System Members	(108,504.28)	(28,320.56)
[Increase] Decrease In Inventories	(81,667.89)	200,826.23
[Increase] Decrease In Prepaid Expenses		
[Increase] Decrease In Loans and Contracts		
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	(2,435,345.92)	1,118,962.10
Increase [Decrease] In Due to Other Agencies/Funds	20,201.32	(509,244.72)
Increase [Decrease] In Due to System Members	1,239,268.53	(14,700.76)
Increase [Decrease] In Unearned Revenue	(111,221.43)	76,654.21
Increase [Decrease] In Deposits	(31.69)	(1,363.67)
Increase [Decrease] In Employees' Compensable Leave	(367,367.40)	415,983.42
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities		
Total Adjustments	<u>\$ (1,586,443.44)</u>	<u>\$ 3,954,095.82</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (87,244,335.98)</u>	<u>\$ (80,696,224.26)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$ 32,103.00	\$ 17,500.00
Net Change In Fair Value of Investments	1,770,153.23	525,442.77
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	3,653,086.40	(46,940.62)



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SCHEDULE THREE
 TEXAS A&M AGRILIFE EXTENSION SERVICE
 SCHEDULE OF CASH & CASH EQUIVALENTS
 FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Cashiers Account	\$ 550.00
Petty Cash Department Working Fund	<u>5,000.00</u>
Total Cash On Hand	<u>\$ 5,550.00</u>
Cash In Bank	\$ 13,615.02
Cash In State Treasury	
Reimbursements Due From State Treasury	20,716.23
Assets Held By System Offices-Current	<u>3,175,102.35</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 3,214,983.60</u>
Restricted	
Assets Held By System Offices-Current	<u>\$ 178,198.60</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 178,198.60</u>
Total Cash & Cash Equivalents [Exhibit VI]	<u><u>\$ 3,393,182.20</u></u>

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SCHEDULE N-2
 TEXAS A&M AGRILIFE EXTENSION SERVICE
 NOTE 2 - CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2017

	BALANCE 9-1-16	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 394,693.64	\$	\$
Construction In Progress			
Total Non-Depreciable/Non-Amortizable Assets	<u>\$ 394,693.64</u>	<u>\$</u>	<u>\$</u>
Depreciable Assets			
Buildings	\$ 2,032,067.67	\$	\$
Facilities and Other Improvements			
Furniture and Equipment	5,462,919.40		
Vehicles, Boats and Aircraft	7,455,708.02		
Other Capital Assets	16,192.00		
Total Depreciable Assets at Historical Cost	<u>\$ 14,966,887.09</u>	<u>\$</u>	<u>\$</u>
Less Accumulated Depreciation for			
Buildings	\$ (855,179.57)	\$	\$
Facilities and Other Improvements			
Furniture and Equipment	(3,694,356.52)		
Vehicles, Boats and Aircraft	(5,751,185.59)		
Other Capital Assets	(2,698.52)		
Total Accumulated Depreciation	<u>\$ (10,303,420.20)</u>	<u>\$</u>	<u>\$</u>
Depreciable Assets, Net	<u>\$ 4,663,466.89</u>	<u>\$</u>	<u>\$</u>
Capital Assets, Net	<u><u>\$ 5,058,160.53</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>

INC-INTERAGENCY TRANSACTIONS	DEC-INTERAGENCY TRANSACTIONS	ADDITIONS	DELETIONS	BALANCE 8-31-17
\$ 1,326,000.00	\$	\$ 602,632.87	\$ (5,493.64)	\$ 1,715,200.00 602,632.87
\$ 1,326,000.00	\$	\$ 602,632.87	\$ (5,493.64)	\$ 2,317,832.87
\$ 3,793,636.97	\$ (22,994.50)	\$ 34,194.50	\$ (11,200.00)	\$ 5,825,704.64
305,468.84	(11,200.00)	11,200.00		5,809,518.52
	(36,314.16)	418,815.14	(341,370.70)	7,420,857.76
		430,598.19	(465,448.45)	16,192.00
\$ 4,099,105.81	\$ (70,508.66)	\$ 894,807.83	\$ (818,019.15)	\$ 19,072,272.92
\$ (1,437,204.99)	\$ 166.24	\$ (187,657.81)	\$	\$ (2,479,876.13)
	123.65	(123.65)		
(271,725.62)	16,262.17	(382,411.90)	321,287.94	(4,010,943.93)
		(433,602.34)	464,509.61	(5,720,278.32)
		(735.96)		(3,434.48)
\$ (1,708,930.61)	\$ 16,552.06	\$ (1,004,531.66)	\$ 785,797.55	\$ (12,214,532.86)
\$ 2,390,175.20	\$ (53,956.60)	\$ (109,723.83)	\$ (32,221.60)	\$ 6,857,740.06
\$ 3,716,175.20	\$ (53,956.60)	\$ 492,909.04	\$ (37,715.24)	\$ 9,175,572.93





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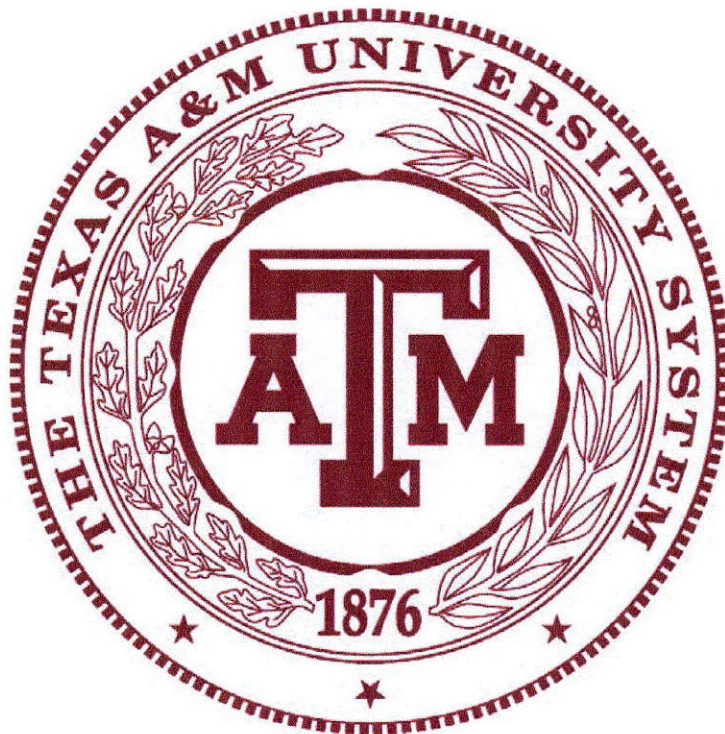
ANNUAL FINANCIAL REPORT

of

Texas A&M Forest Service

For the Year Ended August 31, 2017

With Comparative Totals for the Year Ended August 31, 2016



Tom G. Boggus, Director

Robby DeWitt, Associate Director for Finance and Administration



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TEXAS A&M FOREST SERVICE

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EXHIBIT III
TEXAS A&M FOREST SERVICE
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 79,869,341.87	\$ 89,624,143.80
Investments		
Restricted		
Cash & Cash Equivalents [Schedule Three]		43,511.41
Investments		
Legislative Appropriations	5,475,218.38	5,276,691.54
Receivables, Net [Note 24]		
Federal	4,082,642.96	2,074,100.11
Other Intergovernmental	126,377.55	352,168.16
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student		
Investment Trades		
Accounts	170,389.50	233,803.92
Other	650.00	571.85
Due From Other Agencies	2,533,908.73	2,966,757.29
Due From Other Members	12,528.05	5,581.70
Due From Other Funds	69,652.66	610,608.58
Consumable Inventories	524,037.02	476,301.07
Merchandise Inventories	478,547.17	525,667.24
Loans and Contracts	63,854.00	26,220.00
Interfund Receivable [Note 12]		
Other Current Assets	2,928.51	902.82
	<u> </u>	<u> </u>
Total Current Assets	\$ 93,410,076.40	\$ 102,217,029.49
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$	\$
Assets Held By System Office		189,392.31
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts	360,186.00	435,809.00
Assets Held By System Office	13,947,589.46	14,527,098.36
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	2,316,522.01	2,316,522.01
Construction In Progress	1,102,755.12	510,499.44
Other Tangible Capital Assets		
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	2,209,354.47	2,209,354.47
Infrastructure		
Facilities and Other Improvements		
Furniture and Equipment	36,781,233.45	31,171,472.72
Vehicles, Boats, and Aircraft	28,814,553.47	26,296,460.10
Other Capital Assets		
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software		
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(36,626,951.15)	(31,642,399.98)
Assets Held In Trust		
Other Non-Current Assets		
	<u> </u>	<u> </u>
Total Non-Current Assets	\$ 48,905,242.83	\$ 46,014,208.43
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
	<u> </u>	<u> </u>
Total Deferred Outflows of Resources	\$	\$
	<u> </u>	<u> </u>
Total Assets and Deferred Outflows	\$ 142,315,319.23	\$ 148,231,237.92

UNAUDITED

EXHIBIT III
TEXAS A&M FOREST SERVICE
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 7,111,977.90	\$ 11,694,130.12
Payroll	2,075,664.94	1,768,516.87
Investment Trades		
Self-Insured Health and Dental		
Student		
Other		
Interfund Payable [Note 12]		
Due to Other Agencies	8,477.55	6,730.06
Due to Other Funds	69,652.66	610,608.58
Due to Other Members		
Funds Held for Investment		
Unearned Revenue	47,715.86	53,128.44
Employees' Compensable Leave	161,904.45	157,622.71
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations [Note 8]		
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Other Current Liabilities	30,294.46	27,648.31
Total Current Liabilities	<u>\$ 9,505,687.82</u>	<u>\$ 14,318,385.09</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$ 2,423,876.42	\$ 2,380,137.29
Employees' Compensable Leave		
Other Post Employment Benefits [Note 11]		
Pension Liability [Note 9]		
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Assets Held In Trust		
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Capital Lease Obligations [Note 8]		
Other Non-Current Liabilities		
Total Non-Current Liabilities	<u>\$ 2,423,876.42</u>	<u>\$ 2,380,137.29</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 11,929,564.24</u>	<u>\$ 16,698,522.38</u>
Net Position		
Net Investment In Capital Assets	\$ 34,597,467.37	\$ 30,861,908.76
Restricted for		
Debt Service		
Capital Projects	9,101.36	4,042.49
Education	688,168.72	834,760.94
Endowment and Permanent Funds		
Nonexpendable		
Expendable		
Unrestricted	95,091,017.54	99,832,003.35
Total Net Position [Exhibit IV]	<u>\$ 130,385,754.99</u>	<u>\$ 131,532,715.54</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 142,315,319.23</u>	<u>\$ 148,231,237.92</u>

UNAUDITED

EXHIBIT IV
TEXAS A&M FOREST SERVICE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$	\$
Discounts and Allowances		
Professional Fees		
Auxiliary Enterprises		
Discounts and Allowances		
Other Sales of Goods and Services	5,506,801.67	2,882,926.10
Discounts and Allowances		
Interest Revenue		
Federal Revenue - Operating	9,192,707.45	5,644,237.31
Federal Pass Through Revenue	2,638,581.95	4,036,447.83
State Grant Revenue		
State Pass Through Revenue		6,885.51
Other Grants and Contracts - Operating	438,065.87	352,810.68
Other Operating Revenue	18,700,730.47	18,884,454.30
Total Operating Revenues	\$ 36,476,887.41	\$ 31,807,761.73
Operating Expenses		
Instruction	\$	\$
Research	2,370,943.85	2,203,867.09
Public Service	73,589,000.75	69,529,054.94
Academic Support		
Student Services		
Institutional Support	2,863,807.37	3,467,757.09
Operation & Maintenance of Plant	1,703,985.34	1,534,727.39
Scholarships & Fellowships		
Auxiliary		
Depreciation/Amortization	6,269,991.04	5,593,440.00
Total Operating Expenses [Schedule IV-1]	\$ 86,797,728.35	\$ 82,328,846.51
Total Operating Income [Loss]	\$ (50,320,840.94)	\$ (50,521,084.78)
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 20,794,913.33	\$ 13,505,703.98
Federal Revenue Non-Operating		
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	11,619.42	9,675.00
Investment Income	1,303,192.38	665,646.96
Investing Activities Expense	(34,714.02)	(35,788.81)
Interest Expense		
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	256,693.68	387,144.10
Settlement of Claims	(10,026.60)	(7,849.48)
Other Nonoperating Revenues	61,822.24	24,495.06
Other Nonoperating [Expenses]	(15,085.49)	(239,697.36)
Total Nonoperating Revenues [Expenses]	\$ 22,368,414.94	\$ 14,309,329.45
Income [Loss] Before Other Revenues and Transfers	\$ (27,952,426.00)	\$ (36,211,755.33)

UNAUDITED

EXHIBIT IV
 TEXAS A&M FOREST SERVICE
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Other Revenues and Transfers		
Capital Contributions	\$ 1,114,648.31	\$ 320,000.00
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments		
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	27,278,732.84	30,384,882.11
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	100,000.00	126,768.00
Nonmandatory Transfers From Members/Agencies-Cap Assets	14,194.30	
Transfers Out		
Transfers to Other State Agencies	(1,583,825.00)	(5,372,213.35)
Mandatory Transfers to Other Members		
Nonmandatory Transfers to Other Members		
Nonmandatory Transfers to Members/Agencies - Cap Assets		
Legislative Transfers - In		
Legislative Transfers - Out		
Legislative Appropriations Lapsed	(118,285.00)	
	<u> </u>	<u> </u>
Total Other Revenues and Transfers	\$ 26,805,465.45	\$ 25,459,436.76
Change In Net Position	<u>\$ (1,146,960.55)</u>	<u>\$ (10,752,318.57)</u>
Net Position, Beginning of Year	\$ 131,532,715.54	\$ 142,285,034.11
Restatement		
Net Position, Beginning of Year, Restated	<u>\$ 131,532,715.54</u>	<u>\$ 142,285,034.11</u>
Net Position, End of Year	<u>\$ 130,385,754.99</u>	<u>\$ 131,532,715.54</u>

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SCHEDULE IV-1
 TEXAS A&M FOREST SERVICE
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
 FOR THE YEAR ENDED AUGUST 31, 2017

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$ 272,805.08	\$	\$
Salaries & Wages		1,509,417.92	21,369,896.57		
Payroll Related Costs		483,103.75	8,619,510.90		
Payroll Related Costs-TRS Pension					
Professional Fees & Services		35,042.22	1,926,480.66		
Travel		64,634.66	2,279,734.73		
Materials & Supplies		136,696.04	4,518,381.93		
Communication & Utilities		35,517.50	774,323.56		
Repairs & Maintenance		38,140.80	2,361,791.78		
Rentals & Leases		25,278.97	1,257,392.78		
Printing & Reproduction		1,289.15	47,366.40		
Federal Pass-Through			34,933.44		
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					
Interest		11.39	(120.89)		
Scholarships					
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses		41,811.45	30,126,503.81		
Total Operating Expenses	\$	\$ 2,370,943.85	\$ 73,589,000.75	\$	\$

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$ 1,308.00	\$	\$	\$	\$	\$ 274,113.08	\$ 345,582.55
1,982,824.70	180,953.94				25,043,093.13	24,122,456.83
555,795.24	45,608.79				9,704,018.68	9,059,348.16
36,399.62	38,992.12				2,036,914.62	2,088,331.03
37,319.85	17,130.41				2,398,819.65	1,899,212.74
96,904.69	175,603.85				4,927,586.51	6,747,382.16
32,947.61	268,274.42				1,111,063.09	1,037,660.83
13,824.21	350,484.67				2,764,241.46	1,294,029.37
30,518.50	352,253.73				1,665,443.98	837,955.44
4,071.04					52,726.59	140,785.19
					34,933.44	65,475.10
				6,269,991.04	6,269,991.04	5,593,440.00
.08	35.56				(73.86)	3,312.30
						31,772.04
<u>71,893.83</u>	<u>274,647.85</u>				<u>30,514,856.94</u>	<u>29,062,102.77</u>
<u>\$ 2,863,807.37</u>	<u>\$ 1,703,985.34</u>	<u>\$</u>	<u>\$</u>	<u>\$ 6,269,991.04</u>	<u>\$ 86,797,728.35</u>	<u>\$ 82,328,846.51</u>

[Exhibit IV]

UNAUDITED

EXHIBIT V
TEXAS A&M FOREST SERVICE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 3,679,851.19	\$ 2,476,186.08
Proceeds Received From Customers	12,403,948.59	9,478,167.98
Proceeds From Grants and Contracts		
Proceeds From Auxiliary Enterprises	37,989.00	170,917.51
Proceeds From Loan Programs	18,703,376.62	18,894,034.70
Proceeds From Other Operating Revenues	(23,813,795.81)	(14,833,004.70)
Payments to Suppliers for Goods and Services	(34,391,942.87)	(32,902,910.99)
Payments to Employees		
Payments for Loans Provided		
Payments for Other Operating Expenses	(26,830,884.14)	(21,244,118.82)
Net Cash Provided [Used] By Operating Activities	<u>\$ (50,211,457.42)</u>	<u>\$ (37,960,728.24)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 20,478,101.49	\$ 12,593,845.43
Proceeds From Gifts	11,135.00	9,525.00
Proceeds From Endowments		
Proceeds From Transfers From Other Funds	27,678,023.97	29,505,557.43
Proceeds From Other Grant Receipts		
Proceeds From Other Noncapital Financing Activities	44,760.24	24,495.06
Payments of Interest		
Payments for Transfers to Other Funds	(1,583,825.00)	(5,372,213.35)
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(10,026.60)	(7,849.48)
Other Noncapital Transfers From/To System		26,768.00
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 46,618,169.10</u>	<u>\$ 36,780,128.09</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 300,082.33	\$ 387,879.92
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts		
Proceeds From Federal Grants and Contracts		
Proceeds From Gifts		
Proceeds From Interfund Payables		
Proceeds From Other Financing Activities		
Proceeds From Capital Contributions		
Payments for Additions to Capital Assets	(8,637,428.05)	(6,924,285.18)
Payments of Principal On Debt		
Payments for Capital Leases		
Payments of Interest On Debt Issuance		
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]	94,941.13	97,361.67
Intrasystem Transfers for Capital Debt [Mandatory]		
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (8,242,404.59)</u>	<u>\$ (6,439,043.59)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$ 1,820,860.28	\$ (227,531.18)
Sales and Purchases of Investments Held By System	216,519.29	267,176.76
Proceeds From Interest and Investment Income		
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ 2,037,379.57</u>	<u>\$ 39,645.58</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ (9,798,313.34)</u>	<u>\$ (7,579,998.16)</u>
Cash and Cash Equivalents, Beginning of Year Restatement	<u>\$ 89,667,655.21</u>	<u>\$ 97,247,653.37</u>
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 89,667,655.21</u>	<u>\$ 97,247,653.37</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 79,869,341.87</u>	<u>\$ 89,667,655.21</u>

UNAUDITED

EXHIBIT V
TEXAS A&M FOREST SERVICE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(50,320,840.94)	(50,521,084.78)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	6,269,991.04	5,593,440.00
Bad Debt Expense		
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	(1,719,415.97)	(837,695.90)
[Increase] Decrease In Due From Agencies/Funds	33,557.43	(81,469.08)
[Increase] Decrease In Due From System Members	(1,887.48)	(1,539.21)
[Increase] Decrease In Inventories	(615.88)	766,641.91
[Increase] Decrease In Prepaid Expenses		
[Increase] Decrease In Loans and Contracts	37,989.00	170,917.51
[Increase] Decrease In Other Assets	(2,025.69)	(347.82)
Increase [Decrease] In Payables	(4,555,210.86)	6,796,200.28
Increase [Decrease] In Due to Other Agencies/Funds	1,747.49	(8,347.30)
Increase [Decrease] In Due to System Members		
Increase [Decrease] In Unearned Revenue	(5,412.58)	(19,986.64)
Increase [Decrease] In Deposits	2,646.15	9,580.40
Increase [Decrease] In Employees' Compensable Leave	48,020.87	172,962.39
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities		
Total Adjustments	<u>\$ 109,383.52</u>	<u>\$ 12,560,356.54</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (50,211,457.42)</u>	<u>\$ (37,960,728.24)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$ 1,114,648.31	\$ 320,000.00
Net Change In Fair Value of Investments	736,252.77	278,769.27
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	271,372.40	387,294.10



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SCHEDULE THREE
TEXAS A&M FOREST SERVICE
SCHEDULE OF CASH & CASH EQUIVALENTS
FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Petty Cash Department Working Fund	\$ 400.00
Total Cash On Hand	<u>\$ 400.00</u>
Cash In State Treasury	
Fund 5064	\$ 71,729,324.96
Fund 5066	<u>4,744,231.13</u>
Total Cash In State Treasury	<u>\$ 76,473,556.09</u>
Reimbursements Due From State Treasury	\$ 208,083.42
Assets Held By System Offices-Current	<u>3,187,302.36</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 79,869,341.87</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 79,869,341.87</u></u>

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SCHEDULE N-2
 TEXAS A&M FOREST SERVICE
 NOTE 2 - CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2017

	BALANCE 9-1-16	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 2,316,522.01	\$	\$
Construction In Progress	510,499.44		
Total Non-Depreciable/Non-Amortizable Assets	<u>\$ 2,827,021.45</u>	<u>\$</u>	<u>\$</u>
Depreciable Assets			
Buildings	\$ 2,209,354.47	\$	\$
Furniture and Equipment	31,171,472.72		
Vehicles, Boats and Aircraft	26,296,460.10		
Total Depreciable Assets at Historical Cost	<u>\$ 59,677,287.29</u>	<u>\$</u>	<u>\$</u>
Less Accumulated Depreciation for			
Buildings	\$ (1,072,221.09)	\$	\$
Furniture and Equipment	(17,088,966.81)		
Vehicles, Boats and Aircraft	(13,481,212.08)		
Total Accumulated Depreciation	<u>\$ (31,642,399.98)</u>	<u>\$</u>	<u>\$</u>
Depreciable Assets, Net	<u>\$ 28,034,887.31</u>	<u>\$</u>	<u>\$</u>
Capital Assets, Net	<u>\$ 30,861,908.76</u>	<u>\$</u>	<u>\$</u>

INC-INTERAGENCY TRANSACTIONS	DEC-INTERAGENCY TRANSACTIONS	ADDITIONS	DELETIONS	BALANCE 8-31-17
\$	\$	\$ 592,255.68	\$	\$ 2,316,522.01 1,102,755.12
\$	\$	\$ 592,255.68	\$	\$ 3,419,277.13
\$	\$	\$ 6,236,145.52	\$ (626,384.79)	\$ 2,209,354.47 36,781,233.45
27,409.32		3,220,943.87	(730,259.82)	28,814,553.47
\$ 27,409.32	\$	\$ 9,457,089.39	\$ (1,356,644.61)	\$ 67,805,141.39
\$	\$	\$ (74,739.08)	\$	\$ (1,146,960.17)
(13,215.02)		(3,603,860.56)	603,804.88	(20,089,022.49)
		(2,591,391.40)	694,850.01	(15,390,968.49)
\$ (13,215.02)	\$	\$ (6,269,991.04)	\$ 1,298,654.89	\$ (36,626,951.15)
\$ 14,194.30	\$	\$ 3,187,098.35	\$ (57,989.72)	\$ 31,178,190.24
\$ 14,194.30	\$	\$ 3,779,354.03	\$ (57,989.72)	\$ 34,597,467.37





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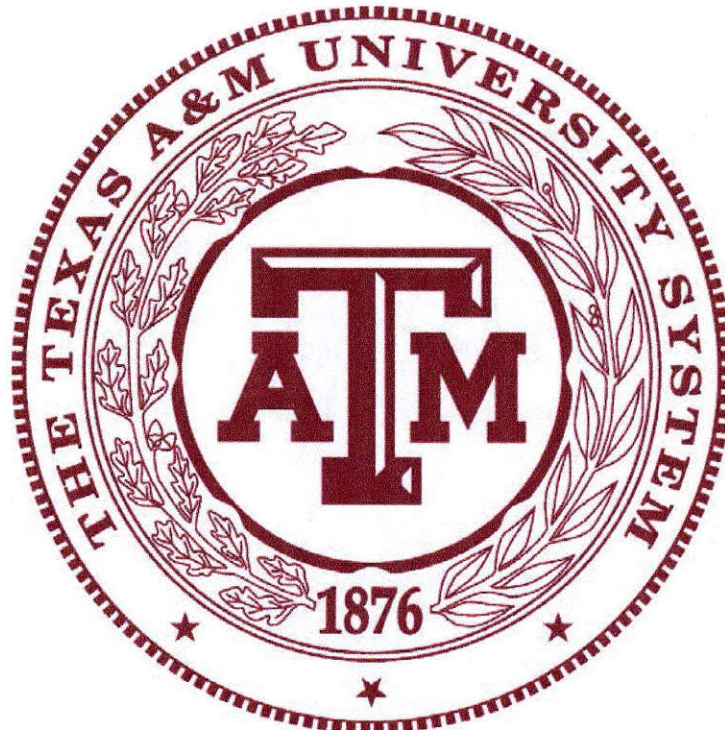
ANNUAL FINANCIAL REPORT

of

Texas A&M Veterinary Medical Diagnostic Laboratory

For the Year Ended August 31, 2017

With Comparative Totals for the Year Ended August 31, 2016



Bruce L. Akey, DVM, Director

Vic S. Seidel, CPA, Assistant Agency Director for Finance



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TEXAS A&M VETERINARY MEDICAL DIAGNOSTIC LABORATORY

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EXHIBIT III
 TEXAS A&M VETERINARY MEDICAL DIAGNOSTIC LABORATORY
 STATEMENT OF NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 1,626,293.65	\$ 1,843,445.08
Investments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	27,214.81	1,192.39
Investments		
Legislative Appropriations	(13,373.76)	31,028.60
Receivables, Net [Note 24]		
Federal	1,114.34	343.33
Other Intergovernmental		
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student		
Investment Trades		
Accounts	1,053,323.93	949,194.89
Other		
Due From Other Agencies		
Due From Other Members	8,813.56	89,940.04
Due From Other Funds	20,604.51	31.62
Consumable Inventories	399,489.02	373,810.43
Merchandise Inventories		
Loans and Contracts		
Interfund Receivable [Note 12]		
Other Current Assets		
Total Current Assets	\$ 3,123,480.06	\$ 3,288,986.38
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$	\$
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts		
Assets Held By System Office		
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	105,700.00	105,700.00
Construction In Progress		
Other Tangible Capital Assets		
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	50,973,710.29	10,084,601.55
Infrastructure	772,888.13	
Facilities and Other Improvements	1,363,107.46	
Furniture and Equipment	5,813,186.77	6,432,626.93
Vehicles, Boats, and Aircraft	141,788.45	120,198.45
Other Capital Assets		
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	929,751.54	929,751.54
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(8,253,707.85)	(12,347,218.71)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	\$ 51,846,424.79	\$ 5,325,659.76
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
Total Deferred Outflows of Resources	\$	\$
Total Assets and Deferred Outflows	\$ 54,969,904.85	\$ 8,614,646.14

UNAUDITED

EXHIBIT III
 TEXAS A&M VETERINARY MEDICAL DIAGNOSTIC LABORATORY
 STATEMENT OF NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 179,709.21	\$ 422,287.41
Payroll	985,686.26	913,886.83
Investment Trades		
Self-Insured Health and Dental		
Student		
Other		
Interfund Payable [Note 12]		129,212.11
Due to Other Agencies		
Due to Other Funds	20,604.51	31.62
Due to Other Members		
Funds Held for Investment		
Unearned Revenue		1,000.00
Employees' Compensable Leave	118,069.85	123,540.58
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations [Note 8]		
Liabilities Payable From Restricted Assets		
Funds Held for Others	192.39	192.39
Other Current Liabilities		
	<u> </u>	<u> </u>
Total Current Liabilities	\$ 1,304,262.22	\$ 1,590,150.94
Non-Current Liabilities		
Interfund Payable [Note 12]	\$ 806,660.90	\$ 819,173.99
Employees' Compensable Leave		
Other Post Employment Benefits [Note 11]		
Pension Liability [Note 9]		
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Assets Held In Trust		
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Capital Lease Obligations [Note 8]		
Other Non-Current Liabilities		
	<u> </u>	<u> </u>
Total Non-Current Liabilities	\$ 806,660.90	\$ 819,173.99
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	\$	\$
Total Liabilities and Deferred Inflows	\$ 2,110,923.12	\$ 2,409,324.93
Net Position		
Net Investment In Capital Assets	\$ 51,846,424.79	\$ 5,325,659.76
Restricted for		
Debt Service		
Capital Projects		89,940.04
Education		
Endowment and Permanent Funds		
Nonexpendable		
Expendable		
Unrestricted	1,012,556.94	789,721.41
	<u> </u>	<u> </u>
Total Net Position [Exhibit IV]	\$ 52,858,981.73	\$ 6,205,321.21
Total Liabilities, Deferred Inflows, and Net Position	\$ 54,969,904.85	\$ 8,614,646.14
	<u> </u>	<u> </u>

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EXHIBIT IV
 TEXAS A&M VETERINARY MEDICAL DIAGNOSTIC LABORATORY
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$	\$
Discounts and Allowances		
Professional Fees	400.00	
Auxiliary Enterprises		
Discounts and Allowances		
Other Sales of Goods and Services	11,840,527.86	11,092,157.26
Discounts and Allowances		
Interest Revenue		
Federal Revenue - Operating	326,861.84	237,278.24
Federal Pass Through Revenue		
State Grant Revenue		
State Pass Through Revenue		
Other Grants and Contracts - Operating	1,000.00	49,000.00
Other Operating Revenue	1.79	
Total Operating Revenues	\$ 12,168,791.49	\$ 11,378,435.50
Operating Expenses		
Instruction	\$	\$
Research	373,984.57	154,529.64
Public Service	17,149,729.15	15,880,264.74
Academic Support		
Student Services		
Institutional Support	1,364,520.30	1,915,290.46
Operation & Maintenance of Plant	89,940.04	9,009.20
Scholarships & Fellowships		
Auxiliary		
Depreciation/Amortization	1,909,450.48	804,379.01
Total Operating Expenses [Schedule IV-1]	\$ 20,887,624.54	\$ 18,763,473.05
Total Operating Income [Loss]	\$ (8,718,833.05)	\$ (7,385,037.55)
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 9,928,131.14	\$ 9,895,678.27
Federal Revenue Non-Operating		
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts		
Investment Income	22,670.24	7,156.77
Investing Activities Expense		
Interest Expense		
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	12,608.73	(20,539.46)
Settlement of Claims		
Other Nonoperating Revenues	13,612.50	1,070.00
Other Nonoperating [Expenses]	(1,978,889.77)	(1,868.35)
Total Nonoperating Revenues [Expenses]	\$ 7,998,132.84	\$ 9,881,497.23
Income [Loss] Before Other Revenues and Transfers	\$ (720,700.21)	\$ 2,496,459.68

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EXHIBIT IV
 TEXAS A&M VETERINARY MEDICAL DIAGNOSTIC LABORATORY
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Other Revenues and Transfers		
Capital Contributions	\$ 76,636.31	\$
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments		
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies		
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members		1,414.00
Nonmandatory Transfers From Members/Agencies-Cap Assets	51,118,087.85	
Transfers Out		
Transfers to Other State Agencies		
Mandatory Transfers to Other Members		
Nonmandatory Transfers to Other Members		
Nonmandatory Transfers to Members/Agencies - Cap Assets	(820,363.43)	
Legislative Transfers - In		
Legislative Transfers - Out	(2,999,700.00)	(2,999,800.00)
Legislative Appropriations Lapsed	(300.00)	(200.00)
	<u> </u>	<u> </u>
Total Other Revenues and Transfers	\$ 47,374,360.73	\$ (2,998,586.00)
Change in Net Position	<u>\$ 46,653,660.52</u>	<u>\$ (502,126.32)</u>
Net Position, Beginning of Year	\$ 6,205,321.21	\$ 6,707,447.53
Restatement		
Net Position, Beginning of Year, Restated	<u>\$ 6,205,321.21</u>	<u>\$ 6,707,447.53</u>
Net Position, End of Year	<u>\$ 52,858,981.73</u>	<u>\$ 6,205,321.21</u>

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SCHEDULE IV-1
 TEXAS A&M VETERINARY MEDICAL DIAGNOSTIC LABORATORY
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
 FOR THE YEAR ENDED AUGUST 31, 2017

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$	\$	\$
Salaries & Wages		297,695.62	7,994,673.92		
Payroll Related Costs		66,335.23	2,708,751.61		
Payroll Related Costs-TRS Pension					
Professional Fees & Services		3,745.00	1,042,809.68		
Travel		3,541.56	132,877.64		
Materials & Supplies		2,605.78	3,016,138.46		
Communication & Utilities			880,387.24		
Repairs & Maintenance		46.98	556,210.20		
Rentals & Leases			80,761.52		
Printing & Reproduction			9,686.92		
Federal Pass-Through					
State Pass-Through			89,475.00		
Depreciation & Amortization					
Bad Debt Expense					
Interest			314.53		
Scholarships					
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses		14.40	637,642.43		
Total Operating Expenses	\$	\$ 373,984.57	\$ 17,149,729.15	\$	\$

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$	\$	\$	\$	\$	\$
1,000,126.44					9,292,495.98	9,000,100.54
282,337.15					3,057,423.99	2,774,506.17
5,347.13	10,481.08				1,062,382.89	872,225.91
36,821.84					173,241.04	154,633.74
19,993.61	59,218.40				3,097,956.25	2,771,151.54
2,001.00					882,388.24	965,705.33
326.14	20,240.56				576,823.88	583,138.73
490.00					81,251.52	59,740.77
274.21					9,961.13	16,175.43
					89,475.00	89,475.00
				1,909,450.48	1,909,450.48	804,379.01
.09					314.62	506.82
4,000.00					4,000.00	9,396.13
12,802.69					650,459.52	662,337.93
<u>\$ 1,364,520.30</u>	<u>\$ 89,940.04</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,909,450.48</u>	<u>\$ 20,887,624.54</u>	<u>\$ 18,763,473.05</u>

[Exhibit IV]

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EXHIBIT V
 TEXAS A&M VETERINARY MEDICAL DIAGNOSTIC LABORATORY
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 11,736,798.82	\$ 11,035,452.88
Proceeds Received From Customers	326,090.83	299,783.48
Proceeds From Grants and Contracts		
Proceeds From Auxiliary Enterprises		
Proceeds From Loan Programs		
Proceeds From Other Operating Revenues	1.79	
Payments to Suppliers for Goods and Services	(6,803,035.88)	(5,920,067.24)
Payments to Employees	(12,296,104.36)	(11,667,283.74)
Payments for Loans Provided		
Payments for Other Operating Expenses	(93,475.00)	(98,871.13)
Net Cash Provided [Used] By Operating Activities	<u>\$ (7,129,723.80)</u>	<u>\$ (6,350,985.75)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 9,972,233.50	\$ 9,961,474.48
Proceeds From Gifts		
Proceeds From Endowments		
Proceeds From Transfers From Other Funds		
Proceeds From Other Grant Receipts		
Proceeds From Other Noncapital Financing Activities	13,612.50	1,070.00
Payments of Interest		
Payments for Transfers to Other Funds		
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses		
Other Noncapital Transfers From/To System		1,414.00
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 9,985,846.00</u>	<u>\$ 9,963,958.48</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 30,000.00	\$
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts		
Proceeds From Federal Grants and Contracts		
Proceeds From Gifts		
Proceeds From Interfund Payables		
Proceeds From Other Financing Activities		
Proceeds From Capital Contributions		
Payments for Additions to Capital Assets	(52,135.82)	(278,825.95)
Payments of Principal On Debt		
Payments for Capital Leases		
Payments of Interest On Debt Issuance		
Payments for Interfund Receivables	(129,212.11)	(129,212.12)
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]	81,126.48	109,059.96
Intrasystem Transfers for Capital Debt [Mandatory]	(2,999,700.00)	(2,999,800.00)
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (3,069,921.45)</u>	<u>\$ (3,298,778.11)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System		
Proceeds From Interest and Investment Income	22,670.24	7,156.77
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ 22,670.24</u>	<u>\$ 7,156.77</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ (191,129.01)</u>	<u>\$ 321,351.39</u>
Cash and Cash Equivalents, Beginning of Year Restatement	<u>\$ 1,844,637.47</u>	<u>\$ 1,523,286.08</u>
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 1,844,637.47</u>	<u>\$ 1,523,286.08</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 1,653,508.46</u>	<u>\$ 1,844,637.47</u>

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EXHIBIT V
 TEXAS A&M VETERINARY MEDICAL DIAGNOSTIC LABORATORY
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(8,718,833.05)	(7,385,037.55)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	1,909,450.48	804,379.01
Bad Debt Expense	5,016.12	1,533.97
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	(109,916.17)	(44,910.70)
[Increase] Decrease In Due From Agencies/Funds		
[Increase] Decrease In Due From System Members		
[Increase] Decrease In Inventories	(25,678.59)	(63,156.05)
[Increase] Decrease In Prepaid Expenses		
[Increase] Decrease In Loans and Contracts		
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	(170,778.77)	343,877.91
Increase [Decrease] In Due to Other Agencies/Funds		
Increase [Decrease] In Due to System Members		
Increase [Decrease] In Unearned Revenue	(1,000.00)	1,000.00
Increase [Decrease] In Deposits		
Increase [Decrease] In Employees' Compensable Leave	(17,983.82)	(8,672.34)
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities		
Total Adjustments	<u>\$ 1,589,109.25</u>	<u>\$ 1,034,051.80</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (7,129,723.80)</u>	<u>\$ (6,350,985.75)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$ 76,636.31	\$
Net Change In Fair Value of Investments		
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	50,310,333.15	(20,539.46)



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SCHEDULE THREE
TEXAS A&M VETERINARY MEDICAL DIAGNOSTIC LABORATORY
SCHEDULE OF CASH & CASH EQUIVALENTS
FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash In State Treasury	
Fund 0980	\$ <u>4,278.67</u>
Total Cash In State Treasury	\$ <u>4,278.67</u>
Assets Held By System Offices-Current	\$ <u>1,622,014.98</u>
Total Current Cash and Cash Equivalents [Exhibit III]	\$ <u>1,626,293.65</u>
Restricted	
Assets Held By System Offices-Current	\$ <u>27,214.81</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	\$ <u>27,214.81</u>
Total Cash & Cash Equivalents [Exhibit V]	\$ <u><u>1,653,508.46</u></u>

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SCHEDULE N-2
 TEXAS A&M VETERINARY MEDICAL DIAGNOSTIC LABORATORY
 NOTE 2 - CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2017

	BALANCE 9-1-16	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 105,700.00	\$	\$
Construction In Progress			(51,118,087.85)
Total Non-Depreciable/Non-Amortizable Assets	\$ 105,700.00	\$	\$ (51,118,087.85)
Depreciable Assets			
Buildings	\$ 10,084,601.55	\$	\$ 48,193,003.28
Infrastructure			1,008,198.20
Facilities and Other Improvements			1,363,107.46
Furniture and Equipment	6,432,626.93		553,778.91
Vehicles, Boats and Aircraft	120,198.45		
Total Depreciable Assets at Historical Cost	\$ 16,637,426.93	\$	\$ 51,118,087.85
Less Accumulated Depreciation for			
Buildings	\$ (6,809,395.55)	\$	\$
Infrastructure			
Facilities and Other Improvements			
Furniture and Equipment	(4,769,135.04)		
Vehicles, Boats and Aircraft	(68,585.82)		
Total Accumulated Depreciation	\$ (11,647,116.41)	\$	\$
Depreciable Assets, Net	\$ 4,990,310.52	\$	\$ 51,118,087.85
Amortizable Assets - Intangible			
Computer Software	\$ 929,751.54	\$	\$
Total Intangible Assets at Historical Cost	\$ 929,751.54	\$	\$
Less Accumulated Amortization for			
Computer Software	\$ (700,102.30)	\$	\$
Total Accumulated Amortization	\$ (700,102.30)	\$	\$
Amortizable Assets, Net	\$ 229,649.24	\$	\$
Capital Assets, Net	\$ 5,325,659.76	\$	\$

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-17</u>
\$ 51,118,087.85				\$ 105,700.00
\$ 51,118,087.85				\$ 105,700.00
	\$ (5,604,298.81)		\$ (1,699,595.73) (235,310.07)	\$ 50,973,710.29 772,888.13 1,363,107.46 5,813,186.77 141,788.45
	(652,374.01)	107,182.13 21,590.00	(628,027.19)	
	\$ (6,256,672.82)	\$ 128,772.13	\$ (2,562,932.99)	\$ 59,064,681.10
	\$ 4,900,156.80	\$ (1,145,116.73) (35,244.29) (92,161.34)	\$ 566,651.95	\$ (3,054,355.48) (35,244.29) (92,161.34) (4,163,050.97) (87,369.19)
	536,152.59	(496,720.47) (18,783.37)		
	\$ 5,436,309.39	\$ (1,788,026.20)	\$ 566,651.95	\$ (7,432,181.27)
	\$ (820,363.43)	\$ (1,659,254.07)	\$ (1,996,281.04)	\$ 51,632,499.83
				\$ 929,751.54
				\$ 929,751.54
		\$ (121,424.28)		\$ (821,526.58)
		\$ (121,424.28)		\$ (821,526.58)
		\$ (121,424.28)		\$ 108,224.96
\$ 51,118,087.85	\$ (820,363.43)	\$ (1,780,678.35)	\$ (1,996,281.04)	\$ 51,846,424.79





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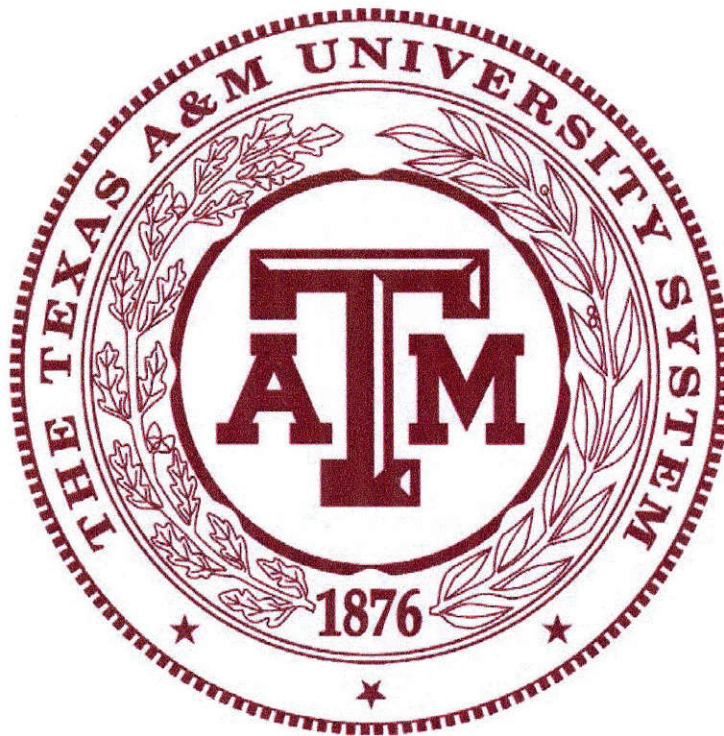
ANNUAL FINANCIAL REPORT

of

Texas A&M Engineering Experiment Station

For the Year Ended August 31, 2017

With Comparative Totals for the Year Ended August 31, 2016



**Dr. M. Katherine Banks, Director, Vice Chancellor and
Dean of Engineering**

**John Crawford, CPA, Assistant Vice Chancellor for Business Management
and Chief Financial Officer**

Andy B. Hinton, CPA, Controller



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TEXAS A&M ENGINEERING EXPERIMENT STATION

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EXHIBIT III
 TEXAS A&M ENGINEERING EXPERIMENT STATION
 STATEMENT OF NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 5,962,606.74	\$ 1,456,956.17
Investments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	54,787.51	
Investments		
Legislative Appropriations	1,538,013.68	1,965,638.93
Receivables, Net [Note 24]		
Federal	7,881,544.86	7,367,099.07
Other Intergovernmental		
Interest and Dividends		
Gifts	218,350.00	
Self-Insured Health and Dental		
Student		
Investment Trades		
Accounts	6,159,823.42	8,086,638.51
Other		
Due From Other Agencies	591,866.40	581,848.53
Due From Other Members	2,065,152.66	1,642,486.31
Due From Other Funds		
Consumable Inventories		
Merchandise Inventories		
Loans and Contracts		
Interfund Receivable [Note 12]		
Other Current Assets	117,251.29	621,227.55
Total Current Assets	<u>\$ 24,589,396.56</u>	<u>\$ 21,721,895.07</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 36,094,494.43	\$ 39,434,575.89
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts		
Assets Held By System Office	41,342,796.10	56,331,378.66
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	931,504.46	2,257,504.46
Construction In Progress	34,265,173.73	22,484,174.87
Other Tangible Capital Assets	76,279.00	76,279.00
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	39,084,665.91	42,878,302.88
Infrastructure		
Facilities and Other Improvements	187,224.40	187,224.40
Furniture and Equipment	93,683,153.05	89,777,112.27
Vehicles, Boats, and Aircraft	769,373.75	759,423.75
Other Capital Assets	93,000.00	269,151.10
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software		
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(77,813,330.77)	(74,019,022.89)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 168,714,334.06</u>	<u>\$ 180,436,104.39</u>
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
Total Deferred Outflows of Resources	<u>\$</u>	<u>\$</u>
Total Assets and Deferred Outflows	<u>\$ 193,303,730.62</u>	<u>\$ 202,157,999.46</u>

UNAUDITED

EXHIBIT III
 TEXAS A&M ENGINEERING EXPERIMENT STATION
 STATEMENT OF NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 3,283,014.06	\$ 4,529,644.42
Payroll	7,884,087.29	5,335,253.36
Investment Trades		
Self-Insured Health and Dental		
Student		
Other	350.00	3,151.55
Interfund Payable [Note 12]		
Due to Other Agencies	298,294.08	215,571.69
Due to Other Funds		
Due to Other Members	473,471.72	2,980,924.63
Funds Held for Investment		
Unearned Revenue	19,749,348.18	23,092,282.43
Employees' Compensable Leave	386,616.27	367,084.92
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations [Note 8]	749,648.17	672,987.26
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Other Current Liabilities		
Total Current Liabilities	<u>\$ 32,824,829.77</u>	<u>\$ 37,196,900.26</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$ 1,937,827.96	\$ 2,121,188.29
Employees' Compensable Leave		
Other Post Employment Benefits [Note 11]		
Pension Liability [Note 9]		
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Assets Held In Trust		
Liabilities Payable From Restricted Assets		
Funds Held for Others	413,056.81	460,514.71
Capital Lease Obligations [Note 8]	30,110,453.17	30,923,417.42
Other Non-Current Liabilities		
Total Non-Current Liabilities	<u>\$ 32,461,337.94</u>	<u>\$ 33,505,120.42</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 65,286,167.71</u>	<u>\$ 70,702,020.68</u>
Net Position		
Net Investment In Capital Assets	\$ 60,416,942.19	\$ 54,345,326.89
Restricted for		
Debt Service		130,643.82
Capital Projects		15,775,438.82
Education	13,905,855.51	
Endowment and Permanent Funds		
Nonexpendable		
Expendable	12,739,363.54	12,142,876.08
Unrestricted	40,955,401.67	49,061,693.17
Total Net Position [Exhibit IV]	<u>\$ 128,017,562.91</u>	<u>\$ 131,455,978.78</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 193,303,730.62</u>	<u>\$ 202,157,999.46</u>

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EXHIBIT IV
 TEXAS A&M ENGINEERING EXPERIMENT STATION
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>	<u>PRIOR YEAR TOTAL</u>
Operating Revenues		
Tuition and Fees	\$	\$
Discounts and Allowances		
Professional Fees		
Auxiliary Enterprises		
Discounts and Allowances		
Other Sales of Goods and Services	9,247,463.15	8,903,279.31
Discounts and Allowances		
Interest Revenue		
Federal Revenue - Operating	47,364,159.97	44,217,813.29
Federal Pass Through Revenue	3,449,744.15	4,607,628.76
State Grant Revenue	168,340.50	323,916.25
State Pass Through Revenue	1,313,140.29	1,018,261.18
Other Grants and Contracts - Operating	41,168,798.67	45,182,227.35
Other Operating Revenue	<u>52,256.76</u>	<u>66,097.20</u>
Total Operating Revenues	<u>\$ 102,763,903.49</u>	<u>\$ 104,319,223.34</u>
Operating Expenses		
Instruction	\$	\$
Research	138,511,154.71	140,533,704.27
Public Service		
Academic Support		
Student Services		
Institutional Support		
Operation & Maintenance of Plant		
Scholarships & Fellowships		
Auxiliary		
Depreciation/Amortization	<u>7,723,702.75</u>	<u>8,293,268.85</u>
Total Operating Expenses [Schedule IV-1]	<u>\$ 146,234,857.46</u>	<u>\$ 148,826,973.12</u>
Total Operating Income [Loss]	<u>\$ (43,470,953.97)</u>	<u>\$ (44,507,749.78)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 25,708,083.33	\$ 20,524,903.81
Federal Revenue Non-Operating		
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	1,885,398.86	1,398,204.31
Investment Income	7,512,463.35	3,642,380.89
Investing Activities Expense	(191,944.32)	(231,599.66)
Interest Expense	(1,425,324.71)	(1,456,563.37)
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	(85,193.29)	35,045.90
Settlement of Claims		
Other Nonoperating Revenues	349,109.85	2,001,404.73
Other Nonoperating [Expenses]	<u>(369,582.70)</u>	<u>(320,290.82)</u>
Total Nonoperating Revenues [Expenses]	<u>\$ 33,383,010.37</u>	<u>\$ 25,593,485.79</u>
Income [Loss] Before Other Revenues and Transfers	<u>\$ (10,087,943.60)</u>	<u>\$ (18,914,263.99)</u>

UNAUDITED

EXHIBIT IV
 TEXAS A&M ENGINEERING EXPERIMENT STATION
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Other Revenues and Transfers		
Capital Contributions	\$ 10,551,145.00	\$ 24,120.00
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments		
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	459,545.97	462,043.00
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	4,240,194.28	1,973,509.61
Nonmandatory Transfers From Members/Agencies-Cap Assets	211,479.66	267,468.73
Transfers Out		
Transfers to Other State Agencies		
Mandatory Transfers to Other Members	(58,642.50)	(357,142.66)
Nonmandatory Transfers to Other Members	(153,810.85)	(432,388.26)
Nonmandatory Transfers to Members/Agencies - Cap Assets	(4,093,808.80)	(135,086.47)
Legislative Transfers - In	583,735.00	576,632.00
Legislative Transfers - Out	(4,999,540.33)	
Legislative Appropriations Lapsed	(90,769.70)	
Total Other Revenues and Transfers	<u>\$ 6,649,527.73</u>	<u>\$ 2,379,155.95</u>
Change In Net Position	<u>\$ (3,438,415.87)</u>	<u>\$ (16,535,108.04)</u>
Net Position, Beginning of Year	\$ 131,455,978.78	\$ 147,991,086.82
Restatement		
Net Position, Beginning of Year, Restated	<u>\$ 131,455,978.78</u>	<u>\$ 147,991,086.82</u>
Net Position, End of Year	<u>\$ 128,017,562.91</u>	<u>\$ 131,455,978.78</u>

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SCHEDULE IV-1
 TEXAS A&M ENGINEERING EXPERIMENT STATION
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
 FOR THE YEAR ENDED AUGUST 31, 2017

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$	\$	\$
Salaries & Wages		64,219,683.47			
Payroll Related Costs		12,553,962.22			
Payroll Related Costs-TRS Pension					
Professional Fees & Services		13,687,671.28			
Travel		4,510,576.66			
Materials & Supplies		8,058,529.37			
Communication & Utilities		2,877,563.82			
Repairs & Maintenance		1,844,383.26			
Rentals & Leases		3,561,018.52			
Printing & Reproduction		350,375.45			
Federal Pass-Through		1,350,013.91			
State Pass-Through		137,046.43			
Depreciation & Amortization					
Bad Debt Expense					
Interest		4,094.78			
Scholarships		8,972,224.88			
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses		16,384,010.66			
Total Operating Expenses	\$	\$ 138,511,154.71	\$	\$	\$

<u>INSTITUTIONAL SUPPORT</u>	<u>OPERATION & MAINTENANCE OF PLANT</u>	<u>SCHOLARSHIPS & FELLOWSHIPS</u>	<u>AUXILIARY</u>	<u>DEPRECIATION & AMORTIZATION</u>	<u>TOTAL</u>	<u>PRIOR YEAR</u>
\$	\$	\$	\$	\$	\$	\$
					64,219,683.47	64,451,291.88
					12,553,962.22	11,817,210.18
					13,687,671.28	16,588,471.11
					4,510,576.66	4,709,518.42
					8,058,529.37	8,473,686.32
					2,877,563.82	3,632,536.26
					1,844,383.26	1,216,877.88
					3,561,018.52	2,250,714.50
					350,375.45	383,285.85
					1,350,013.91	1,142,336.71
					137,046.43	218,863.23
				7,723,702.75	7,723,702.75	8,293,268.85
					4,094.78	5,949.40
					8,972,224.88	8,660,059.89
					16,384,010.66	16,982,902.64
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 7,723,702.75</u>	<u>\$ 146,234,857.46</u>	<u>\$ 148,826,973.12</u>

[Exhibit IV]

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EXHIBIT V
TEXAS A&M ENGINEERING EXPERIMENT STATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 9,341,964.61	\$ 11,259,855.12
Proceeds Received From Customers	89,933,714.02	91,244,466.71
Proceeds From Grants and Contracts		
Proceeds From Auxiliary Enterprises		
Proceeds From Loan Programs	52,256.76	66,097.20
Proceeds From Other Operating Revenues		
Payments to Suppliers for Goods and Services	(51,608,384.19)	(54,177,540.96)
Payments to Employees	(74,236,670.29)	(76,436,345.42)
Payments for Loans Provided		
Payments for Other Operating Expenses	(10,392,314.61)	(9,865,456.91)
Net Cash Provided [Used] By Operating Activities	<u>\$ (36,909,433.70)</u>	<u>\$ (37,908,924.26)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 26,044,938.88	\$ 21,273,706.13
Proceeds From Gifts	1,667,048.86	1,398,204.31
Proceeds From Endowments		
Proceeds From Transfers From Other Funds	459,545.97	462,043.00
Proceeds From Other Grant Receipts		
Proceeds From Other Noncapital Financing Activities	309,109.85	118,215.29
Payments of Interest		
Payments for Transfers to Other Funds		
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(79,384.63)	(14,437.80)
Other Noncapital Transfers From/To System	3,135,118.43	917,753.35
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 31,536,377.36</u>	<u>\$ 24,155,484.28</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 17,500.00	\$ 99,378.75
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts		
Proceeds From Federal Grants and Contracts		
Proceeds From Gifts		
Proceeds From Interfund Payables		
Proceeds From Other Financing Activities		
Proceeds From Capital Contributions		
Payments for Additions to Capital Assets	(8,062,318.21)	(9,531,334.87)
Payments of Principal On Debt		
Payments for Capital Leases	(736,303.34)	(657,260.94)
Payments of Interest On Debt Issuance		
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance	(1,425,324.71)	(1,456,563.37)
Transfer of Capital Debt Proceeds From System [Nonmandatory]	130,643.82	1,498,407.24
Intrasystem Transfers for Capital Debt [Mandatory]	(5,058,182.83)	(357,142.66)
Intrasystem Transfers for Construction Proceeds [Non-Mand]	(581,703.36)	
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (15,715,688.63)</u>	<u>\$ (10,404,515.85)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$ 24,662,196.86	\$ 21,746,283.67
Sales and Purchases of Investments Held By System	986,986.19	1,335,730.55
Proceeds From Interest and Investment Income		
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ 25,649,183.05</u>	<u>\$ 23,082,014.22</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ 4,560,438.08</u>	<u>\$ (1,075,941.61)</u>
Cash and Cash Equivalents, Beginning of Year Restatement	<u>\$ 1,456,956.17</u>	<u>\$ 2,532,897.78</u>
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 1,456,956.17</u>	<u>\$ 2,532,897.78</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 6,017,394.25</u>	<u>\$ 1,456,956.17</u>

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EXHIBIT V
 TEXAS A&M ENGINEERING EXPERIMENT STATION
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(43,470,953.97)	(44,507,749.78)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	7,723,702.75	8,293,268.85
Bad Debt Expense	121,074.34	91,051.55
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	1,291,294.96	2,405,195.15
[Increase] Decrease In Due From Agencies/Funds	(10,017.87)	(171,196.37)
[Increase] Decrease In Due From System Members	(553,310.17)	(584,273.06)
[Increase] Decrease In Inventories		
[Increase] Decrease In Prepaid Expenses	502,766.26	(497,531.97)
[Increase] Decrease In Loans and Contracts		
[Increase] Decrease In Other Assets	1,210.00	
Increase [Decrease] In Payables	1,299,590.39	198,899.58
Increase [Decrease] In Due to Other Agencies/Funds	82,722.39	122,485.40
Increase [Decrease] In Due to System Members	(390,749.55)	(342,678.52)
Increase [Decrease] In Unearned Revenue	(3,342,934.25)	(2,888,437.74)
Increase [Decrease] In Deposits		
Increase [Decrease] In Employees' Compensable Leave	(163,828.98)	(27,957.35)
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities		
Total Adjustments	<u>\$ 6,561,520.27</u>	<u>\$ 6,598,825.52</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (36,909,433.70)</u>	<u>\$ (37,908,924.26)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$ 10,551,145.00	\$ 24,120.00
Net Change In Fair Value of Investments	2,789,815.26	(281,994.43)
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	(3,967,522.43)	167,428.16



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SCHEDULE THREE
 TEXAS A&M ENGINEERING EXPERIMENT STATION
 SCHEDULE OF CASH & CASH EQUIVALENTS
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Temporary Working Fund	\$ 2,470.00
Total Cash On Hand	<u>\$ 2,470.00</u>
Cash In State Treasury	
Reimbursements Due From State Treasury	\$ 62,507.23
Assets Held By System Offices-Current	<u>5,897,629.51</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 5,962,606.74</u>
Restricted	
Cash On Hand	
Cash In Bank	\$ 54,787.51
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 54,787.51</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 6,017,394.25</u></u>

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SCHEDULE N-2
 TEXAS A&M ENGINEERING EXPERIMENT STATION
 NOTE 2 - CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2017

	BALANCE 9-1-16	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 2,257,504.46	\$	\$
Construction In Progress	22,484,174.87		(993,429.65)
Other Tangible Capital Assets	76,279.00		
Total Non-Depreciable/Non-Amortizable Assets	<u>\$ 24,817,958.33</u>	<u>\$</u>	<u>\$ (993,429.65)</u>
Depreciable Assets			
Buildings	\$ 42,878,302.88	\$	\$
Facilities and Other Improvements	187,224.40		
Furniture and Equipment	89,777,112.27		993,429.65
Vehicles, Boats and Aircraft	759,423.75		
Other Capital Assets	269,151.10		
Total Depreciable Assets at Historical Cost	<u>\$ 133,871,214.40</u>	<u>\$</u>	<u>\$ 993,429.65</u>
Less Accumulated Depreciation for			
Buildings	\$ (6,005,080.05)	\$	\$
Facilities and Other Improvements	(86,698.10)		
Furniture and Equipment	(67,140,743.37)		
Vehicles, Boats and Aircraft	(605,999.91)		
Other Capital Assets	(180,501.46)		
Total Accumulated Depreciation	<u>\$ (74,019,022.89)</u>	<u>\$</u>	<u>\$</u>
Depreciable Assets, Net	<u>\$ 59,852,191.51</u>	<u>\$</u>	<u>\$ 993,429.65</u>
Capital Assets, Net	<u>\$ 84,670,149.84</u>	<u>\$</u>	<u>\$</u>

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-17</u>
\$ 169,986.00	\$ (1,326,000.00) (43,835.09)	\$ 12,648,277.60	\$	\$ 931,504.46 34,265,173.73 76,279.00
<u>\$ 169,986.00</u>	<u>\$ (1,369,835.09)</u>	<u>\$ 12,648,277.60</u>	<u>\$</u>	<u>\$ 35,272,957.19</u>
\$ 70,982.77	\$ (3,793,636.97) (997,549.92)	\$ 5,902,235.61 9,950.00 93,000.00	\$ (2,063,057.33) (269,151.10)	\$ 39,084,665.91 187,224.40 93,683,153.05 769,373.75 93,000.00
<u>\$ 70,982.77</u>	<u>\$ (4,791,186.89)</u>	<u>\$ 6,005,185.61</u>	<u>\$ (2,332,208.43)</u>	<u>\$ 133,817,417.11</u>
\$ (29,489.11)	\$ 1,437,204.99 630,008.19	\$ (1,854,187.95) (8,430.00) (5,738,025.33) (73,853.26) (49,206.21)	\$ 1,708,463.10 183,207.70	\$ (6,422,063.01) (95,128.10) (70,569,786.52) (679,853.17) (46,499.97)
<u>\$ (29,489.11)</u>	<u>\$ 2,067,213.18</u>	<u>\$ (7,723,702.75)</u>	<u>\$ 1,891,670.80</u>	<u>\$ (77,813,330.77)</u>
<u>\$ 41,493.66</u>	<u>\$ (2,723,973.71)</u>	<u>\$ (1,718,517.14)</u>	<u>\$ (440,537.63)</u>	<u>\$ 56,004,086.34</u>
<u>\$ 211,479.66</u>	<u>\$ (4,093,808.80)</u>	<u>\$ 10,929,760.46</u>	<u>\$ (440,537.63)</u>	<u>\$ 91,277,043.53</u>







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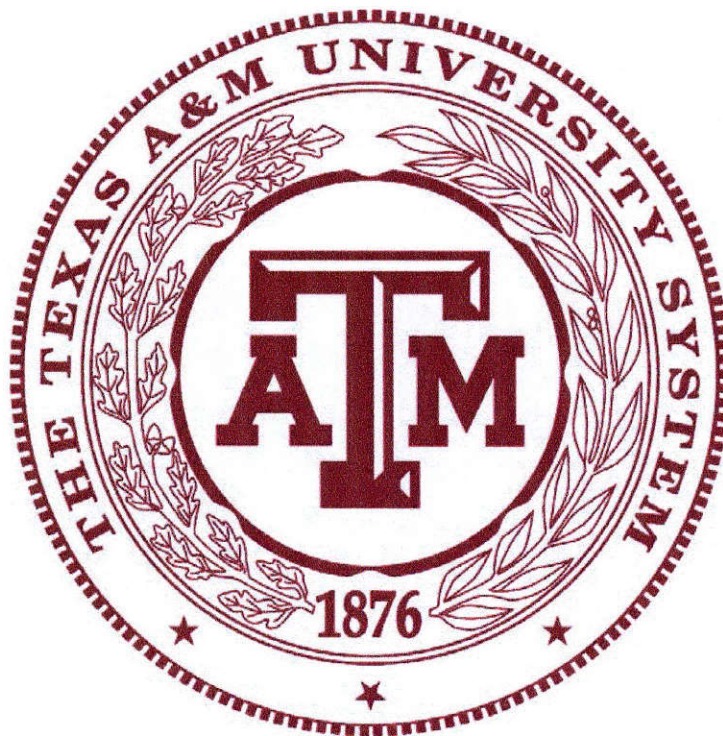
ANNUAL FINANCIAL REPORT

of

Texas A&M Engineering Extension Service

For the Year Ended August 31, 2017

With Comparative Totals for the Year Ended August 31, 2016



Gary Sera, Agency Director
Robert Todd, Associate Agency Director/CFO
Brian Stipe, Assistant CFO/Controller



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TEXAS A&M ENGINEERING EXTENSION SERVICE

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EXHIBIT III
 TEXAS A&M ENGINEERING EXTENSION SERVICE
 STATEMENT OF NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>	<u>PRIOR YEAR TOTAL</u>
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 5,397,441.07	\$ 2,900,400.57
Investments		
Restricted		
Cash & Cash Equivalents [Schedule Three]		
Investments		
Legislative Appropriations	318,458.40	263,727.08
Receivables, Net [Note 24]		
Federal	6,746,980.00	3,435,287.13
Other Intergovernmental		
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student		
Investment Trades		
Accounts	8,623,278.18	4,154,777.84
Other		
Due From Other Agencies	226,298.42	8,045,757.82
Due From Other Members	4,314,527.43	410,187.00
Due From Other Funds		
Consumable Inventories	825,666.70	838,660.31
Merchandise Inventories		
Loans and Contracts		
Interfund Receivable [Note 12]		
Other Current Assets		
Total Current Assets	<u>\$ 26,452,650.20</u>	<u>\$ 20,048,797.75</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 67,385.68	\$ 67,385.68
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts		
Assets Held By System Office	46,737,304.81	44,626,265.51
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	4,696,377.68	4,461,914.78
Construction In Progress	2,768,127.20	4,543,724.49
Other Tangible Capital Assets	32,099.00	32,099.00
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	24,431,253.59	23,150,619.14
Infrastructure	19,842,910.25	18,917,713.03
Facilities and Other Improvements	9,338,377.30	7,522,310.28
Furniture and Equipment	12,200,881.01	12,101,564.11
Vehicles, Boats, and Aircraft	7,865,413.50	7,751,303.69
Other Capital Assets		
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	479,266.80	479,266.80
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(34,670,858.18)	(31,992,530.10)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 93,788,538.64</u>	<u>\$ 91,661,636.41</u>
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
Total Deferred Outflows of Resources	<u>\$</u>	<u>\$</u>
Total Assets and Deferred Outflows	<u>\$ 120,241,188.84</u>	<u>\$ 111,710,434.16</u>

UNAUDITED

EXHIBIT III
TEXAS A&M ENGINEERING EXTENSION SERVICE
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 6,391,015.24	\$ 5,400,456.50
Payroll	1,525,079.19	1,676,582.39
Investment Trades		
Self-Insured Health and Dental		
Student		
Other	692.60	1,378.45
Interfund Payable [Note 12]		
Due to Other Agencies	225,809.87	119,451.67
Due to Other Funds		
Due to Other Members		
Funds Held for Investment		
Unearned Revenue	2,686,085.87	4,217,438.23
Employees' Compensable Leave	272,119.66	225,095.12
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations [Note 8]		
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Other Current Liabilities		
Total Current Liabilities	<u>\$ 11,100,802.43</u>	<u>\$ 11,640,402.36</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$ 2,620,757.93	\$ 2,555,555.81
Employees' Compensable Leave		
Other Post Employment Benefits [Note 11]		
Pension Liability [Note 9]		
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Assets Held In Trust		
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Capital Lease Obligations [Note 8]		
Other Non-Current Liabilities		
Total Non-Current Liabilities	<u>\$ 2,620,757.93</u>	<u>\$ 2,555,555.81</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 13,721,560.36</u>	<u>\$ 14,195,958.17</u>
Net Position		
Net Investment In Capital Assets	\$ 46,983,848.15	\$ 46,967,985.22
Restricted for		
Debt Service		
Capital Projects	4,311,179.43	
Education	6,630,195.31	3,073,352.48
Endowment and Permanent Funds		
Nonexpendable	67,385.68	67,385.68
Expendable	64,366.83	58,197.86
Unrestricted	48,462,653.08	47,347,554.75
Total Net Position [Exhibit IV]	<u>\$ 106,519,628.48</u>	<u>\$ 97,514,475.99</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 120,241,188.84</u>	<u>\$ 111,710,434.16</u>

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EXHIBIT IV
 TEXAS A&M ENGINEERING EXTENSION SERVICE
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Operating Revenues		
Tuition and Fees	\$ 24,341,582.52	\$ 24,277,281.94
Discounts and Allowances		
Professional Fees		
Auxiliary Enterprises		
Discounts and Allowances		
Other Sales of Goods and Services	13,450,084.93	15,133,809.78
Discounts and Allowances		
Interest Revenue		
Federal Revenue - Operating	25,796,589.53	23,400,387.02
Federal Pass Through Revenue	(2,364,755.23)	5,088,688.19
State Grant Revenue	3,015,036.22	3,024,321.65
State Pass Through Revenue	5,275.00	19,830.81
Other Grants and Contracts - Operating	22,448,777.47	17,092,542.93
Other Operating Revenue	1,047.35	239.52
	<u> </u>	<u> </u>
Total Operating Revenues	\$ 86,693,637.79	\$ 88,037,101.84
Operating Expenses		
Instruction	\$ 75,978,815.31	\$ 77,336,088.51
Research		
Public Service		
Academic Support		
Student Services		
Institutional Support	13,251,442.11	13,200,516.46
Operation & Maintenance of Plant		
Scholarships & Fellowships		
Auxiliary		
Depreciation/Amortization	3,908,722.45	3,776,622.79
	<u> </u>	<u> </u>
Total Operating Expenses [Schedule IV-1]	\$ 93,138,979.87	\$ 94,313,227.76
Total Operating Income [Loss]	\$ (6,445,342.08)	\$ (6,276,125.92)
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 8,859,299.22	\$ 9,166,532.53
Federal Revenue Non-Operating		
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	356,155.99	416,327.12
Investment Income	4,231,821.86	1,798,985.00
Investing Activities Expense	(114,752.44)	(112,073.88)
Interest Expense		
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	73,192.18	133,046.16
Settlement of Claims		
Other Nonoperating Revenues	134,271.04	202,616.67
Other Nonoperating [Expenses]	(1,004,367.45)	(367,173.75)
	<u> </u>	<u> </u>
Total Nonoperating Revenues [Expenses]	\$ 12,535,620.40	\$ 11,238,259.85
Income [Loss] Before Other Revenues and Transfers	\$ 6,090,278.32	\$ 4,962,133.93

UNAUDITED

EXHIBIT IV
 TEXAS A&M ENGINEERING EXTENSION SERVICE
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Other Revenues and Transfers		
Capital Contributions	\$ 299,238.15	\$ 206,796.46
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments		
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies		
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	4,465,367.95	526,279.35
Nonmandatory Transfers From Members/Agencies-Cap Assets	234,462.90	
Transfers Out		
Transfers to Other State Agencies		(232,097.58)
Mandatory Transfers to Other Members	(2,033,850.00)	(2,032,100.00)
Nonmandatory Transfers to Other Members	(4,424.09)	(43,131.87)
Nonmandatory Transfers to Members/Agencies - Cap Assets		(12,519.50)
Legislative Transfers - In		
Legislative Transfers - Out		
Legislative Appropriations Lapsed	(45,920.74)	
	<u> </u>	<u> </u>
Total Other Revenues and Transfers	\$ 2,914,874.17	\$ (1,586,773.14)
	<u> </u>	<u> </u>
Change In Net Position	\$ 9,005,152.49	\$ 3,375,360.79
	<u> </u>	<u> </u>
Net Position, Beginning of Year	\$ 97,514,475.99	\$ 94,139,115.20
Restatement		
	<u> </u>	<u> </u>
Net Position, Beginning of Year, Restated	\$ 97,514,475.99	\$ 94,139,115.20
	<u> </u>	<u> </u>
Net Position, End of Year	\$ 106,519,628.48	\$ 97,514,475.99
	<u> </u>	<u> </u>

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SCHEDULE IV-1
 TEXAS A&M ENGINEERING EXTENSION SERVICE
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
 FOR THE YEAR ENDED AUGUST 31, 2017

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$ 13,485.78	\$	\$	\$	\$
Salaries & Wages	31,014,566.55				
Payroll Related Costs	5,982,975.50				
Payroll Related Costs-TRS Pension					
Professional Fees & Services	2,829,776.25				
Travel	6,819,611.15				
Materials & Supplies	6,360,234.80				
Communication & Utilities	1,788,060.93				
Repairs & Maintenance	495,459.43				
Rentals & Leases	9,268,437.46				
Printing & Reproduction	1,541,808.89				
Federal Pass-Through	880,648.86				
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					
Interest	183.29				
Scholarships	17,100.00				
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses	8,966,466.42				
Total Operating Expenses	\$ 75,978,815.31	\$	\$	\$	\$

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$	\$	\$	\$	\$ 13,485.78	\$ 41,110.38
6,003,878.57					37,018,445.12	37,159,194.71
4,134,587.64					10,117,563.14	9,794,287.04
1,466,157.73					4,295,933.98	4,583,877.32
156,110.42					6,975,721.57	7,051,460.71
627,979.85					6,988,214.65	7,056,516.22
140,397.02					1,928,457.95	1,834,485.24
371,768.61					867,228.04	1,176,419.97
144,284.53					9,412,721.99	9,936,045.15
26,272.81					1,568,081.70	1,509,048.55
					880,648.86	194,937.67
				3,908,722.45	3,908,722.45	3,776,622.79
3.89					187.18	628.93
					17,100.00	
180,001.04					9,146,467.46	10,198,593.08
<u>\$ 13,251,442.11</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 3,908,722.45</u>	<u>\$ 93,138,979.87</u>	<u>\$ 94,313,227.76</u>

[Exhibit IV]

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EXHIBIT V
TEXAS A&M ENGINEERING EXTENSION SERVICE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 22,810,230.16	\$ 24,485,347.66
Proceeds Received From Customers	16,832,885.22	12,287,871.54
Proceeds From Grants and Contracts	45,589,230.12	48,315,137.99
Proceeds From Auxiliary Enterprises		
Proceeds From Loan Programs		
Proceeds From Other Operating Revenues	1,047.35	239.52
Payments to Suppliers for Goods and Services	(40,087,275.60)	(43,606,962.60)
Payments to Employees	(47,175,284.80)	(46,698,236.68)
Payments for Loans Provided		
Payments for Other Operating Expenses	(897,748.86)	(194,937.67)
Net Cash Provided [Used] By Operating Activities	<u>\$ (2,926,916.41)</u>	<u>\$ (5,411,540.24)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 8,758,647.16	\$ 9,166,532.53
Proceeds From Gifts	356,155.99	416,327.12
Proceeds From Endowments		
Proceeds From Transfers From Other Funds		
Proceeds From Other Grant Receipts		
Proceeds From Other Noncapital Financing Activities	509,268.81	202,616.67
Payments of Interest		
Payments for Transfers to Other Funds		(232,097.58)
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses		
Other Noncapital Transfers From/To System	10,943.86	(16,852.52)
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 9,635,015.82</u>	<u>\$ 9,536,526.22</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 85,316.36	\$ 133,046.16
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts		
Proceeds From Federal Grants and Contracts		
Proceeds From Gifts		
Proceeds From Interfund Payables		
Proceeds From Other Financing Activities		
Proceeds From Capital Contributions		
Payments for Additions to Capital Assets	(4,407,375.96)	(5,930,656.46)
Payments of Principal On Debt		
Payments for Capital Leases		
Payments of Interest On Debt Issuance		
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]	138,820.57	519,599.59
Intrasystem Transfers for Capital Debt [Mandatory]	(2,033,850.00)	(2,032,100.00)
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (6,217,089.03)</u>	<u>\$ (7,310,110.71)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	1,413,315.90	2,329,518.90
Proceeds From Interest and Investment Income	592,714.22	726,288.14
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ 2,006,030.12</u>	<u>\$ 3,055,807.04</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ 2,497,040.50</u>	<u>\$ (129,317.69)</u>
Cash and Cash Equivalents, Beginning of Year Restatement	<u>\$ 2,900,400.57</u>	<u>\$ 3,029,718.26</u>
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 2,900,400.57</u>	<u>\$ 3,029,718.26</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 5,397,441.07</u>	<u>\$ 2,900,400.57</u>

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EXHIBIT V
 TEXAS A&M ENGINEERING EXTENSION SERVICE
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(6,445,342.08)	(6,276,125.92)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	3,908,722.45	3,776,622.79
Bad Debt Expense	(3,101.20)	16,224.81
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	(7,777,092.01)	680,305.12
[Increase] Decrease In Due From Agencies/Funds	7,819,459.40	(3,234,520.98)
[Increase] Decrease In Due From System Members	31,841.23	(618,579.80)
[Increase] Decrease In Inventories	12,993.61	111,642.77
[Increase] Decrease In Prepaid Expenses		
[Increase] Decrease In Loans and Contracts		
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	838,369.69	(270,814.18)
Increase [Decrease] In Due to Other Agencies/Funds	106,358.20	119,451.67
Increase [Decrease] In Due to System Members		
Increase [Decrease] In Unearned Revenue	(1,531,352.36)	208,065.72
Increase [Decrease] In Deposits		
Increase [Decrease] In Employees' Compensable Leave	112,226.66	76,187.76
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities		
Total Adjustments	<u>\$ 3,518,425.67</u>	<u>\$ 864,585.68</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (2,926,916.41)</u>	<u>\$ (5,411,540.24)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$ 299,238.15	\$ 206,796.46
Net Change In Fair Value of Investments	2,884,844.77	661,641.62
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	307,655.08	133,046.16



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SCHEDULE THREE
TEXAS A&M ENGINEERING EXTENSION SERVICE
SCHEDULE OF CASH & CASH EQUIVALENTS
FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Cashiers Account	\$ 200.00
Petty Cash Department Working Fund	<u>600.00</u>
Total Cash On Hand	<u>\$ 800.00</u>
Cash In State Treasury	
Assets Held By System Offices-Current	<u>\$ 5,396,641.07</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 5,397,441.07</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 5,397,441.07</u></u>

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SCHEDULE N-2
 TEXAS A&M ENGINEERING EXTENSION SERVICE
 NOTE 2 - CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2017

	BALANCE 9-1-16	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 4,461,914.78	\$	\$
Construction In Progress	4,543,724.49		(4,021,898.69)
Other Tangible Capital Assets	32,099.00		
Total Non-Depreciable/Non-Amortizable Assets	\$ 9,037,738.27	\$	\$ (4,021,898.69)
Depreciable Assets			
Buildings	\$ 23,150,619.14	\$	\$ 1,280,634.45
Infrastructure	18,917,713.03		925,197.22
Facilities and Other Improvements	7,522,310.28		1,816,067.02
Furniture and Equipment	12,101,564.11		
Vehicles, Boats and Aircraft	7,751,303.69		
Total Depreciable Assets at Historical Cost	\$ 69,443,510.25	\$	\$ 4,021,898.69
Less Accumulated Depreciation for			
Buildings	\$ (7,728,391.32)	\$	\$
Infrastructure	(6,476,584.23)		
Facilities and Other Improvements	(2,611,006.03)		
Furniture and Equipment	(8,840,226.31)		
Vehicles, Boats and Aircraft	(5,857,055.41)		
Total Accumulated Depreciation	\$ (31,513,263.30)	\$	\$
Depreciable Assets, Net	\$ 37,930,246.95	\$	\$ 4,021,898.69
Amortizable Assets - Intangible			
Computer Software	\$ 479,266.80	\$	\$
Total Intangible Assets at Historical Cost	\$ 479,266.80	\$	\$
Less Accumulated Amortization for			
Computer Software	\$ (479,266.80)	\$	\$
Total Accumulated Amortization	\$ (479,266.80)	\$	\$
Amortizable Assets, Net	\$	\$	\$
Capital Assets, Net	\$ 46,967,985.22	\$	\$

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-17</u>
\$ 234,462.90	\$	\$ 3,205,369.97	\$ (959,068.57)	\$ 4,696,377.68 2,768,127.20 32,099.00
<u>\$ 234,462.90</u>	<u>\$</u>	<u>\$ 3,205,369.97</u>	<u>\$ (959,068.57)</u>	<u>\$ 7,496,603.88</u>
\$	\$	\$	\$	\$ 24,431,253.59 19,842,910.25 9,338,377.30
5,470.00		1,061,258.61 439,985.53	(967,411.71) (325,875.72)	12,200,881.01 7,865,413.50
<u>\$ 5,470.00</u>	<u>\$</u>	<u>\$ 1,501,244.14</u>	<u>\$ (1,293,287.43)</u>	<u>\$ 73,678,835.65</u>
\$	\$	\$ (1,107,350.98) (977,316.41) (386,642.62)	\$	\$ (8,835,742.30) (7,453,900.64) (2,997,648.65)
(5,470.00)		(850,835.71) (586,576.73)	919,916.98 315,947.39	(8,776,615.04) (6,127,684.75)
<u>\$ (5,470.00)</u>	<u>\$</u>	<u>\$ (3,908,722.45)</u>	<u>\$ 1,235,864.37</u>	<u>\$ (34,191,591.38)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (2,407,478.31)</u>	<u>\$ (57,423.06)</u>	<u>\$ 39,487,244.27</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 479,266.80</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 479,266.80</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (479,266.80)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (479,266.80)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>\$ 234,462.90</u>	<u>\$</u>	<u>\$ 797,891.66</u>	<u>\$ (1,016,491.63)</u>	<u>\$ 46,983,848.15</u>





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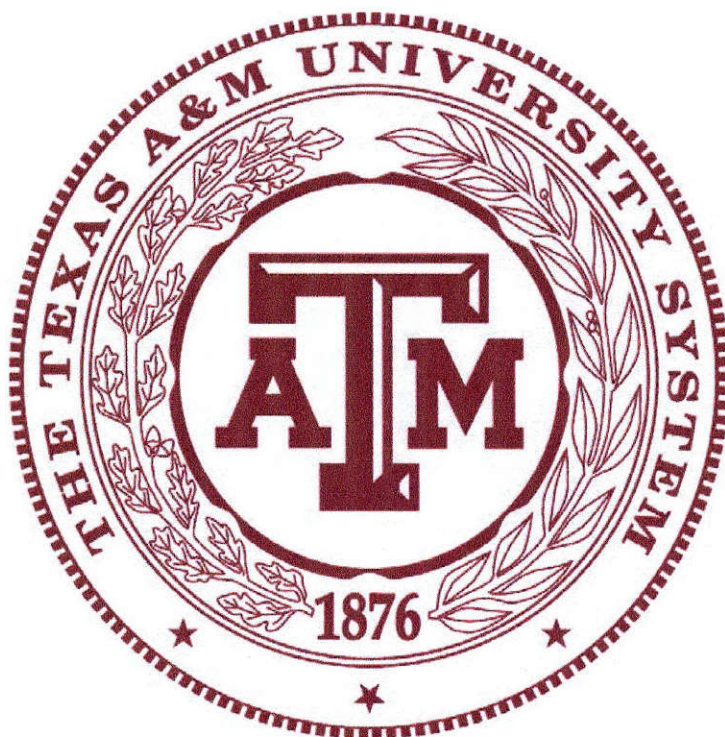
ANNUAL FINANCIAL REPORT

of

Texas A&M Transportation Institute

For the Year Ended August 31, 2017

With Comparative Totals for the Year Ended August 31, 2016



Gregory D. Winfree, Director

Joseph N. Dunn, Assistant Agency Director and Chief Financial Officer

Rodney J. Horrell, Assistant Chief Financial Officer

Marie Ethridge, Director of Accounting and Controller

Karen Coleman, Manager of Accounting



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TEXAS A&M TRANSPORTATION INSTITUTE

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EXHIBIT III
TEXAS A&M TRANSPORTATION INSTITUTE
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 5,542,801.89	\$ 4,661,977.96
Investments		
Restricted		
Cash & Cash Equivalents [Schedule Three]		
Investments		
Legislative Appropriations	1,393,988.23	1,079,532.41
Receivables, Net [Note 24]		
Federal	2,771,314.25	2,158,059.95
Other Intergovernmental	463,912.89	604,716.57
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student		
Investment Trades		
Accounts	10,625,495.55	11,950,718.34
Other	8,172.72	23,270.67
Due From Other Agencies	761,779.26	1,744,677.31
Due From Other Members	749,080.92	936,694.49
Due From Other Funds	6,249,326.94	8,116,140.84
Consumable Inventories		
Merchandise Inventories		
Loans and Contracts		
Interfund Receivable [Note 12]		
Other Current Assets		
Total Current Assets	<u>\$ 28,565,872.65</u>	<u>\$ 31,275,788.54</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 461,251.05	\$ 439,654.18
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts		
Assets Held By System Office	9,316,729.60	10,320,382.44
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements		
Construction In Progress		1,038,626.89
Other Tangible Capital Assets		
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	24,583,351.77	24,583,351.77
Infrastructure	903,784.56	
Facilities and Other Improvements	1,419,329.52	1,419,329.52
Furniture and Equipment	21,134,035.46	19,673,254.87
Vehicles, Boats, and Aircraft	3,060,215.81	2,790,210.99
Other Capital Assets		
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	95,455.00	195,388.80
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(26,373,002.25)	(24,263,631.63)
Assets Held In Trust	362,100.00	362,100.00
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 34,963,250.52</u>	<u>\$ 36,558,667.83</u>
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
Total Deferred Outflows of Resources	<u>\$</u>	<u>\$</u>
Total Assets and Deferred Outflows	<u>\$ 63,529,123.17</u>	<u>\$ 67,834,456.37</u>

UNAUDITED

EXHIBIT III
 TEXAS A&M TRANSPORTATION INSTITUTE
 STATEMENT OF NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 625,108.23	\$ 1,284,517.76
Payroll	4,616,750.57	4,159,950.14
Investment Trades		
Self-Insured Health and Dental		
Student		
Other	10.34	37,467.12
Interfund Payable [Note 12]		
Due to Other Agencies	12,979.69	8,523.90
Due to Other Funds	6,249,326.94	8,116,140.84
Due to Other Members	24,659.56	4,257.36
Funds Held for Investment		
Unearned Revenue	2,784,553.69	2,086,143.37
Employees' Compensable Leave	307,374.03	287,537.00
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations [Note 8]		
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Other Current Liabilities		
Total Current Liabilities	<u>\$ 14,620,763.05</u>	<u>\$ 15,984,537.49</u>
Non-Current Liabilities		
Interfund Payable [Note 12]		
Employees' Compensable Leave	\$ 4,246,750.12	\$ 4,160,832.78
Other Post Employment Benefits [Note 11]		
Pension Liability [Note 9]		
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Assets Held in Trust	362,100.00	362,100.00
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Capital Lease Obligations [Note 8]		
Other Non-Current Liabilities		
Total Non-Current Liabilities	<u>\$ 4,608,850.12</u>	<u>\$ 4,522,932.78</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 19,229,613.17</u>	<u>\$ 20,507,470.27</u>
Net Position		
Net Investment In Capital Assets	\$ 24,823,169.87	\$ 25,436,531.21
Restricted for		
Debt Service		
Capital Projects	698,796.33	691,428.43
Education	2,487,685.48	2,738,825.83
Endowment and Permanent Funds		
Nonexpendable		
Expendable	461,251.05	439,654.18
Unrestricted	<u>15,828,607.27</u>	<u>18,020,546.45</u>
Total Net Position [Exhibit IV]	<u>\$ 44,299,510.00</u>	<u>\$ 47,326,986.10</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 63,529,123.17</u>	<u>\$ 67,834,456.37</u>

UNAUDITED

EXHIBIT IV
 TEXAS A&M TRANSPORTATION INSTITUTE
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Operating Revenues		
Tuition and Fees	\$	\$
Discounts and Allowances		
Professional Fees		
Auxiliary Enterprises		
Discounts and Allowances		
Other Sales of Goods and Services	3,392,643.77	3,581,202.96
Discounts and Allowances		
Interest Revenue		
Federal Revenue - Operating	10,844,135.04	10,695,005.21
Federal Pass Through Revenue	4,227,806.48	3,692,336.25
State Grant Revenue	2,352,614.09	1,167,770.83
State Pass Through Revenue	385,000.00	-
Other Grants and Contracts - Operating	38,556,678.05	44,057,562.51
Other Operating Revenue	118,529.55	145,566.49
	<u> </u>	<u> </u>
Total Operating Revenues	\$ 59,877,406.98	\$ 63,339,444.25
Operating Expenses		
Instruction	\$	\$
Research	70,427,630.63	68,450,890.77
Public Service	1,821,330.43	1,815,186.31
Academic Support		
Student Services		
Institutional Support		
Operation & Maintenance of Plant		
Scholarships & Fellowships		
Auxiliary		
Depreciation/Amortization	3,167,813.18	2,746,476.67
	<u> </u>	<u> </u>
Total Operating Expenses [Schedule IV-1]	\$ 75,416,774.24	\$ 73,012,553.75
Total Operating Income [Loss]	\$ (15,539,367.26)	\$ (9,673,109.50)
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 11,340,190.19	\$ 11,191,727.43
Federal Revenue Non-Operating		
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	224,209.78	340,237.32
Investment Income	1,086,764.22	457,924.57
Investing Activities Expense	(28,066.38)	(25,097.98)
Interest Expense		
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	13,952.50	7,183.75
Settlement of Claims		
Other Nonoperating Revenues	424,307.81	23,606.86
Other Nonoperating [Expenses]	(58,182.64)	(477,076.98)
	<u> </u>	<u> </u>
Total Nonoperating Revenues [Expenses]	\$ 13,003,175.48	\$ 11,518,504.97
Income [Loss] Before Other Revenues and Transfers	\$ (2,536,191.78)	\$ 1,845,395.47

UNAUDITED

EXHIBIT IV
 TEXAS A&M TRANSPORTATION INSTITUTE
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Other Revenues and Transfers		
Capital Contributions	\$	\$ 22,883.00
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments		
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies		(123,828.38)
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	522,564.37	573,379.43
Nonmandatory Transfers From Members/Agencies-Cap Assets	17,733.36	
Transfers Out		
Transfers to Other State Agencies		
Mandatory Transfers to Other Members	(439,817.42)	(477,615.60)
Nonmandatory Transfers to Other Members	(260,656.96)	(166,642.71)
Nonmandatory Transfers to Members/Agencies - Cap Assets	(219,002.67)	(186,651.30)
Legislative Transfers - In		
Legislative Transfers - Out		
Legislative Appropriations Lapsed	(112,105.00)	
Total Other Revenues and Transfers	<u>\$ (491,284.32)</u>	<u>\$ (358,475.56)</u>
Change In Net Position	<u>\$ (3,027,476.10)</u>	<u>\$ 1,486,919.91</u>
Net Position, Beginning of Year	<u>\$ 47,326,986.10</u>	<u>\$ 45,840,066.19</u>
Restatement		
Net Position, Beginning of Year, Restated	<u>\$ 47,326,986.10</u>	<u>\$ 45,840,066.19</u>
Net Position, End of Year	<u><u>\$ 44,299,510.00</u></u>	<u><u>\$ 47,326,986.10</u></u>

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SCHEDULE IV-1
 TEXAS A&M TRANSPORTATION INSTITUTE
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
 FOR THE YEAR ENDED AUGUST 31, 2017

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$	\$	\$
Salaries & Wages		37,608,242.97	472,123.38		
Payroll Related Costs		9,414,630.82	125,744.33		
Payroll Related Costs-TRS Pension					
Professional Fees & Services		7,899,360.28	230,771.19		
Travel		1,645,422.46	38,676.99		
Materials & Supplies		2,450,976.50	16,498.47		
Communication & Utilities		2,698,708.78	1,676.54		
Repairs & Maintenance		1,674,752.47	15,207.77		
Rentals & Leases		2,473,198.32	172,744.22		
Printing & Reproduction		198,723.76	8,720.51		
Federal Pass-Through		141,159.80			
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					
Interest		1,859.03			
Scholarships		391,235.72			
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses		3,829,359.72	739,167.03		
Total Operating Expenses	\$	\$ 70,427,630.63	\$ 1,821,330.43	\$	\$

<u>INSTITUTIONAL SUPPORT</u>	<u>OPERATION & MAINTENANCE OF PLANT</u>	<u>SCHOLARSHIPS & FELLOWSHIPS</u>	<u>AUXILIARY</u>	<u>DEPRECIATION & AMORTIZATION</u>	<u>TOTAL</u>	<u>PRIOR YEAR</u>
\$	\$	\$	\$	\$	\$	\$
					38,080,366.35	37,137,726.92
					9,540,375.15	8,974,294.73
					8,130,131.47	7,895,192.04
					1,684,099.45	1,771,543.32
					2,467,474.97	2,810,296.88
					2,700,385.32	2,232,650.45
					1,689,960.24	1,251,145.47
					2,645,942.54	1,948,124.42
					207,444.27	257,533.32
					141,159.80	263,557.63
				3,167,813.18	3,167,813.18	2,746,476.67
					1,859.03	2,098.93
					391,235.72	406,983.64
						15,499.58
					4,568,526.75	5,299,429.75
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 3,167,813.18</u>	<u>\$ 75,416,774.24</u>	<u>\$ 73,012,553.75</u>

[Exhibit IV]

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EXHIBIT V
TEXAS A&M TRANSPORTATION INSTITUTE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 3,397,404.09	\$ 3,604,336.13
Proceeds Received From Customers	58,276,768.00	58,150,678.22
Proceeds From Grants and Contracts		
Proceeds From Auxiliary Enterprises		
Proceeds From Loan Programs		
Proceeds From Other Operating Revenues	118,529.55	145,566.49
Payments to Suppliers for Goods and Services	(24,784,239.86)	(22,824,516.72)
Payments to Employees	(47,058,186.70)	(45,842,574.96)
Payments for Loans Provided		
Payments for Other Operating Expenses	(507,537.53)	(695,864.68)
Net Cash Provided [Used] By Operating Activities	\$ (10,557,262.45)	\$ (7,462,375.52)
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 10,913,629.37	\$ 10,417,234.18
Proceeds From Gifts	224,209.78	340,237.32
Proceeds From Endowments		
Proceeds From Transfers From Other Funds	820,414.81	2,044,013.22
Proceeds From Other Grant Receipts		
Proceeds From Other Noncapital Financing Activities	424,307.81	3,339.86
Payments of Interest		
Payments for Transfers to Other Funds		
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(1,121.50)	(294,320.09)
Other Noncapital Transfers From/To System	(238,092.59)	(93,263.28)
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	\$ 12,143,347.68	\$ 12,417,241.21
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 13,952.50	\$ 7,183.75
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts		
Proceeds From Federal Grants and Contracts		
Proceeds From Gifts		
Proceeds From Interfund Payables		
Proceeds From Other Financing Activities		
Proceeds From Capital Contributions		
Payments for Additions to Capital Assets	(2,812,782.29)	(5,491,475.44)
Payments of Principal On Debt		
Payments for Capital Leases		
Payments of Interest On Debt Issuance		
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]	492,632.10	529,907.56
Intrasystem Transfers for Capital Debt [Mandatory]	(439,817.42)	(477,615.60)
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	\$ (2,746,015.11)	\$ (5,431,999.73)
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$ 1,857,683.84	\$ (152,789.45)
Sales and Purchases of Investments Held By System	183,069.97	176,049.98
Proceeds From Interest and Investment Income		
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	\$ 2,040,753.81	\$ 23,260.53
Net Increase [Decrease] In Cash and Cash Equivalents	\$ 880,823.93	\$ (453,873.51)
Cash and Cash Equivalents, Beginning of Year Restatement	\$ 4,661,977.96	\$ 5,115,851.47
Cash and Cash Equivalents, Beginning of Year, As Restated	\$ 4,661,977.96	\$ 5,115,851.47
Cash and Cash Equivalents, End of Year [Sch Three]	\$ 5,542,801.89	\$ 4,661,977.96

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EXHIBIT V
TEXAS A&M TRANSPORTATION INSTITUTE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(15,539,367.26)	(9,673,109.50)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	3,167,813.18	2,746,476.67
Bad Debt Expense	118,500.00	102,200.00
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	749,370.12	(2,029,867.14)
[Increase] Decrease In Due From Agencies/Funds	162,483.24	330,416.14
[Increase] Decrease In Due From System Members	194,981.47	221,402.70
[Increase] Decrease In Inventories		
[Increase] Decrease In Prepaid Expenses		
[Increase] Decrease In Loans and Contracts		
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	(240,065.88)	816,976.38
Increase [Decrease] In Due to Other Agencies/Funds	4,455.79	(13,491.90)
Increase [Decrease] In Due to System Members	20,402.20	3,668.07
Increase [Decrease] In Unearned Revenue	698,410.32	14,433.40
Increase [Decrease] In Deposits		
Increase [Decrease] In Employees' Compensable Leave	105,754.37	18,519.66
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities		
Total Adjustments	<u>\$ 4,982,104.81</u>	<u>\$ 2,210,733.98</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (10,557,262.45)</u>	<u>\$ (7,462,375.52)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$	\$ 22,883.00
Net Change In Fair Value of Investments	541,104.01	197,930.72
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	(187,316.81)	(179,467.55)



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SCHEDULE THREE
TEXAS A&M TRANSPORTATION INSTITUTE
SCHEDULE OF CASH & CASH EQUIVALENTS
FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Cashiers Account	\$ 500.00
Total Cash On Hand	<u>\$ 500.00</u>
Cash In State Treasury	
Assets Held By System Offices-Current	\$ 5,542,301.89
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 5,542,801.89</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 5,542,801.89</u></u>

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SCHEDULE N-2
 TEXAS A&M TRANSPORTATION INSTITUTE
 NOTE 2 - CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2017

	BALANCE 9-1-16	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Construction In Progress	\$ 1,038,626.89	\$	\$ (1,075,861.50)
Total Non-Depreciable/Non-Amortizable Assets	<u>\$ 1,038,626.89</u>	<u>\$</u>	<u>\$ (1,075,861.50)</u>
Depreciable Assets			
Buildings	\$ 24,583,351.77	\$	\$
Infrastructure			903,784.56
Facilities and Other Improvements	1,419,329.52		
Furniture and Equipment	19,673,254.87		172,076.94
Vehicles, Boats and Aircraft	2,790,210.99		
Total Depreciable Assets at Historical Cost	<u>\$ 48,466,147.15</u>	<u>\$</u>	<u>\$ 1,075,861.50</u>
Less Accumulated Depreciation for			
Buildings	\$ (9,327,449.21)	\$	\$
Infrastructure			
Facilities and Other Improvements	(657,282.97)		
Furniture and Equipment	(12,297,247.76)		
Vehicles, Boats and Aircraft	(1,786,262.89)		
Total Accumulated Depreciation	<u>\$ (24,068,242.83)</u>	<u>\$</u>	<u>\$</u>
Depreciable Assets, Net	<u>\$ 24,397,904.32</u>	<u>\$</u>	<u>\$ 1,075,861.50</u>
Amortizable Assets - Intangible			
Computer Software	\$ 195,388.80	\$	\$
Total Intangible Assets at Historical Cost	<u>\$ 195,388.80</u>	<u>\$</u>	<u>\$</u>
Less Accumulated Amortization for			
Computer Software	\$ (195,388.80)	\$	\$
Total Accumulated Amortization	<u>\$ (195,388.80)</u>	<u>\$</u>	<u>\$</u>
Amortizable Assets, Net	<u>\$</u>	<u>\$</u>	<u>\$</u>
Capital Assets, Net	<u>\$ 25,436,531.21</u>	<u>\$</u>	<u>\$</u>

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-17</u>
\$	\$	\$ 37,234.61	\$	\$
\$	\$	\$ 37,234.61	\$	\$
\$	\$	\$	\$	\$ 24,583,351.77
				903,784.56
				1,419,329.52
89,070.00	(264,121.05)	2,386,966.01	(923,211.31)	21,134,035.46
		388,581.67	(118,576.85)	3,060,215.81
<u>\$ 89,070.00</u>	<u>\$ (264,121.05)</u>	<u>\$ 2,775,547.68</u>	<u>\$ (1,041,788.16)</u>	<u>\$ 51,100,717.12</u>
\$	\$	\$ (1,066,831.80)	\$	\$ (10,394,281.01)
		(7,531.54)		(7,531.54)
		(56,294.04)		(713,577.01)
(71,336.64)	45,118.38	(1,788,291.04)	866,150.17	(13,245,606.89)
		(248,864.76)	118,576.85	(1,916,550.80)
<u>\$ (71,336.64)</u>	<u>\$ 45,118.38</u>	<u>\$ (3,167,813.18)</u>	<u>\$ 984,727.02</u>	<u>\$ (26,277,547.25)</u>
<u>\$ 17,733.36</u>	<u>\$ (219,002.67)</u>	<u>\$ (392,265.50)</u>	<u>\$ (57,061.14)</u>	<u>\$ 24,823,169.87</u>
\$	\$	\$	\$ (99,933.80)	\$ 95,455.00
\$	\$	\$	\$ (99,933.80)	\$ 95,455.00
\$	\$	\$	\$ 99,933.80	\$ (95,455.00)
\$	\$	\$	\$ 99,933.80	\$ (95,455.00)
\$	\$	\$	\$	\$
<u>\$ 17,733.36</u>	<u>\$ (219,002.67)</u>	<u>\$ (355,030.89)</u>	<u>\$ (57,061.14)</u>	<u>\$ 24,823,169.87</u>





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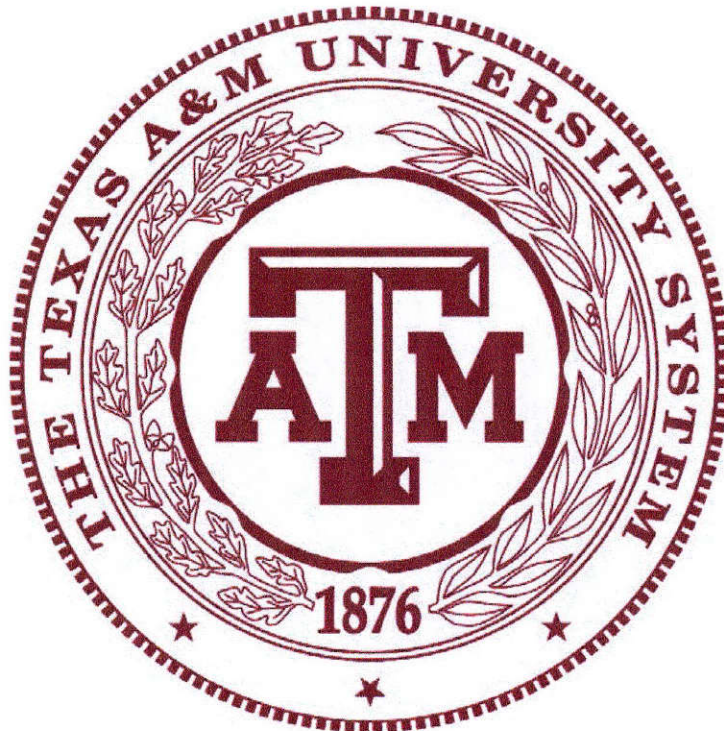
ANNUAL FINANCIAL REPORT

of

Texas A&M University System Offices

For the Year Ended August 31, 2017

With Comparative Totals for the Year Ended August 31, 2016



John Sharp, Chancellor

Billy Hamilton, Executive Vice Chancellor and Chief Financial Officer



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TEXAS A&M UNIVERSITY SYSTEM OFFICES

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THREE	Schedule of Cash & Cash Equivalents	710-13-1
N-2	Note 2 - Capital Assets	710-14-1

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EXHIBIT III
TEXAS A&M UNIVERSITY SYSTEM OFFICES
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 1,223,761,434.43	\$ 1,060,666,976.67
Investments	402,124,956.22	
Restricted		
Cash & Cash Equivalents [Schedule Three]	850,445,758.21	379,278,288.72
Investments		
Legislative Appropriations	3,124.37	.88
Receivables, Net [Note 24]		
Federal	9,986,528.17	22,719,926.92
Other Intergovernmental	9,277,259.82	
Interest and Dividends	10,138,710.85	7,946,186.06
Gifts		
Self-Insured Health and Dental	31,919,586.74	31,869,492.35
Student		
Investment Trades	66,185,382.24	69,067,138.96
Accounts	347,196.66	324,136.86
Other		
Due From Other Agencies	2,608,906.32	789,045.14
Due From Other Members	118,073,358.71	118,497,769.61
Due From Other Funds	26,327,495.48	38,508,030.05
Consumable Inventories	12,624.11	13,481.38
Merchandise Inventories		
Loans and Contracts		
Interfund Receivable [Note 12]	84,930,000.00	48,475,000.00
Other Current Assets		
Total Current Assets	\$ 2,836,142,322.33	\$ 1,778,155,473.60
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 4,718,704.10	\$ 4,606,187.80
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts		
Assets Held By System Office	338,080,473.25	281,964,805.49
Investments [Note 3]	4,341,491,976.33	4,062,903,649.81
Interfund Receivable [Note 12]	891,586,119.86	971,261,060.04
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	1,619,756.36	2,975,618.36
Construction In Progress	612,543,502.37	548,038,155.88
Other Tangible Capital Assets	164,156.73	230,000.25
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	18,643,271.63	18,853,135.02
Infrastructure	40,682,608.00	40,682,608.00
Facilities and Other Improvements	149,981.79	149,981.79
Furniture and Equipment	15,945,182.56	15,450,093.99
Vehicles, Boats, and Aircraft	10,972,145.43	10,892,470.18
Other Capital Assets	50,331.53	50,050.13
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	1,433,036.85	1,433,036.85
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(64,989,647.05)	(60,182,347.80)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	\$ 6,213,091,599.74	\$ 5,899,308,505.79
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$ 37,094,320.38	\$ 38,812,671.80
Government Acquisition		
Pensions	124,267,852.00	79,160,948.00
Total Deferred Outflows of Resources	\$ 161,362,172.38	\$ 117,973,619.80
Total Assets and Deferred Outflows	\$ 9,210,596,094.45	\$ 7,795,437,599.19

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EXHIBIT III
TEXAS A&M UNIVERSITY SYSTEM OFFICES
STATEMENT OF NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 11,828,915.85	\$ 18,129,630.47
Payroll	2,820,220.56	2,208,320.51
Investment Trades	70,969,701.34	122,134,467.38
Self-Insured Health and Dental	17,675,000.00	15,995,000.00
Student		
Other	2,211,368.06	1,953,944.98
Interfund Payable [Note 12]		
Due to Other Agencies		
Due to Other Funds	26,327,495.48	38,508,030.05
Due to Other Members	339,679,195.17	315,277,486.45
Funds Held for Investment	5,292,035,060.21	4,452,067,561.98
Unearned Revenue	147,504.33	18,637.03
Employees' Compensable Leave	191,775.27	160,861.01
Claims and Judgments	3,144,816.00	3,619,000.00
Notes and Loans Payable [Note 5]	34,740,333.34	29,509,287.34
Bonds Payable [Note 6]	220,310,747.82	181,865,242.06
Capital Lease Obligations [Note 8]	363,435.75	1,633,623.20
Liabilities Payable From Restricted Assets	60,752,538.29	26,493,447.82
Funds Held for Others	7,024,704.83	4,104,348.17
Other Current Liabilities	270,000.00	250,000.00
Total Current Liabilities	<u>\$ 6,090,492,812.30</u>	<u>\$ 5,213,928,888.45</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$	\$
Employees' Compensable Leave	2,953,043.20	2,743,763.96
Other Post Employment Benefits [Note 11]	1,285,351,239.00	1,117,799,433.00
Pension Liability [Note 9]	457,523,817.00	399,241,902.00
Claims and Judgments	8,372,325.00	7,564,000.00
Notes and Loans Payable [Note 5]	262,900,333.28	151,452,712.62
Bonds Payable [Note 6]	3,751,597,471.19	3,227,306,356.03
Assets Held In Trust		
Liabilities Payable From Restricted Assets	13,722,416.23	20,922,144.22
Funds Held for Others	270,904,615.16	250,743,218.23
Capital Lease Obligations [Note 8]	3,794,091.02	3,350,565.15
Other Non-Current Liabilities	560,000.00	470,000.00
Total Non-Current Liabilities	<u>\$ 6,057,679,351.08</u>	<u>\$ 5,181,594,095.21</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$ 71,750,702.00	\$ 72,953,213.00
Total Deferred Inflows of Resources	<u>\$ 71,750,702.00</u>	<u>\$ 72,953,213.00</u>
Total Liabilities and Deferred Inflows	<u>\$ 12,219,922,865.38</u>	<u>\$ 10,468,476,196.66</u>
Net Position		
Net Investment In Capital Assets	\$ (2,786,452,549.94)	\$ (2,636,853,611.93)
Restricted for		
Debt Service		
Capital Projects	(39,375,321.54)	(42,286,288.21)
Education	3,361,609.90	3,481,460.68
Endowment and Permanent Funds		
Nonexpendable		
Expendable	53,548.23	51,040.97
Unrestricted	(186,914,057.58)	2,568,801.02
Total Net Position [Exhibit IV]	<u>\$ (3,009,326,770.93)</u>	<u>\$ (2,673,038,597.47)</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 9,210,596,094.45</u>	<u>\$ 7,795,437,599.19</u>

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EXHIBIT IV
 TEXAS A&M UNIVERSITY SYSTEM OFFICES
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$	\$
Discounts and Allowances		
Professional Fees	1,036,511.00	915,717.72
Auxiliary Enterprises	125,842.56	52,047.87
Discounts and Allowances		
Other Sales of Goods and Services	696,194.88	427,055.49
Discounts and Allowances		
Interest Revenue		
Federal Revenue - Operating	14,558,502.32	24,554,286.42
Federal Pass Through Revenue	576,794.87	(288,752.03)
State Grant Revenue		
State Pass Through Revenue	94,014.04	
Other Grants and Contracts - Operating	3,791,840.00	548,510.87
Other Operating Revenue	25,640,629.61	22,100,103.43
Total Operating Revenues	<u>\$ 46,520,329.28</u>	<u>\$ 48,308,969.77</u>
Operating Expenses		
Instruction	\$	\$
Research	8,168,090.32	20,138,372.32
Public Service	2,068,764.63	698,866.21
Academic Support		
Student Services		
Institutional Support	215,310,482.95	158,196,583.58
Operation & Maintenance of Plant	6,556,857.38	2,565,728.95
Scholarships & Fellowships	767,528.00	767,609.50
Auxiliary	591,153.18	602,168.33
Depreciation/Amortization	5,254,182.58	3,086,971.61
Total Operating Expenses [Schedule IV-1]	<u>\$ 238,717,059.04</u>	<u>\$ 186,056,300.50</u>
Total Operating Income [Loss]	<u>\$ (192,196,729.76)</u>	<u>\$ (137,747,330.73)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 855,586.00	\$ 855,591.00
Federal Revenue Non-Operating		
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	777,971.58	(86,937.78)
Investment Income	105,981,898.72	96,774,305.86
Investing Activities Expense	(6,055,450.18)	(5,445,561.19)
Interest Expense	(139,963,199.97)	(156,755,878.38)
Borrower Rebates and Agent Fees	(4,230,202.68)	(5,090,806.43)
Gain [Loss] On Sale or Disposal of Capital Assets	252,130.05	
Settlement of Claims	5,000.00	(110,000.00)
Other Nonoperating Revenues	10,036,264.56	50,062.54
Other Nonoperating [Expenses]	(8,418,530.89)	(2,876,368.22)
Total Nonoperating Revenues [Expenses]	<u>\$ (40,758,532.81)</u>	<u>\$ (72,685,592.60)</u>
Income [Loss] Before Other Revenues and Transfers	<u>\$ (232,955,262.57)</u>	<u>\$ (210,432,923.33)</u>

UNAUDITED

EXHIBIT IV
 TEXAS A&M UNIVERSITY SYSTEM OFFICES
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Other Revenues and Transfers		
Capital Contributions	\$	\$
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments		
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	299,458,731.32	279,888,419.24
Mandatory Transfers From Other Members	168,694,576.81	171,984,897.73
Nonmandatory Transfers From Other Members	121,771,543.54	146,486,770.43
Nonmandatory Transfers From Members/Agencies-Cap Assets		18,698,871.35
Transfers Out		
Transfers to Other State Agencies	(43,219,940.18)	
Mandatory Transfers to Other Members		
Nonmandatory Transfers to Other Members	(332,705,608.26)	(297,097,332.05)
Nonmandatory Transfers to Members/Agencies - Cap Assets	(448,434,301.32)	(439,210,488.43)
Legislative Transfers - In	131,102,087.20	66,191,537.40
Legislative Transfers - Out		
Legislative Appropriations Lapsed		
	<u> </u>	<u> </u>
Total Other Revenues and Transfers	\$ (103,332,910.89)	\$ (53,057,324.33)
Change In Net Position	\$ (336,288,173.46)	\$ (263,490,247.66)
Net Position, Beginning of Year	\$ (2,673,038,597.47)	\$ (2,428,595,622.04)
Restatement		19,047,272.23
	<u> </u>	<u> </u>
Net Position, Beginning of Year, Restated	\$ (2,673,038,597.47)	\$ (2,409,548,349.81)
Net Position, End of Year	<u> </u>	<u> </u>
	\$ (3,009,326,770.93)	\$ (2,673,038,597.47)

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SCHEDULE IV-1
 TEXAS A&M UNIVERSITY SYSTEM OFFICES
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
 FOR THE YEAR ENDED AUGUST 31, 2017

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$	\$	\$
Salaries & Wages		(90.58)			
Payroll Related Costs		(6.93)			
Payroll Related Costs-TRS Pension					
Professional Fees & Services			1,974,651.66		
Travel			237.93		
Materials & Supplies					
Communication & Utilities					
Repairs & Maintenance					
Rentals & Leases					
Printing & Reproduction					
Federal Pass-Through		8,168,187.83			
State Pass-Through			91,875.00		
Depreciation & Amortization					
Bad Debt Expense					
Interest			4.81		
Scholarships					
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses			1,995.23		
Total Operating Expenses	\$	\$ 8,168,090.32	\$ 2,068,764.63	\$	\$

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$	\$	\$	\$	\$	\$
14,592,581.17					14,592,490.59	13,931,336.96
4,266,652.22					4,266,645.29	3,830,123.66
12,319,872.00					12,319,872.00	(5,230,194.00)
12,306,462.93	694,582.26		499,594.19		15,475,291.04	8,729,601.64
274,600.03					274,837.96	293,320.02
631,734.73	545,846.93		64.86		1,177,646.52	1,406,280.77
631,904.92					631,904.92	814,649.78
539,128.96	(49,575.46)		71,315.95		560,869.45	557,076.73
1,374,348.41	1,345.88		3,194.50		1,378,888.79	1,139,855.84
34,540.80					34,540.80	37,289.73
574,619.92					8,742,807.75	19,346,760.97
		763,711.00			855,586.00	855,586.00
				5,254,182.58	5,254,182.58	3,086,971.61
2,846.41	1,503.70				4,354.92	3,951.68
		3,550.00			3,550.00	3,600.00
	3,276,037.09				3,276,037.09	482,603.00
167,551,806.00					167,551,806.00	133,925,088.00
209,384.45	2,087,116.98	267.00	16,983.68		2,315,747.34	2,842,398.11
<u>\$ 215,310,482.95</u>	<u>\$ 6,556,857.38</u>	<u>\$ 767,528.00</u>	<u>\$ 591,153.18</u>	<u>\$ 5,254,182.58</u>	<u>\$ 238,717,059.04</u>	<u>\$ 186,056,300.50</u>

[Exhibit IV]

UNAUDITED

EXHIBIT V
TEXAS A&M UNIVERSITY SYSTEM OFFICES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 1,787,759.54	\$ 932,853.29
Proceeds Received From Customers	22,466,568.45	44,673,278.46
Proceeds From Grants and Contracts	43,859.06	52,047.87
Proceeds From Auxiliary Enterprises		
Proceeds From Loan Programs		
Proceeds From Other Operating Revenues	25,640,629.61	22,100,103.43
Payments to Suppliers for Goods and Services	(23,899,187.54)	(11,208,672.47)
Payments to Employees	(18,354,414.33)	(16,642,934.15)
Payments for Loans Provided		
Payments for Other Operating Expenses	(24,131,104.36)	(50,404,537.17)
Net Cash Provided [Used] By Operating Activities	<u>\$ (16,445,889.57)</u>	<u>\$ (10,497,860.74)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 852,462.51	\$ 967,983.05
Proceeds From Gifts	777,971.58	222,862.22
Proceeds From Endowments		
Proceeds From Transfers From Other Funds	340,870,337.82	273,365,179.90
Proceeds From Other Grant Receipts		
Proceeds From Other Noncapital Financing Activities	10,210,671.41	22,854,783.98
Payments of Interest		
Payments for Transfers to Other Funds	(43,219,940.18)	
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(3,832,501.00)	(34,979,775.86)
Other Noncapital Transfers From/To System	(163,384,537.60)	(129,009,861.65)
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 142,274,464.54</u>	<u>\$ 133,421,171.64</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 1,618,485.22	\$ 1,237,885,795.69
Proceeds From Debt Issuance	1,100,307,758.37	
Proceeds From State Grants and Contracts		
Proceeds From Federal Grants and Contracts		
Proceeds From Gifts		
Proceeds From Interfund Payables		
Proceeds From Other Financing Activities		
Proceeds From Capital Contributions		
Payments for Additions to Capital Assets	(489,109,726.20)	(466,887,612.56)
Payments of Principal On Debt	(420,892,470.79)	(954,358,057.54)
Payments for Capital Leases	(872,201.13)	
Payments of Interest On Debt Issuance	(138,244,848.55)	(187,868,172.31)
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance	(4,230,202.68)	(5,090,806.43)
Transfer of Capital Debt Proceeds From System [Nonmandatory]	(66,156,848.59)	(63,822,596.62)
Intrasystem Transfers for Capital Debt [Mandatory]	299,796,664.01	238,176,435.13
Intrasystem Transfers for Construction Proceeds [Non-Mand]	52,398,941.99	56,983,744.61
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ 334,615,551.65</u>	<u>\$ (144,981,270.03)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$ 2,799,410,253.98	\$ 2,899,367,968.32
Sales and Purchases of Investments Held By System	506,712,935.89	306,199,986.21
Proceeds From Interest and Investment Income	54,201,083.17	64,340,555.78
Payments to Acquire Investments	(3,186,506,472.41)	(3,098,078,560.74)
Net Cash Provided [Used] By Investing Activities	<u>\$ 173,817,800.63</u>	<u>\$ 171,829,949.57</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ 634,261,927.25</u>	<u>\$ 149,771,990.44</u>
Cash and Cash Equivalents, Beginning of Year Restatement	<u>\$ 1,439,945,265.39</u>	<u>\$ 1,290,173,274.95</u>
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 1,439,945,265.39</u>	<u>\$ 1,290,173,274.95</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 2,074,207,192.64</u>	<u>\$ 1,439,945,265.39</u>

UNAUDITED

EXHIBIT V
TEXAS A&M UNIVERSITY SYSTEM OFFICES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(192,196,729.76)	(137,747,330.73)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	5,254,182.58	3,086,971.61
Bad Debt Expense		
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	3,382,984.74	16,249,723.97
[Increase] Decrease In Due From Agencies/Funds	(11,527.50)	336,044.60
[Increase] Decrease In Due From System Members	4,260,977.81	(10,569,215.02)
[Increase] Decrease In Inventories	857.27	7,797.57
[Increase] Decrease In Prepaid Expenses		
[Increase] Decrease In Loans and Contracts		
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	(5,688,796.50)	14,860,667.55
Increase [Decrease] In Due to Other Agencies/Funds		
Increase [Decrease] In Due to System Members	(13,226,478.71)	(20,584,781.74)
Increase [Decrease] In Unearned Revenue		(1,286,198.60)
Increase [Decrease] In Deposits		
Increase [Decrease] In Employees' Compensable Leave	240,193.50	355,510.62
Increase [Decrease] In OPEB Liability	167,551,806.00	133,925,088.00
Increase [Decrease] In Pension Liability	11,972,500.00	(4,563,036.68)
Increase [Decrease] In Self Insured Accrued Liability	2,014,141.00	(4,569,101.89)
Increase [Decrease] In Other Liabilities		
Total Adjustments	<u>\$ 175,750,840.19</u>	<u>\$ 127,249,469.99</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (16,445,889.57)</u>	<u>\$ (10,497,860.74)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$	\$
Net Change In Fair Value of Investments	29,095,684.74	3,028,947.37
Refunding of Long Term Debt	126,350,000.00	674,595,000.00
Amortization of Bond Premiums and Discounts	38,481,206.13	57,887,652.71
Borrowing Under Capital Lease Purchase		
Other	(448,182,171.27)	(420,511,617.08)

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Schedule 2A
The Texas A&M University System
 Schedule of Miscellaneous Bond Information
 For the Year Ended August 31, 2017

Description	Bonds Issued to Date	Range of Interest Rates	Maturities			
			First Year	First Call Date	Last Year	
Revenue Bonds - Self Supporting						
Permanent University Fund Bonds, Series 1998						
Revenue Bonds	\$ 92,520,000.00	3.55 - 5.5%	7/1/1999	7/1/2008 (1) (2)	7/1/2028	
Permanent University Fund Bonds, Series 2009AB						
Revenue Bonds	218,895,000.00	2.5 - 5.5%	7/1/2010	7/1/2025 (1) (2)	7/1/2034	
Permanent University Fund Bonds, Series 2011						
Revenue Bonds	87,145,000.00	2.0 - 5.0%	7/1/2012	7/1/2021 (1)	7/1/2031	
Permanent University Fund Bonds, Series 2012A						
Revenue Bonds	70,680,000.00	4.0 - 5.0%	7/1/2013	7/1/2022 (1)	7/1/2024	
Permanent University Fund Bonds, Taxable Series 2012B						
Revenue Bonds	125,750,000.00	0.579 - 3.575%	7/1/2013	Make Whole (2) (3)	7/1/2032	
Permanent University Fund Bonds, Series 2013						
Revenue Bonds	208,465,000.00	3.0 - 5.0%	7/1/2014	7/1/2023 (1)	7/1/2033	
Permanent University Fund Bonds, Series 2015A						
Revenue Bonds	143,555,000.00	3.5 - 5.75%	7/1/2015	7/1/2025 (1)	7/1/2036	
Permanent University Fund Bonds, Taxable Series 2015B						
Revenue Bonds	145,445,000.00	1.0 - 3.60%	7/1/2015	7/1/2025 (1) (2)	7/1/2036	
Revenue Financing System Bonds, Series 2008						
Revenue Bonds	164,900,000.00	4.5 - 5.0%	5/15/2008	5/15/2018 (1) (2)	5/15/2037	
Tuition Revenue Bonds	4,615,000.00				5/15/2027	
Revenue Financing System Bonds, Series 2009A						
Tuition Revenue Bonds	251,735,000.00	3.0 - 5.0%	5/15/2010	5/15/2019 (1)	5/15/2029	
Revenue Financing System Bonds, Series 2009B						
Revenue Bonds	78,085,000.00	2.25 - 5.0%	5/15/2010	5/15/2019 (1) (2)	5/15/2039	
Revenue Financing System Bonds, Series 2009C						
Tuition Revenue Bonds	54,240,000.00	2.0 - 5.0%	5/15/2010	11/15/2019 (1)	5/15/2029	
Revenue Financing System Bonds, Series 2009D						
Revenue Bonds	320,760,000.00	4.0 - 5.0%	5/15/2011	11/15/2019 (1) (2)	5/15/2040	
Revenue Financing System Bonds, Series 2010A						
Tuition Revenue Bonds	95,065,000.00	1.5 - 5.0%	8/2/2010	5/15/2020 (1)	5/15/2029	
Revenue Financing System Bonds, Series 2010B						
Revenue Bonds	146,120,000.00	3.0 - 5.0%	5/15/2011	5/15/2020 (1) (2)	5/15/2039	
Revenue Financing System Bonds, Series 2011A						
Revenue Bonds	16,605,000.00	2.5 - 4.0%	5/15/2011	5/15/2020 (1)	5/15/2021	
Tuition Revenue Bonds	5,730,000.00				5/15/2017	
Revenue Financing System Bonds, Series 2011B						
Revenue Bonds	105,365,000.00	3.0 - 5.5%	5/15/2012	5/15/2020 (1) (2)	5/15/2041	

UNAUDITED

Schedule 2A
The Texas A&M University System
 Schedule of Miscellaneous Bond Information
 For the Year Ended August 31, 2017

Description	Bonds Issued to Date	Range of Interest Rates	Maturities		
			First Year	First Call Date	Last Year
Revenue Bonds - Self Supporting					
Revenue Financing System Bonds, Series 2013A Tuition Revenue Bonds	40,955,000.00	2.0 - 5.0%	5/15/2014	N/A	5/15/2022
Revenue Financing System Bonds, Series 2013B Revenue Bonds	265,405,000.00	3.0 - 5.0%	5/15/2014	5/15/2023 (1) (2)	5/15/2043
Revenue Financing System Bonds, Taxable Series 2013C Revenue Bonds	239,965,000.00	0.38 - 4.972%	5/15/2014	5/15/2023 (1) (2)	5/15/2043
Revenue Financing System Bonds, Series 2013D Revenue Bonds	94,365,000.00	1.875 - 5.0%	5/15/2016	5/15/2023 (1)	5/15/2028
Revenue Financing System Bonds, Series 2015A Tuition Revenue Bonds	64,670,000.00	2.0 - 5.0%	5/15/2015	5/15/2023 (1)	5/15/2025
Revenue Financing System Bonds, Series 2015B Revenue Bonds	142,155,000.00	2.0 - 5.0%	5/15/2015	5/15/2023 (1) (2)	5/15/2044
Revenue Financing System Bonds, Taxable Series 2015C Revenue Bonds	176,925,000.00	0.12 - 3.451%	5/15/2015	Make Whole (2) (3)	5/15/2034
Revenue Financing System Bonds, Taxable Series 2015D Revenue Bonds	67,250,000.00	4.0 - 5.0%	5/15/2016	5/15/2025 (1) (2)	5/15/2045
Revenue Financing System Bonds, Taxable Series 2016A Revenue Bonds Tuition Revenue Bonds	88,565,000.00 2,955,000.00	0.510 - 3.993%	5/15/2016	5/15/2026 (1) (2)	5/15/2037 5/15/2027
Revenue Financing System Bonds, Taxable Series 2016B Revenue Bonds	325,575,000.00	0.850 - 4.113%	5/15/2017	5/15/2026 (1) (2)	5/15/2045
Revenue Financing System Bonds, Series 2016C Revenue Bonds Tuition Revenue Bonds	85,740,000.00 121,705,000.00	3.0 - 5.0%	5/15/2017	5/15/2026 (1)	5/15/2040 5/15/2029
Revenue Financing System Bonds, Taxable Series 2016D Revenue Bonds Tuition Revenue Bonds	154,265,000.00 22,595,000.00	0.535 - 3.579%	5/15/2017	5/15/2026 Make Whole (1) (2) (3)	5/15/2040 5/15/2029
Revenue Financing System Bonds, Series 2016E Revenue Bonds Tuition Revenue Bonds	118,950,000.00 20,400,000.00	2.0 - 5.0%	5/15/2017	5/15/2026 (1)	5/15/2035 5/15/2029
Revenue Financing System Bonds, Taxable Series 2017A Tuition Revenue Bonds	388,705,000.00	0.700 - 3.531%	5/15/2017	Make Whole (3)	5/15/2032
Revenue Financing System Bonds, Taxable Series 2017B Revenue Bonds Tuition Revenue Bonds	12,072,992.00 386,597,008.00	1.455 - 3.386%	5/15/2018	5/15/2027 (1)	5/15/2032 5/15/2032
Revenue Financing System Bonds, Series 2017C Revenue Bonds Tuition Revenue Bonds	64,980,000.00 32,445,000.00	3.0 - 5.0%	5/15/2018	5/15/2027 (1) (2)	5/15/2039 5/15/2028
	<u>\$ 5,252,915,000.00</u>				

(1) Option for Partial Redemption

(2) Mandatory Redemption Required

(3) Subject to redemption prior to maturity on any business day at the "Make Whole Redemption Price"

UNAUDITED

Schedule 2B

The Texas A&M University System

Schedule of Changes in Bonded Indebtedness

For the Year Ended August 31, 2017

Description	Bonds Outstanding September 1, 2016	Bonds Issued or Converted	Bonds Matured or Retired	Bonds Refunded	Bonds Outstanding August 31, 2017
Revenue Bonds - Self Supporting					
Permanent University Fund Bonds, Series 1998 Revenue Bonds	\$ 28,795,000.00	\$	\$	\$	\$ 28,795,000.00
Permanent University Fund Bonds, Series 2009AB Revenue Bonds	210,910,000.00		690,000.00		210,220,000.00
Permanent University Fund Bonds, Series 2011 Revenue Bonds	76,100,000.00		1,720,000.00		74,380,000.00
Permanent University Fund Bonds, Series 2012A Revenue Bonds	70,680,000.00				70,680,000.00
Permanent University Fund Bonds, Taxable Series 2012B Revenue Bonds	104,030,000.00		5,545,000.00		98,485,000.00
Permanent University Fund Bonds, Series 2013 Revenue Bonds	148,680,000.00		21,660,000.00		127,020,000.00
Permanent University Fund Bonds, Series 2015A Revenue Bonds	142,260,000.00		830,000.00		141,430,000.00
Permanent University Fund Bonds, Taxable Series 2015B Revenue Bonds	133,920,000.00		7,730,000.00		126,190,000.00
Revenue Financing System Bonds, Series 2008 Revenue Bonds	16,295,000.00		8,840,000.00		7,455,000.00
Tuition Revenue Bonds	450,000.00		220,000.00		230,000.00
Revenue Financing System Bonds, Series 2009A Tuition Revenue Bonds	31,955,000.00		10,145,000.00		21,810,000.00
Revenue Financing System Bonds, Series 2009B Revenue Bonds	8,200,000.00		2,875,000.00		5,325,000.00
Revenue Financing System Bonds, Series 2009C Tuition Revenue Bonds	5,990,000.00		1,915,000.00		4,075,000.00
Revenue Financing System Bonds, Series 2009D Revenue Bonds	32,915,000.00		10,450,000.00		22,465,000.00
Revenue Financing System Bonds, Series 2010A Tuition Revenue Bonds	68,915,000.00		7,005,000.00	40,495,000.00	21,415,000.00
Revenue Financing System Bonds, Series 2010B Revenue Bonds	111,265,000.00		7,195,000.00	80,855,000.00	23,215,000.00
Revenue Financing System Bonds, Series 2011A Revenue Bonds	8,680,000.00		1,685,000.00		6,995,000.00
Tuition Revenue Bonds	265,000.00		265,000.00		-
Revenue Financing System Bonds, Series 2011B Revenue Bonds	95,090,000.00		2,510,000.00		92,580,000.00
Revenue Financing System Bonds, Series 2013A Tuition Revenue Bonds	27,390,000.00		3,375,000.00		24,015,000.00
Revenue Financing System Bonds, Series 2013B Revenue Bonds	216,795,000.00		6,630,000.00		210,165,000.00
Revenue Financing System Bonds, Taxable Series 2013C Revenue Bonds	231,765,000.00		1,240,000.00		230,525,000.00
Revenue Financing System Bonds, Series 2013D Revenue Bonds	93,860,000.00		4,750,000.00		89,110,000.00

UNAUDITED

Schedule 2B
The Texas A&M University System
Schedule of Changes in Bonded Indebtedness
For the Year Ended August 31, 2017

<u>Description</u>	<u>Unamortized Premium</u>	<u>Net Bonds Outstanding August 31, 2017</u>	<u>Principal Due Within One Year</u>	<u>Premium Amortization Due Within One Year</u>	<u>Amounts Due Within One Year</u>	<u>Bonds Outstanding August 31, 2017</u>
Revenue Bonds - Self Supporting						
Permanent University Fund Bonds, Series 1998 Revenue Bonds	\$	\$ 28,795,000.00	\$ -	\$	\$ -	\$ 28,795,000.00
Permanent University Fund Bonds, Series 2009AB Revenue Bonds		210,220,000.00	715,000.00		715,000.00	210,220,000.00
Permanent University Fund Bonds, Series 2011 Revenue Bonds	6,105,471.32	80,485,471.32	1,780,000.00	722,302.29	2,502,302.29	74,380,000.00
Permanent University Fund Bonds, Series 2012A Revenue Bonds	8,305,901.80	78,985,901.80	-	1,830,007.91	1,830,007.91	70,680,000.00
Permanent University Fund Bonds, Taxable Series 2012B Revenue Bonds		98,485,000.00	5,625,000.00		5,625,000.00	98,485,000.00
Permanent University Fund Bonds, Series 2013 Revenue Bonds	6,482,795.24	133,502,795.24	22,735,000.00	2,094,696.38	24,829,696.38	127,020,000.00
Permanent University Fund Bonds, Series 2015A Revenue Bonds	22,771,951.50	164,201,951.50	875,000.00	1,912,894.95	2,787,894.95	141,430,000.00
Permanent University Fund Bonds, Taxable Series 2015B Revenue Bonds		126,190,000.00	7,800,000.00		7,800,000.00	126,190,000.00
Revenue Financing System Bonds, Series 2008 Revenue Bonds	50,776.47	7,505,776.47	7,455,000.00	50,776.47	7,505,776.47	7,455,000.00
Tuition Revenue Bonds	1,355.96	231,355.96	230,000.00	1,355.96	231,355.96	230,000.00
Revenue Financing System Bonds, Series 2009A Tuition Revenue Bonds	227,665.78	22,037,665.78	10,655,000.00	158,972.56	10,813,972.56	21,810,000.00
Revenue Financing System Bonds, Series 2009B Revenue Bonds	28,340.92	5,353,340.92	2,620,000.00	19,789.66	2,639,789.66	5,325,000.00
Revenue Financing System Bonds, Series 2009C Tuition Revenue Bonds	30,975.94	4,105,975.94	2,000,000.00	21,625.67	2,021,625.67	4,075,000.00
Revenue Financing System Bonds, Series 2009D Revenue Bonds	214,176.38	22,679,176.38	10,965,000.00	149,525.98	11,114,525.98	22,465,000.00
Revenue Financing System Bonds, Series 2010A Tuition Revenue Bonds	450,162.50	21,865,162.50	6,810,000.00	232,254.62	7,042,254.62	21,415,000.00
Revenue Financing System Bonds, Series 2010B Revenue Bonds	452,258.60	23,667,258.60	7,560,000.00	235,880.66	7,795,880.66	23,215,000.00
Revenue Financing System Bonds, Series 2011A Revenue Bonds		6,995,000.00	1,680,000.00		1,680,000.00	6,995,000.00
Tuition Revenue Bonds		-	-		-	-
Revenue Financing System Bonds, Series 2011B Revenue Bonds		92,580,000.00	2,730,000.00		2,730,000.00	92,580,000.00
Revenue Financing System Bonds, Series 2013A Tuition Revenue Bonds	2,244,639.85	26,259,639.85	3,510,000.00	629,997.31	4,139,997.31	24,015,000.00
Revenue Financing System Bonds, Series 2013B Revenue Bonds	22,502,476.12	232,667,476.12	6,955,000.00	2,611,338.67	9,566,338.67	210,165,000.00
Revenue Financing System Bonds, Taxable Series 2013C Revenue Bonds		230,525,000.00	-		-	230,525,000.00
Revenue Financing System Bonds, Series 2013D Revenue Bonds	6,609,107.77	95,719,107.77	6,255,000.00	1,298,365.18	7,553,365.18	89,110,000.00

UNAUDITED

Schedule 2B
The Texas A&M University System
 Schedule of Changes in Bonded Indebtedness
 For the Year Ended August 31, 2017

Description	Bonds Outstanding September 1, 2016	Bonds Issued or Converted	Bonds Matured or Retired	Bonds Refunded	Bonds Outstanding August 31, 2017
Revenue Bonds - Self Supporting					
Revenue Financing System Bonds, Series 2015A					
Tuition Revenue Bonds	51,610,000.00		11,375,000.00		40,235,000.00
Revenue Financing System Bonds, Series 2015B					
Revenue Bonds	135,000,000.00		4,805,000.00		130,195,000.00
Revenue Financing System Bonds, Taxable Series 2015C					
Revenue Bonds	157,560,000.00		18,005,000.00		139,555,000.00
Revenue Financing System Bonds, Taxable Series 2015D					
Revenue Bonds	65,400,000.00		1,355,000.00		64,045,000.00
Revenue Financing System Bonds, Taxable Series 2016A					
Revenue Bonds	86,995,000.00		1,265,000.00		85,730,000.00
Tuition Revenue Bonds	2,895,000.00		70,000.00		2,825,000.00
Revenue Financing System Bonds, Taxable Series 2016B					
Revenue Bonds	325,575,000.00		4,670,000.00		320,905,000.00
Revenue Financing System Bonds, Series 2016C					
Revenue Bonds	85,740,000.00		470,000.00		85,270,000.00
Tuition Revenue Bonds	121,705,000.00		1,990,000.00		119,715,000.00
Revenue Financing System Bonds, Taxable Series 2016D					
Revenue Bonds	154,265,000.00		4,530,000.00		149,735,000.00
Tuition Revenue Bonds	22,595,000.00		620,000.00		21,975,000.00
Revenue Financing System Bonds, Series 2016E					
Revenue Bonds	118,950,000.00		650,000.00		118,300,000.00
Tuition Revenue Bonds	20,400,000.00		335,000.00		20,065,000.00
Revenue Financing System Bonds, Taxable Series 2017A					
Tuition Revenue Bonds	-	388,705,000.00	26,875,000.00		361,830,000.00
Revenue Financing System Bonds, Taxable Series 2017B					
Revenue Bonds	-	12,072,992.00	-		12,072,992.00
Tuition Revenue Bonds	-	386,597,008.00	-		386,597,008.00
Revenue Financing System Bonds, Series 2017C					
Revenue Bonds	-	64,980,000.00			64,980,000.00
Tuition Revenue Bonds	-	32,445,000.00			32,445,000.00
	<u>\$ 3,213,895,000.00</u>	<u>\$ 884,800,000.00</u>	<u>\$ 184,290,000.00</u>	<u>\$ 121,350,000.00</u>	<u>\$ 3,793,055,000.00</u>
		[a]	(Schedule 2D)		(Schedule 2C)

[a] Bonds Issued or Converted	
Revenue Financing System Bonds, Taxable Series 2017A	388,705,000.00
Revenue Financing System Bonds, Taxable Series 2017B	398,670,000.00
Revenue Financing System Bonds, Series 2017C	97,425,000.00
Total, Bonds Issued or Converted	<u>\$ 884,800,000.00</u>

UNAUDITED

Schedule 2B
The Texas A&M University System
 Schedule of Changes in Bonded Indebtedness
 For the Year Ended August 31, 2017

Description	Unamortized Premium	Net Bonds Outstanding August 31, 2017	Principal Due Within One Year	Premium Amortization Due Within One Year	Amounts Due Within One Year	Bonds Outstanding August 31, 2017
Revenue Bonds - Self Supporting						
Revenue Financing System Bonds, Series 2015A Tuition Revenue Bonds	4,801,790.94	45,036,790.94	4,230,000.00	1,123,670.95	5,353,670.95	40,235,000.00
Revenue Financing System Bonds, Series 2015B Revenue Bonds	10,915,597.92	141,110,597.92	5,000,000.00	1,438,392.21	6,438,392.21	130,195,000.00
Revenue Financing System Bonds, Taxable Series 2015C Revenue Bonds		139,555,000.00	16,310,000.00		16,310,000.00	139,555,000.00
Revenue Financing System Bonds, Taxable Series 2015D Revenue Bonds		64,045,000.00	1,375,000.00		1,375,000.00	64,045,000.00
Revenue Financing System Bonds, Taxable Series 2016A Revenue Bonds		85,730,000.00	1,270,000.00		1,270,000.00	85,730,000.00
Tuition Revenue Bonds		2,825,000.00	45,000.00		45,000.00	2,825,000.00
Revenue Financing System Bonds, Taxable Series 2016B Revenue Bonds		320,905,000.00	10,045,000.00		10,045,000.00	320,905,000.00
Revenue Financing System Bonds, Series 2016C Revenue Bonds	18,446,910.17	103,716,910.17	-	1,660,128.17	1,660,128.17	85,270,000.00
Tuition Revenue Bonds	25,109,858.07	144,824,858.07	-	3,396,827.12	3,396,827.12	119,715,000.00
Revenue Financing System Bonds, Taxable Series 2016D Revenue Bonds		149,735,000.00	3,630,000.00		3,630,000.00	149,735,000.00
Tuition Revenue Bonds		21,975,000.00	370,000.00		370,000.00	21,975,000.00
Revenue Financing System Bonds, Series 2016E Revenue Bonds	19,584,135.12	137,884,135.12	-	2,717,239.90	2,717,239.90	118,300,000.00
Tuition Revenue Bonds	3,599,733.19	23,664,733.19	-	518,567.51	518,567.51	20,065,000.00
Revenue Financing System Bonds, Taxable Series 2017A Tuition Revenue Bonds		361,830,000.00	20,790,000.00		20,790,000.00	361,830,000.00
Revenue Financing System Bonds, Taxable Series 2017B Revenue Bonds		12,072,992.00	156,530.00		156,530.00	12,072,992.00
Tuition Revenue Bonds		386,597,008.00	23,293,470.00		23,293,470.00	386,597,008.00
Revenue Financing System Bonds, Series 2017C Revenue Bonds	12,672,497.85	77,652,497.85		862,293.71	862,293.71	64,980,000.00
Tuition Revenue Bonds	7,244,639.60	39,689,639.60	295,000.00	858,843.98	1,153,843.98	32,445,000.00
	<u>\$ 178,853,219.01</u>	<u>\$ 3,971,908,219.01</u> ^[b]	<u>\$ 195,765,000.00</u>	<u>\$ 24,545,747.82</u>	<u>\$ 220,310,747.82</u>	<u>\$ 3,793,055,000.00</u>
		(Exhibit III)	(Schedule 2C)			(Schedule 2C)

[b] Bonds Payable per Exhibit III
 Current Bonds Payable
 NonCurrent Bonds Payable
 Total Bonds Payable

\$ 220,310,747.82
 3,751,597,471.19
\$ 3,971,908,219.01

UNAUDITED

Schedule 2C
The Texas A&M University System
Schedule of Debt Service Requirements
For the Year Ended August 31, 2017

Description		Year Ended August 31,				
		2018	2019	2020	2021	2022
Revenue Bonds - Self Supporting						
Permanent University Fund Bonds, Series 1998						
Revenue Bonds	Principal	\$ 0.00	\$ 2,235,000.00	\$ 2,360,000.00	\$ 2,490,000.00	\$ 2,625,000.00
	Interest	1,583,725.00	1,583,725.00	1,460,800.00	1,331,000.00	1,194,050.00
Permanent University Fund Bonds, Series 2009AB						
Revenue Bonds	Principal	715,000.00	5,550,000.00	5,695,000.00	5,900,000.00	6,130,000.00
	Interest	10,568,831.28	10,543,806.28	10,266,306.28	9,981,556.28	9,686,556.28
Permanent University Fund Bonds, Series 2011						
Revenue Bonds	Principal	1,780,000.00	2,490,000.00	2,675,000.00	5,000,000.00	5,000,000.00
	Interest	3,501,750.00	3,448,350.00	3,348,750.00	3,241,750.00	2,991,750.00
Permanent University Fund Bonds, Series 2012A						
Revenue Bonds	Principal	0.00	10,335,000.00	10,875,000.00	11,495,000.00	12,080,000.00
	Interest	3,511,500.00	3,511,500.00	3,017,250.00	2,473,500.00	1,898,750.00
Permanent University Fund Bonds, Taxable Series 2012B						
Revenue Bonds	Principal	5,625,000.00	5,720,000.00	5,820,000.00	5,950,000.00	6,100,000.00
	Interest	2,857,725.66	2,760,413.16	2,652,877.16	2,521,461.56	2,378,185.56
Permanent University Fund Bonds, Series 2013						
Revenue Bonds	Principal	22,735,000.00	7,785,000.00	8,165,000.00	8,555,000.00	9,010,000.00
	Interest	5,684,400.00	4,547,650.00	4,158,400.00	3,750,150.00	3,322,400.00
Permanent University Fund Bonds, Series 2015A						
Revenue Bonds	Principal	875,000.00	0.00	0.00	0.00	0.00
	Interest	6,754,300.02	6,706,175.02	6,706,175.02	6,706,175.02	6,706,175.02
Permanent University Fund Bonds, Taxable Series 2015B						
Revenue Bonds	Principal	7,800,000.00	7,740,000.00	7,815,000.00	7,960,000.00	8,160,000.00
	Interest	3,446,880.05	3,349,380.04	3,233,280.04	3,096,517.52	2,937,317.52
Revenue Financing System Bonds, Series 2008						
Revenue Bonds	Principal	7,455,000.00				
	Interest	372,750.00				
Tuition Revenue Bonds	Principal	230,000.00				
	Interest	11,500.00				
Revenue Financing System Bonds, Series 2009A						
Tuition Revenue Bonds	Principal	10,655,000.00	11,155,000.00			
	Interest	1,001,450.00	498,700.00			
Revenue Financing System Bonds, Series 2009B						
Revenue Bonds	Principal	2,620,000.00	2,705,000.00			
	Interest	193,350.00	108,200.00			
Revenue Financing System Bonds, Series 2009C						
Tuition Revenue Bonds	Principal	2,000,000.00	2,075,000.00			
	Interest	173,375.00	93,375.00			
Revenue Financing System Bonds, Series 2009D						
Revenue Bonds	Principal	10,965,000.00	11,500,000.00			
	Interest	1,065,750.00	517,500.00			
Revenue Financing System Bonds, Series 2010A						
Tuition Revenue Bonds	Principal	6,810,000.00	7,140,000.00	7,465,000.00		
	Interest	1,023,800.00	707,750.00	373,250.02		
Revenue Financing System Bonds, Series 2010B						
Revenue Bonds	Principal	7,560,000.00	7,940,000.00	7,715,000.00		
	Interest	1,160,750.05	782,750.08	385,750.06		
Revenue Financing System Bonds, Series 2011A						
Revenue Bonds	Principal	1,680,000.00	1,730,000.00	1,765,000.00	1,820,000.00	
	Interest	240,162.50	172,962.50	121,062.50	63,700.00	
Revenue Financing System Bonds, Series 2011B						
Revenue Bonds	Principal	2,730,000.00	2,905,000.00	3,095,000.00	3,290,000.00	3,510,000.00
	Interest	4,630,362.54	4,480,212.56	4,320,437.56	4,150,212.56	3,969,262.56

UNAUDITED
Schedule 2C
The Texas A&M University System
Schedule of Debt Service Requirements
For the Year Ended August 31, 2017

Description		2023-2027	2028-2032	2033-2037	2038-2042	2043-2045	Total Requirements
Revenue Bonds - Self Supporting							
Permanent University Fund Bonds, Series 1998							
Revenue Bonds	Principal	\$ 15,465,000.00	\$ 3,620,000.00	\$	\$	\$	\$ 28,795,000.00
	Interest	3,637,975.00	199,100.00				10,990,375.00
Permanent University Fund Series 2009AB							
Revenue Bonds	Principal	57,705,000.00	98,435,000.00	30,090,000.00			210,220,000.00
	Interest	42,588,243.78	23,361,250.00	2,244,750.00			119,241,300.18
Permanent University Fund Bonds, Series 2011							
Revenue Bonds	Principal	26,955,000.00	30,480,000.00				74,380,000.00
	Interest	11,725,500.00	3,911,000.00				32,168,850.00
Permanent University Fund Bonds, Series 2012A							
Revenue Bonds	Principal	25,895,000.00					70,680,000.00
	Interest	1,956,000.00					16,368,500.00
Permanent University Fund Bonds, Taxable Series 2012B							
Revenue Bonds	Principal	32,985,000.00	36,285,000.00				98,485,000.00
	Interest	9,386,293.40	3,982,371.28				26,539,327.78
Permanent University Fund Bonds, Series 2013							
Revenue Bonds	Principal	31,215,000.00	32,295,000.00	7,260,000.00			127,020,000.00
	Interest	11,307,200.00	5,428,600.00	290,400.00			38,489,200.00
Permanent University Fund Bonds, Series 2015A							
Revenue Bonds	Principal	43,080,000.00	64,050,000.00	33,425,000.00			141,430,000.00
	Interest	29,708,875.10	17,562,200.12	3,320,800.00			84,170,875.32
Permanent University Fund Bonds, Taxable Series 2015B							
Revenue Bonds	Principal	22,625,000.00	35,390,000.00	28,700,000.00			126,190,000.00
	Interest	12,811,172.76	7,531,821.68	1,636,810.00			38,043,179.62
Revenue Financing System Bonds, Series 2008							
Revenue Bonds	Principal						7,455,000.00
	Interest						372,750.00
Tuition Revenue Bonds							
	Principal						230,000.00
	Interest						11,500.00
Revenue Financing System Bonds, Series 2009A							
Tuition Revenue Bonds	Principal						21,810,000.00
	Interest						1,500,150.00
Revenue Financing System Bonds, Series 2009B							
Revenue Bonds	Principal						5,325,000.00
	Interest						301,550.00
Revenue Financing System Bonds, Series 2009C							
Tuition Revenue Bonds	Principal						4,075,000.00
	Interest						266,750.00
Revenue Financing System Bonds, Series 2009D							
Revenue Bonds	Principal						22,465,000.00
	Interest						1,583,250.00
Revenue Financing System Bonds, Series 2010A							
Tuition Revenue Bonds	Principal						21,415,000.00
	Interest						2,104,800.02
Revenue Financing System Bonds, Series 2010B							
Revenue Bonds	Principal						23,215,000.00
	Interest						2,329,250.19
Revenue Financing System Bonds, Series 2011A							
Revenue Bonds	Principal						6,995,000.00
	Interest						597,887.50
Revenue Financing System Bonds, Series 2011B							
Revenue Bonds	Principal	20,655,000.00	23,475,000.00	21,550,000.00	11,370,000.00		92,580,000.00
	Interest	16,734,337.80	11,413,693.92	5,885,287.50	1,455,500.00		57,039,307.00

UNAUDITED

Schedule 2C
The Texas A&M University System
 Schedule of Debt Service Requirements
 For the Year Ended August 31, 2017

Description		Year Ended August 31,				
		2018	2019	2020	2021	2022
Revenue Financing System Bonds, Series 2013A						
Tuition Revenue Bonds	Principal	3,510,000.00	3,655,000.00	3,805,000.00	3,950,000.00	9,095,000.00
	Interest	1,091,650.00	950,650.00	804,450.00	652,250.00	454,750.00
Revenue Financing System Bonds, Series 2013B						
Revenue Bonds	Principal	6,955,000.00	7,290,000.00	7,685,000.00	8,040,000.00	8,445,000.00
	Interest	10,138,600.00	9,790,850.00	9,426,350.00	9,042,100.00	8,640,100.00
Revenue Financing System Bonds, Taxable Series 2013C						
Revenue Bonds	Principal	0.00	0.00	0.00	0.00	0.00
	Interest	11,342,953.00	11,342,953.00	11,342,953.00	11,342,953.00	11,342,953.00
Revenue Financing System Bonds, Series 2013D						
Revenue Bonds	Principal	6,255,000.00	6,565,000.00	6,920,000.00	7,265,000.00	7,625,000.00
	Interest	4,455,500.00	4,142,750.00	3,814,500.00	3,468,500.00	3,105,250.00
Revenue Financing System Bonds, Series 2015A						
Tuition Revenue Bonds	Principal	4,230,000.00	4,445,000.00	4,660,000.00	4,900,000.00	5,145,000.00
	Interest	1,901,600.00	1,690,100.00	1,467,850.00	1,234,850.00	989,850.00
Revenue Financing System Bonds, Series 2015B						
Revenue Bonds	Principal	5,000,000.00	3,850,000.00	4,040,000.00	4,235,000.00	4,460,000.00
	Interest	5,518,850.00	5,268,850.00	5,076,350.00	4,874,350.00	4,662,600.00
Revenue Financing System Bonds, Taxable Series 2015C						
Revenue Bonds	Principal	16,310,000.00	16,490,000.00	16,790,000.00	14,425,000.00	11,010,000.00
	Interest	3,488,147.71	3,237,626.12	2,917,225.42	2,549,020.72	2,200,224.22
Revenue Financing System Bonds, Taxable Series 2015D						
Revenue Bonds	Principal	1,375,000.00	1,395,000.00	1,450,000.00	1,510,000.00	1,570,000.00
	Interest	2,666,466.26	2,611,466.26	2,555,666.26	2,497,666.26	2,437,266.26
Revenue Financing System Bonds, Taxable Series 2016A						
Revenue Bonds	Principal	1,270,000.00	8,420,000.00	8,505,000.00	8,650,000.00	8,670,000.00
	Interest	2,125,763.10	2,110,243.76	1,988,574.66	1,845,860.76	1,679,088.76
Tuition Revenue Bonds	Principal	45,000.00	285,000.00	290,000.00	290,000.00	300,000.00
	Interest	64,934.96	64,385.06	60,266.80	55,400.60	49,809.40
Revenue Financing System Bonds, Taxable Series 2016B						
Revenue Bonds	Principal	10,045,000.00	10,140,000.00	10,300,000.00	10,465,000.00	10,660,000.00
	Interest	10,653,357.49	10,530,607.62	10,384,084.62	10,211,250.62	10,009,485.42
Revenue Financing System Bonds, Series 2016C						
Revenue Bonds	Principal			3,625,000.00	3,795,000.00	3,985,000.00
	Interest	3,975,750.00	3,975,750.00	3,975,750.00	3,794,500.00	3,604,750.00
Tuition Revenue Bonds	Principal			9,555,000.00	10,030,000.00	10,520,000.00
	Interest	5,566,100.00	5,566,100.00	5,566,100.00	5,088,350.00	4,586,850.00
Revenue Financing System Bonds, Taxable Series 2016D						
Revenue Bonds	Principal	3,630,000.00	3,655,000.00	6,120,000.00	6,205,000.00	6,275,000.00
	Interest	4,004,585.36	3,975,073.48	3,938,194.54	3,861,694.54	3,774,824.54
Tuition Revenue Bonds	Principal	370,000.00	375,000.00	1,955,000.00	1,990,000.00	2,015,000.00
	Interest	449,250.96	446,242.88	442,459.10	418,021.60	390,161.60
Revenue Financing System Bonds, Series 2016E						
Revenue Bonds	Principal			8,335,000.00	8,745,000.00	9,170,000.00
	Interest	5,046,400.00	5,046,400.00	5,046,400.00	4,629,650.00	4,192,400.00
Tuition Revenue Bonds	Principal			1,605,000.00	1,680,000.00	1,765,000.00
	Interest	885,350.00	885,350.00	885,350.00	805,100.00	721,100.00
Revenue Financing System Bonds, Taxable Series 2017A						
Tuition Revenue Bonds	Principal	20,790,000.00	21,040,000.00	21,475,000.00	21,790,000.00	22,275,000.00
	Interest	10,248,353.64	9,998,873.64	9,663,916.90	9,255,462.40	8,769,763.30
Revenue Financing System Bonds, Taxable Series 2017B						
Revenue Bonds	Principal	156,530.00	286,462.00	295,000.00	5,850,000.00	5,485,000.00
	Interest	227,721.32	250,746.18	246,116.96	240,821.70	120,779.70
Tuition Revenue Bonds	Principal	23,293,470.00	23,288,538.00	24,045,000.00	29,285,000.00	25,090,000.00
	Interest	10,155,128.90	10,152,132.08	9,396,660.08	8,705,813.78	8,104,885.58

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Schedule 2C
The Texas A&M University System
Schedule of Debt Service Requirements
For the Year Ended August 31, 2017

Description		2023-2027	2028-2032	2033-2037	2038-2042	2043-2045	Total Requirements
Revenue Financing System Bonds, Series 2013A							
Tuition Revenue Bonds	Principal						24,015,000.00
	Interest						3,953,150.00
Revenue Financing System Bonds, Series 2013B							
Revenue Bonds	Principal	46,000,000.00	52,990,000.00	44,895,000.00	23,850,000.00	4,015,000.00	210,165,000.00
	Interest	36,815,500.00	24,898,500.00	12,030,750.00	3,243,400.00	160,600.00	124,186,750.00
Revenue Financing System Bonds, Taxable Series 2013C							
Revenue Bonds	Principal	0.00	46,370,000.00	71,705,000.00	91,365,000.00	21,085,000.00	230,525,000.00
	Interest	56,714,765.00	53,524,444.40	38,967,894.40	19,310,253.60	1,048,346.20	226,280,468.60
Revenue Financing System Bonds, Series 2013D							
Revenue Bonds	Principal	44,255,000.00	10,225,000.00				89,110,000.00
	Interest	9,410,000.00	511,250.00				28,907,750.00
Revenue Financing System Bonds, Series 2015A							
Tuition Revenue Bonds	Principal	16,855,000.00					40,235,000.00
	Interest	1,541,200.00					8,825,450.00
Revenue Financing System Bonds, Series 2015B							
Revenue Bonds	Principal	24,790,000.00	28,190,000.00	32,120,000.00	18,405,000.00	5,105,000.00	130,195,000.00
	Interest	20,127,000.00	14,331,400.00	8,228,050.00	2,693,900.00	308,200.00	71,089,550.00
Revenue Financing System Bonds, Taxable Series 2015C							
Revenue Bonds	Principal	45,280,000.00	16,210,000.00	3,040,000.00			139,555,000.00
	Interest	6,606,931.14	1,685,923.38	158,228.38			22,843,327.09
Revenue Financing System Bonds, Taxable Series 2015D							
Revenue Bonds	Principal	8,965,000.00	10,965,000.00	13,355,000.00	14,695,000.00	8,765,000.00	64,045,000.00
	Interest	11,069,281.30	9,069,031.30	6,673,728.78	3,674,765.00	755,437.50	44,010,775.18
Revenue Financing System Bonds, Taxable Series 2016A							
Revenue Bonds	Principal	36,795,000.00	6,250,000.00	7,170,000.00			85,730,000.00
	Interest	5,599,895.10	2,100,394.80	881,055.48			18,330,876.42
Tuition Revenue Bonds	Principal	1,615,000.00					2,825,000.00
	Interest	134,941.10					429,737.92
Revenue Financing System Bonds, Taxable Series 2016B							
Revenue Bonds	Principal	56,215,000.00	63,150,000.00	75,275,000.00	60,700,000.00	13,955,000.00	320,905,000.00
	Interest	46,025,450.20	37,375,692.90	24,572,638.02	8,789,686.96	1,163,362.12	169,715,615.97
Revenue Financing System Bonds, Series 2016C							
Revenue Bonds	Principal	23,150,000.00	20,265,000.00	18,705,000.00	11,745,000.00		85,270,000.00
	Interest	14,826,000.00	9,618,150.00	5,795,350.00	1,103,500.00		50,669,500.00
Tuition Revenue Bonds	Principal	61,090,000.00	28,520,000.00				119,715,000.00
	Interest	14,494,500.00	1,722,600.00				42,590,600.00
Revenue Financing System Bonds, Taxable Series 2016D							
Revenue Bonds	Principal	33,250,000.00	36,940,000.00	35,765,000.00	17,895,000.00		149,735,000.00
	Interest	17,039,513.30	12,728,457.80	6,662,091.10	1,292,555.88		57,276,990.54
Tuition Revenue Bonds	Principal	10,665,000.00	4,605,000.00				21,975,000.00
	Interest	1,362,249.90	191,322.30				3,699,708.34
Revenue Financing System Bonds, Series 2016E							
Revenue Bonds	Principal	50,960,000.00	36,605,000.00	4,485,000.00			118,300,000.00
	Interest	13,659,250.00	3,387,000.00	363,600.00			41,371,100.00
Tuition Revenue Bonds	Principal	10,250,000.00	4,765,000.00				20,065,000.00
	Interest	2,189,250.00	215,550.00				6,587,050.00
Revenue Financing System Bonds, Taxable Series 2017A							
Tuition Revenue Bonds	Principal	120,900,000.00	133,560,000.00				361,830,000.00
	Interest	34,321,276.82	13,643,573.96				95,901,220.66
Revenue Financing System Bonds, Taxable Series 2017B							
Revenue Bonds	Principal						12,072,992.00
	Interest						1,086,185.86
Tuition Revenue Bonds	Principal	134,820,000.00	126,775,000.00				386,597,008.00
	Interest	31,138,703.50	10,658,891.70				88,312,215.62

UNAUDITED

Schedule 2C
The Texas A&M University System
 Schedule of Debt Service Requirements
 For the Year Ended August 31, 2017

Description	Year Ended August 31,				
	2018	2019	2020	2021	2022
Revenue Financing System Bonds, Series 2017C					
Revenue Bonds					
Principal	0.00	0.00	0.00	165,000.00	440,000.00
Interest	2,783,705.63	3,093,006.26	3,093,006.26	3,093,006.26	3,084,756.26
Tuition Revenue Bonds					
Principal	295,000.00	140,000.00	150,000.00	3,425,000.00	3,580,000.00
Interest	1,449,495.00	1,601,700.00	1,597,500.00	1,593,000.00	1,421,750.00
Total	341,786,425.44	340,869,305.98	338,784,063.24	335,725,645.18	329,622,844.98
Less Interest	(146,021,425.44)	(140,544,305.98)	(133,734,063.24)	(126,575,645.18)	(119,427,844.98)
Total Principal	<u>\$ 195,765,000.00</u>	<u>\$ 200,325,000.00</u>	<u>\$ 205,050,000.00</u>	<u>\$ 209,150,000.00</u>	<u>\$ 210,195,000.00</u>
	(Schedule 2B)				

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Schedule 2C
The Texas A&M University System
 Schedule of Debt Service Requirements
 For the Year Ended August 31, 2017

<u>Description</u>		<u>2023-2027</u>	<u>2028-2032</u>	<u>2033-2037</u>	<u>2038-2042</u>	<u>2043-2045</u>	<u>Total Requirements</u>
Revenue Financing System Bonds, Series 2017C							
Revenue Bonds	Principal	16,600,000.00	19,265,000.00	19,510,000.00	9,000,000.00		64,980,000.00
	Interest	13,826,781.30	9,127,281.30	4,669,781.30	680,500.00		43,451,824.57
Tuition Revenue Bonds	Principal	20,805,000.00	4,050,000.00				32,445,000.00
	Interest	4,234,500.00	202,500.00				12,100,445.00
Total		1,520,832,586.50	1,252,112,000.84	569,431,214.96	301,269,061.44	56,360,945.82	5,386,794,094.38
Less Interest		(480,992,586.50)	(278,382,000.84)	(122,381,214.96)	(42,244,061.44)	(3,435,945.82)	(1,593,739,094.38)
Total Principal		<u>\$ 1,039,840,000.00</u>	<u>\$ 973,730,000.00</u>	<u>\$ 447,050,000.00</u>	<u>\$ 259,025,000.00</u>	<u>52,925,000.00</u>	<u>\$ 3,793,055,000.00</u>

(Schedule 2B)

UNAUDITED
Schedule 2D
The Texas A&M University System
Analysis of Funds Available for Debt Service
For the Year Ended August 31, 2017

Description	Pledged Revenues	Operating Expenses From Pledged Revenues	Debt Service	
			Principal	Interest
Permanent University Fund Bonds	\$ 302,503,580.40	\$ 208,874,302.06	\$ 38,175,000.00	\$ 39,285,779.46
Revenue Financing System Bonds	2,292,410,241.95	1,582,875,775.16	146,115,000.00	93,987,095.38
	<u>\$ 2,594,913,822.35</u>	<u>\$ 1,791,750,077.22</u>	<u>\$ 184,290,000.00</u>	<u>\$ 133,272,874.84</u>
			(Schedule 2B)	
[a] Debt Service-Interest Expense (Exhibit IV)		\$ 141,376,052.93		
Less:				
Interest on Permanent University Fund Commercial Paper	\$ 576,258.13			
Interest on Revenue Financing System Commercial Paper/Note	1,361,671.05			
Interest on Capital Leases	1,412,852.96			
Interest Expense on Defeased Bonds	14,337,530.89			
Other Interest Expense (non-bonds)	151,716.57			
Subtotal		(17,840,029.60)		
Plus Capitalized Interest Expense		9,736,851.51		
Total, Debt Service-Interest		<u>\$ 133,272,874.84</u>		
				[a]

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Schedule 2E
The Texas A&M University System
 Schedule of Defeased Bonds Outstanding
 For the Year Ended August 31, 2017

Description of Issues	Calendar Year Refunded	Par Value Outstanding September 1, 2016	Newly Defeased	Par Value Outstanding August 31, 2017
The Texas A&M University System				
Revenue Financing System Bonds,				
Series 2008	2016	82,670,000.00		82,670,000.00
Series 2009A	2016	146,425,000.00		146,425,000.00
Series 2009B	2016	52,345,000.00		52,345,000.00
Series 2009C	2016	27,295,000.00		27,295,000.00
Series 2009D	2016	226,455,000.00		226,455,000.00
Series 2010A	2017	-	40,495,000.00	40,495,000.00
Series 2010B	2017	-	80,855,000.00	80,855,000.00
Total		<u>\$ 535,190,000.00</u>	<u>\$ 121,350,000.00</u>	<u>\$ 656,540,000.00</u>



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Schedule 2F
The Texas A&M University System
Schedule of Early Extinguishment and Refunding
For the Year Ended August 31, 2017

<u>Description</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>
Revenue Bonds - Self Supporting					
Revenue Financing System Bonds, Series 2010A Tuition Revenue Bonds	Advance Refunding	40,495,000.00	37,536,156.00	5,809,963.95	4,239,805.03
Revenue Financing System Bonds, Series 2010B Revenue Bonds	Advance Refunding	<u>80,855,000.00</u>	<u>77,052,992.00</u>	<u>9,013,497.58</u>	<u>8,066,856.02</u>
Total, Early Extinguishment and Refunding		<u>\$ 121,350,000.00</u>	<u>\$ 114,589,148.00</u>	<u>\$ 14,823,461.53</u>	<u>\$ 12,306,661.05</u>



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SCHEDULE THREE
 TEXAS A&M UNIVERSITY SYSTEM OFFICES
 SCHEDULE OF CASH & CASH EQUIVALENTS
 FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Cash In Bank	\$ (25,716,811.31)
Cash In State Treasury	
Fund 0047	341,196,198.30
Fund 0212	<u>3,496,675.00</u>
Total Cash In State Treasury	<u>\$ 344,692,873.30</u>
Reimbursements Due From State Treasury	\$ 87,647.16
Assets Held By System Offices-Current	62,016,333.22
Cash Equivalents	<u>842,681,392.06</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 1,223,761,434.43</u>
Restricted	
Assets Held By System Offices-Current	\$ 847,654,051.11
Cash Equivalents	<u>2,791,707.10</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 850,445,758.21</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 2,074,207,192.64</u></u>

UNAUDITED

SCHEDULE N-2
 TEXAS A&M UNIVERSITY SYSTEM OFFICES
 NOTE 2 - CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2017

	BALANCE 9-1-16	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 2,975,618.36	\$	\$
Construction In Progress	548,038,155.88		(2,406,882.54)
Other Tangible Capital Assets	230,000.25		
Total Non-Depreciable/Non-Amortizable Assets	<u>\$ 551,243,774.49</u>	<u>\$</u>	<u>\$ (2,406,882.54)</u>
Depreciable Assets			
Buildings	\$ 18,853,135.02	\$	\$
Infrastructure	40,682,608.00		
Facilities and Other Improvements	149,981.79		
Furniture and Equipment	15,450,093.99		2,406,882.54
Vehicles, Boats and Aircraft	10,892,470.18		
Other Capital Assets	50,050.13		
Total Depreciable Assets at Historical Cost	<u>\$ 86,078,339.11</u>	<u>\$</u>	<u>\$ 2,406,882.54</u>
Less Accumulated Depreciation for			
Buildings	\$ (14,992,428.78)	\$	\$
Infrastructure	(28,895,321.90)		
Facilities and Other Improvements	(14,456.86)		
Furniture and Equipment	(5,743,784.77)		
Vehicles, Boats and Aircraft	(9,173,568.24)		
Other Capital Assets	(24,687.90)		
Total Accumulated Depreciation	<u>\$ (58,844,248.45)</u>	<u>\$</u>	<u>\$</u>
Depreciable Assets, Net	<u>\$ 27,234,090.66</u>	<u>\$</u>	<u>\$ 2,406,882.54</u>
Amortizable Assets - Intangible			
Computer Software	\$ 1,433,036.85	\$	\$
Total Intangible Assets at Historical Cost	<u>\$ 1,433,036.85</u>	<u>\$</u>	<u>\$</u>
Less Accumulated Amortization for			
Computer Software	\$ (1,338,099.35)	\$	\$
Total Accumulated Amortization	<u>\$ (1,338,099.35)</u>	<u>\$</u>	<u>\$</u>
Amortizable Assets, Net	<u>\$ 94,937.50</u>	<u>\$</u>	<u>\$</u>
Capital Assets, Net	<u>\$ 578,572,802.65</u>	<u>\$</u>	<u>\$</u>

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-17</u>
\$	\$	\$	\$	\$
	(448,434,301.32)	515,346,530.35	(1,355,862.00)	1,619,756.36
			(65,843.52)	612,543,502.37
				164,156.73
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
	(448,434,301.32)	515,346,530.35	(1,421,705.52)	614,327,415.46
\$	\$	\$	\$	\$
			(209,863.39)	18,643,271.63
				40,682,608.00
				149,981.79
		769,298.68	(2,681,092.65)	15,945,182.56
26,697.00		52,978.25		10,972,145.43
		281.40		50,331.53
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
26,697.00		822,558.33	(2,890,956.04)	86,443,520.94
\$	\$	\$	\$	\$
		(457,626.48)	199,370.22	(15,250,685.04)
		(1,349,596.32)		(30,244,918.22)
		(7,292.28)		(21,749.14)
		(3,019,398.16)	274,210.11	(8,488,972.82)
(26,697.00)		(394,131.42)		(9,594,396.66)
		(3,352.92)		(28,040.82)
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
(26,697.00)		(5,231,397.58)	473,580.33	(63,628,762.70)
\$	\$	\$	\$	\$
		(4,408,839.25)	(2,417,375.71)	22,814,758.24
\$	\$	\$	\$	\$
				1,433,036.85
\$	\$	\$	\$	\$
				1,433,036.85
\$	\$	\$	\$	\$
		(22,785.00)		(1,360,884.35)
\$	\$	\$	\$	\$
		(22,785.00)		(1,360,884.35)
\$	\$	\$	\$	\$
		(22,785.00)		72,152.50
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
	(448,434,301.32)	510,914,906.10	(3,839,081.23)	637,214,326.20





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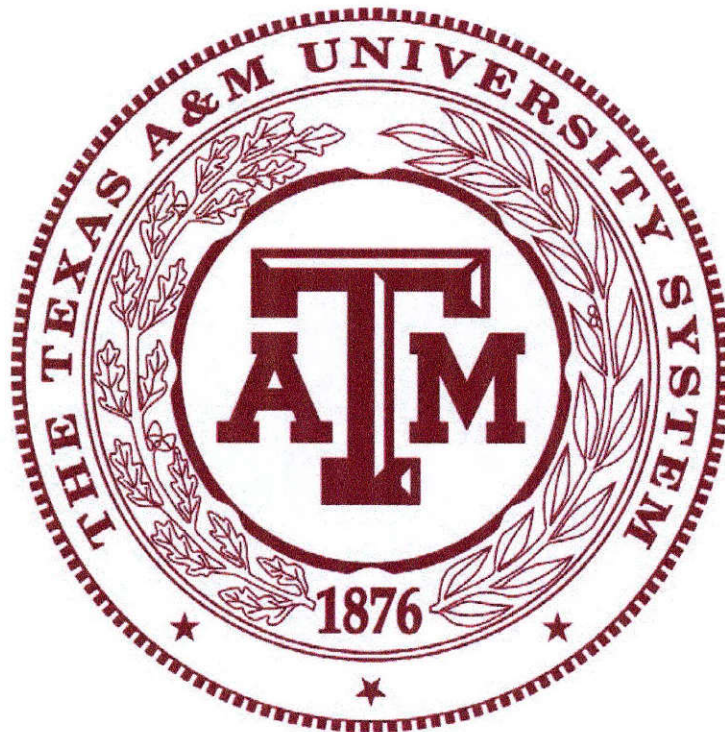
ANNUAL FINANCIAL REPORT

of

Texas A&M System Shared Services Center

For the Year Ended August 31, 2017

With Comparative Totals for the Year Ended August 31, 2016



John Sharp, Chancellor

Billy Hamilton, Executive Vice Chancellor and Chief Financial Officer



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TEXAS A&M SYSTEM
SHARED SERVICES CENTER

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EXHIBIT III
 TEXAS A&M SYSTEM SHARED SERVICES CENTER
 STATEMENT OF NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>	<u>PRIOR YEAR TOTAL</u>
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 2,881,611.95	\$ 919,953.30
Investments		
Restricted		
Cash & Cash Equivalents [Schedule Three]		
Investments		
Legislative Appropriations		
Receivables, Net [Note 24]		
Federal		
Other Intergovernmental		
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student		
Investment Trades		
Accounts	132,263.69	7.08
Other		
Due From Other Agencies		
Due From Other Members	1,918,744.20	4,642,263.98
Due From Other Funds	421.66	
Consumable Inventories		
Merchandise Inventories		
Loans and Contracts		
Interfund Receivable [Note 12]		
Other Current Assets		
Total Current Assets	<u>\$ 4,933,041.50</u>	<u>\$ 5,562,224.36</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$	\$
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts		
Assets Held By System Office		
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements		
Construction In Progress	4,284,258.93	1,453,389.81
Other Tangible Capital Assets		
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements		
Infrastructure		
Facilities and Other Improvements		
Furniture and Equipment	669,798.53	277,647.80
Vehicles, Boats, and Aircraft		
Other Capital Assets		
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	4,043,481.37	2,340,834.25
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(1,709,137.79)	(812,386.14)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 7,288,401.04</u>	<u>\$ 3,259,485.72</u>
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
Total Deferred Outflows of Resources	<u>\$</u>	<u>\$</u>
Total Assets and Deferred Outflows	<u>\$ 12,221,442.54</u>	<u>\$ 8,821,710.08</u>

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EXHIBIT III
 TEXAS A&M SYSTEM SHARED SERVICES CENTER
 STATEMENT OF NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 263.22	
Payroll	393,882.18	247,707.76
Investment Trades		
Self-Insured Health and Dental		
Student		
Other		
Interfund Payable [Note 12]		
Due to Other Agencies		
Due to Other Funds	421.66	
Due to Other Members	8,221.71	
Funds Held for Investment		
Unearned Revenue		
Employees' Compensable Leave	7,942.73	45,942.95
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations [Note 8]	942,079.19	1,495,608.36
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Other Current Liabilities		
Total Current Liabilities	<u>\$ 1,352,810.69</u>	<u>\$ 1,789,259.07</u>
Non-Current Liabilities		
Interfund Payable [Note 12]		
Employees' Compensable Leave	\$ 291,393.16	\$ 109,361.00
Other Post Employment Benefits [Note 11]		
Pension Liability [Note 9]		
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Assets Held In Trust		
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Capital Lease Obligations [Note 8]	443,622.38	
Other Non-Current Liabilities		
Total Non-Current Liabilities	<u>\$ 735,015.54</u>	<u>\$ 109,361.00</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 2,087,826.23</u>	<u>\$ 1,898,620.07</u>
Net Position		
Net Investment In Capital Assets	\$ 7,288,401.04	\$ 3,259,485.72
Restricted for		
Debt Service		
Capital Projects	1,645,635.15	
Education	17,248.34	
Endowment and Permanent Funds		
Nonexpendable		
Expendable		
Unrestricted	<u>1,182,331.78</u>	<u>3,663,604.29</u>
Total Net Position [Exhibit IV]	<u>\$ 10,133,616.31</u>	<u>\$ 6,923,090.01</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 12,221,442.54</u>	<u>\$ 8,821,710.08</u>

UNAUDITED

EXHIBIT IV
 TEXAS A&M SYSTEM SHARED SERVICES CENTER
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Operating Revenues		
Tuition and Fees	\$	\$
Discounts and Allowances		
Professional Fees		
Auxiliary Enterprises		
Discounts and Allowances		
Other Sales of Goods and Services	3,387,680.55	1,833,506.88
Discounts and Allowances		
Interest Revenue		
Federal Revenue - Operating		
Federal Pass Through Revenue		
State Grant Revenue		
State Pass Through Revenue		
Other Grants and Contracts - Operating	18,750.00	
Other Operating Revenue	<u>192,893.01</u>	
Total Operating Revenues	<u>\$ 3,599,323.56</u>	<u>\$ 1,833,506.88</u>
Operating Expenses		
Instruction	\$	\$
Research		
Public Service		
Academic Support	1,501.66	
Student Services		
Institutional Support	547,416.63	4,384.99
Operation & Maintenance of Plant		
Scholarships & Fellowships		
Auxiliary		
Depreciation/Amortization	<u>896,751.65</u>	<u>989,823.08</u>
Total Operating Expenses [Schedule IV-1]	<u>\$ 1,445,669.94</u>	<u>\$ 994,208.07</u>
Total Operating Income [Loss]	<u>\$ 2,153,653.62</u>	<u>\$ 839,298.81</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$	\$
Federal Revenue Non-Operating		
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts		
Investment Income		
Investing Activities Expense		
Interest Expense	79.18	(79.18)
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets		
Settlement of Claims		
Other Nonoperating Revenues	37,050.00	
Other Nonoperating [Expenses]		(120,727.40)
Total Nonoperating Revenues [Expenses]	<u>\$ 37,129.18</u>	<u>\$ (120,806.58)</u>
Income [Loss] Before Other Revenues and Transfers	<u>\$ 2,190,782.80</u>	<u>\$ 718,492.23</u>

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EXHIBIT IV
 TEXAS A&M SYSTEM SHARED SERVICES CENTER
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Other Revenues and Transfers		
Capital Contributions	\$	\$
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments		
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies		
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	1,019,743.50	6,112,931.29
Nonmandatory Transfers From Members/Agencies-Cap Assets		
Transfers Out		
Transfers to Other State Agencies		
Mandatory Transfers to Other Members		
Nonmandatory Transfers to Other Members		(1,927,555.58)
Nonmandatory Transfers to Members/Agencies - Cap Assets		(2,538,529.10)
Legislative Transfers - In		
Legislative Transfers - Out		
Legislative Appropriations Lapsed		
	<u> </u>	<u> </u>
Total Other Revenues and Transfers	\$ 1,019,743.50	\$ 1,646,846.61
Change In Net Position	\$ 3,210,526.30	\$ 2,365,338.84
Net Position, Beginning of Year	\$ 6,923,090.01	\$ 4,557,751.17
Restatement		
	<u> </u>	<u> </u>
Net Position, Beginning of Year, Restated	\$ 6,923,090.01	\$ 4,557,751.17
Net Position, End of Year	\$ 10,133,616.31	\$ 6,923,090.01

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SCHEDULE IV-1
 TEXAS A&M SYSTEM SHARED SERVICES CENTER
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
 FOR THE YEAR ENDED AUGUST 31, 2017

	<u>INSTRUCTION</u>	<u>RESEARCH</u>	<u>PUBLIC SERVICE</u>	<u>ACADEMIC SUPPORT</u>	<u>STUDENT SERVICES</u>
Natural Classification					
Cost of Goods Sold	\$	\$	\$	\$	\$
Salaries & Wages				1,080.00	
Payroll Related Costs				85.66	
Payroll Related Costs-TRS Pension					
Professional Fees & Services				336.00	
Travel					
Materials & Supplies					
Communication & Utilities					
Repairs & Maintenance					
Rentals & Leases					
Printing & Reproduction					
Federal Pass-Through					
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					
Interest					
Scholarships					
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses					
Total Operating Expenses	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,501.66</u>	<u>\$</u>

<u>INSTITUTIONAL SUPPORT</u>	<u>OPERATION & MAINTENANCE OF PLANT</u>	<u>SCHOLARSHIPS & FELLOWSHIPS</u>	<u>AUXILIARY</u>	<u>DEPRECIATION & AMORTIZATION</u>	<u>TOTAL</u>	<u>PRIOR YEAR</u>
\$	\$	\$	\$	\$	\$	\$
274,500.59					275,580.59	3,316.00
44,423.81					44,509.47	1,068.99
78,956.45					79,292.45	
3,691.76					3,691.76	
23,340.09					23,340.09	
7,043.81					7,043.81	
260.65					260.65	
104,360.06					104,360.06	
1,291.26					1,291.26	
				896,751.65	896,751.65	989,823.08
93.07					93.07	
9,455.08					9,455.08	
<u>\$ 547,416.63</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 896,751.65</u>	<u>\$ 1,445,669.94</u>	<u>\$ 994,208.07</u>

[Exhibit IV]

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EXHIBIT V
 TEXAS A&M SYSTEM SHARED SERVICES CENTER
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 3,387,680.55	\$ 1,833,506.88
Proceeds Received From Customers		24,048.20
Proceeds From Grants and Contracts		
Proceeds From Auxiliary Enterprises		
Proceeds From Loan Programs		
Proceeds From Other Operating Revenues	192,893.01	
Payments to Suppliers for Goods and Services	(333,849.91)	(587,451.67)
Payments to Employees	(29,883.70)	(1,342,448.98)
Payments for Loans Provided		
Payments for Other Operating Expenses		
Net Cash Provided [Used] By Operating Activities	<u>\$ 3,216,839.95</u>	<u>\$ (72,345.57)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$	\$
Proceeds From Gifts		
Proceeds From Endowments		
Proceeds From Transfers From Other Funds		
Proceeds From Other Grant Receipts		
Proceeds From Other Noncapital Financing Activities	37,050.00	
Payments of Interest		
Payments for Transfers to Other Funds		
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses		
Other Noncapital Transfers From/To System	19,743.50	(1,814,624.29)
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 56,793.50</u>	<u>\$ (1,814,624.29)</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$	\$
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts		
Proceeds From Federal Grants and Contracts		
Proceeds From Gifts		
Proceeds From Interfund Payables		
Proceeds From Other Financing Activities		1,495,608.36
Proceeds From Capital Contributions		
Payments for Additions to Capital Assets	(4,925,666.97)	(4,071,871.86)
Payments of Principal On Debt		
Payments for Capital Leases	(109,827.61)	
Payments of Interest On Debt Issuance		(79.18)
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]	3,723,519.78	1,357,736.02
Intrasystem Transfers for Capital Debt [Mandatory]		
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (1,311,974.80)</u>	<u>\$ (1,218,606.66)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System		
Proceeds From Interest and Investment Income		
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$</u>	<u>\$</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ 1,961,658.65</u>	<u>\$ (3,105,576.52)</u>
Cash and Cash Equivalents, Beginning of Year	\$ 919,953.30	\$ 4,025,529.82
Restatement		
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 919,953.30</u>	<u>\$ 4,025,529.82</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 2,881,611.95</u>	<u>\$ 919,953.30</u>

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EXHIBIT V
 TEXAS A&M SYSTEM SHARED SERVICES CENTER
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	2,153,653.62	839,298.81
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	896,751.65	989,823.08
Bad Debt Expense		
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	(132,256.61)	6,826.01
[Increase] Decrease In Due From Agencies/Funds		
[Increase] Decrease In Due From System Members		24,048.20
[Increase] Decrease In Inventories		
[Increase] Decrease In Prepaid Expenses		
[Increase] Decrease In Loans and Contracts		
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	146,437.64	(1,370,154.14)
Increase [Decrease] In Due to Other Agencies/Funds		
Increase [Decrease] In Due to System Members	8,221.71	(14,967.70)
Increase [Decrease] In Unearned Revenue		
Increase [Decrease] In Deposits		
Increase [Decrease] In Employees' Compensable Leave	144,031.94	(547,219.83)
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities		
Total Adjustments	<u>\$ 1,063,186.33</u>	<u>\$ (911,644.38)</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ 3,216,839.95</u>	<u>\$ (72,345.57)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$	\$
Net Change In Fair Value of Investments		
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other		(2,538,529.10)



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SCHEDULE THREE
TEXAS A&M SYSTEM SHARED SERVICES CENTER
SCHEDULE OF CASH & CASH EQUIVALENTS
FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash In State Treasury	
Assets Held By System Offices-Current	<u>\$ 2,881,611.95</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 2,881,611.95</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 2,881,611.95</u></u>

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SCHEDULE N-2
 TEXAS A&M SYSTEM SHARED SERVICES CENTER
 NOTE 2 - CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2017

	BALANCE 9-1-16	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Construction In Progress	\$ 1,453,389.81	\$	\$
Total Non-Depreciable/Non-Amortizable Assets	\$ 1,453,389.81	\$	\$
Depreciable Assets			
Furniture and Equipment	\$ 277,647.80	\$	\$
Total Depreciable Assets at Historical Cost	\$ 277,647.80	\$	\$
Less Accumulated Depreciation for Furniture and Equipment	\$ (50,902.24)	\$	\$
Total Accumulated Dpreciation	\$ (50,902.24)	\$	\$
Depreciable Assets, Net	\$ 226,745.56	\$	\$
Amortizable Assets - Intangible			
Computer Software	\$ 2,340,834.25	\$	\$
Total Intangible Assets at Historical Cost	\$ 2,340,834.25	\$	\$
Less Accumulated Amortization for Computer Software	\$ (761,483.90)	\$	\$
Total Accumulated Amortization	\$ (761,483.90)	\$	\$
Amortizable Assets, Net	\$ 1,579,350.35	\$	\$
Capital Assets, Net	\$ 3,259,485.72	\$	\$

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-17</u>
\$	\$	\$ 2,830,869.12	\$	\$ 4,284,258.93
\$	\$	\$ 2,830,869.12	\$	\$ 4,284,258.93
\$	\$	\$ 392,150.73	\$	\$ 669,798.53
\$	\$	\$ 392,150.73	\$	\$ 669,798.53
\$	\$	\$ (88,111.09)	\$	\$ (139,013.33)
\$	\$	\$ (88,111.09)	\$	\$ (139,013.33)
\$	\$	\$ 304,039.64	\$	\$ 530,785.20
\$	\$	\$ 1,702,647.12	\$	\$ 4,043,481.37
\$	\$	\$ 1,702,647.12	\$	\$ 4,043,481.37
\$	\$	\$ (808,640.56)	\$	\$ (1,570,124.46)
\$	\$	\$ (808,640.56)	\$	\$ (1,570,124.46)
\$	\$	\$ 894,006.56	\$	\$ 2,473,356.91
\$	\$	\$ 4,028,915.32	\$	\$ 7,288,401.04





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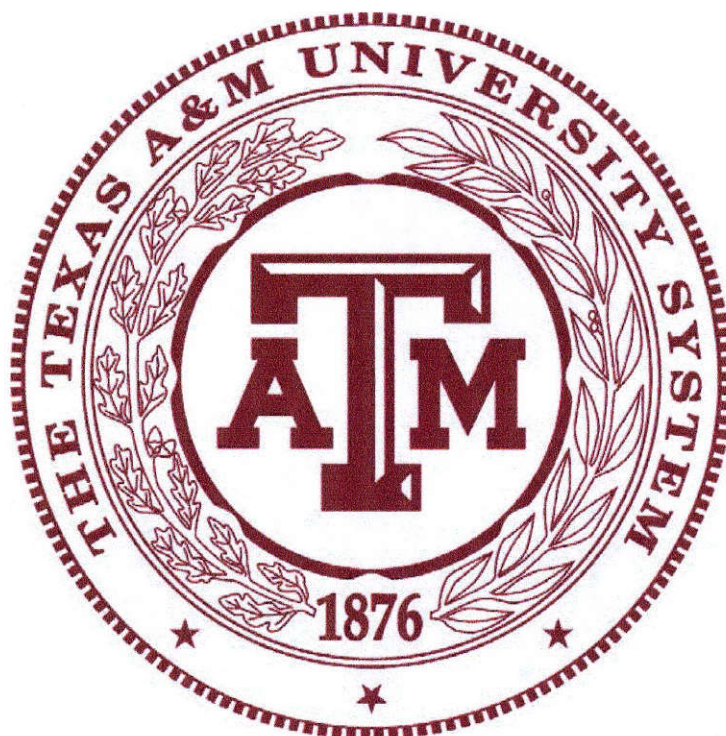
ANNUAL FINANCIAL REPORT

of

Texas A&M Research Foundation

For the Year Ended August 31, 2017

With Comparative Totals for the Year Ended August 31, 2016



Dr. Karen Butler-Purry, President
Dana R. Thomas, Chief Financial Officer



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TEXAS A&M RESEARCH FOUNDATION

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SCHEDULES

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EXHIBIT III
 TEXAS A&M RESEARCH FOUNDATION
 STATEMENT OF NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 774,306.89	\$ 2,835,450.37
Investments		
Restricted		
Cash & Cash Equivalents [Schedule Three]		
Investments		
Legislative Appropriations		
Receivables, Net [Note 24]		
Federal	1,751,509.13	2,032,036.22
Other Intergovernmental		
Interest and Dividends	31,669.40	104,900.95
Gifts		
Self-Insured Health and Dental		
Student		
Investment Trades		
Accounts	1,005,601.47	1,132,973.50
Other	59,368.33	9,122.65
Due From Other Agencies		
Due From Other Members		3,990.24
Due From Other Funds	104,184.38	987,826.46
Consumable Inventories		
Merchandise Inventories		
Loans and Contracts		
Interfund Receivable [Note 12]		
Other Current Assets	60,493.30	
Total Current Assets	<u>\$ 3,787,132.90</u>	<u>\$ 7,106,300.39</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$	\$
Assets Held By System Office		
Investments [Note 3]	307,764.03	369,199.37
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts		
Assets Held By System Office	7,786,287.25	7,082,645.65
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	305,303.34	305,303.34
Construction In Progress		461,070.00
Other Tangible Capital Assets		
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	1,879,982.86	1,879,982.86
Infrastructure		
Facilities and Other Improvements		
Furniture and Equipment	28,546,042.64	29,672,127.41
Vehicles, Boats, and Aircraft	74,250.16	41,891.90
Other Capital Assets		
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	5,000.00	5,000.00
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(23,954,816.29)	(24,347,596.77)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 14,949,813.99</u>	<u>\$ 15,469,623.76</u>
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
Total Deferred Outflows of Resources	<u>\$</u>	<u>\$</u>
Total Assets and Deferred Outflows	<u>\$ 18,736,946.89</u>	<u>\$ 22,575,924.15</u>

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EXHIBIT III
 TEXAS A&M RESEARCH FOUNDATION
 STATEMENT OF NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts Payroll	\$ 1,378,746.13	\$ 1,264,353.36
Investment Trades		
Self-Insured Health and Dental		
Student		
Other		14.72
Interfund Payable [Note 12]		
Due to Other Agencies		
Due to Other Funds	104,184.38	987,826.46
Due to Other Members	3,204,714.69	4,357,976.57
Funds Held for Investment		
Unearned Revenue	1,873,332.94	2,921,041.20
Employees' Compensable Leave		
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations [Note 8]		
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Other Current Liabilities		328.90
Total Current Liabilities	<u>\$ 6,560,978.14</u>	<u>\$ 9,531,541.21</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$	\$
Employees' Compensable Leave		
Other Post Employment Benefits [Note 11]		
Pension Liability [Note 9]		
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Assets Held In Trust		
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Capital Lease Obligations [Note 8]		
Other Non-Current Liabilities		
Total Non-Current Liabilities	<u>\$</u>	<u>\$</u>
Deferred Inflows of Resources [Note 28]		
Pension	<u>\$</u>	<u>\$</u>
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 6,560,978.14</u>	<u>\$ 9,531,541.21</u>
Net Position		
Net Investment In Capital Assets	\$ 6,855,762.71	\$ 8,017,778.74
Restricted for		
Debt Service		
Capital Projects		
Education	(621,674.59)	(229,898.16)
Endowment and Permanent Funds		
Nonexpendable	69,171.74	65,310.59
Expendable	2,912.29	3,984.78
Unrestricted	<u>5,869,796.60</u>	<u>5,187,206.99</u>
Total Net Position [Exhibit IV]	<u>\$ 12,175,968.75</u>	<u>\$ 13,044,382.94</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 18,736,946.89</u>	<u>\$ 22,575,924.15</u>

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EXHIBIT IV
 TEXAS A&M RESEARCH FOUNDATION
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Operating Revenues		
Tuition and Fees	\$	\$
Discounts and Allowances		
Professional Fees		122,305.78
Auxiliary Enterprises		
Discounts and Allowances		
Other Sales of Goods and Services	527,667.84	364,550.84
Discounts and Allowances		
Interest Revenue		
Federal Revenue - Operating	68,014,879.41	73,535,955.37
Federal Pass Through Revenue		
State Grant Revenue	202,793.62	106,075.77
State Pass Through Revenue		
Other Grants and Contracts - Operating	1,885,379.62	1,465,059.40
Other Operating Revenue	<u>(11,180.87)</u>	<u>(10,826.67)</u>
Total Operating Revenues	<u>\$ 70,619,539.62</u>	<u>\$ 75,583,120.49</u>
Operating Expenses		
Instruction	\$	\$
Research	68,253,456.88	72,862,586.27
Public Service	214,347.75	247,023.99
Academic Support		14,090.14
Student Services	924,885.99	1,040,956.24
Institutional Support	571,833.97	1,467,024.23
Operation & Maintenance of Plant		
Scholarships & Fellowships		
Auxiliary		
Depreciation/Amortization	<u>2,217,120.42</u>	<u>3,424,161.17</u>
Total Operating Expenses [Schedule IV-1]	<u>\$ 72,181,645.01</u>	<u>\$ 79,055,842.04</u>
Total Operating Income [Loss]	<u>\$ (1,562,105.39)</u>	<u>\$ (3,472,721.55)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$	\$
Federal Revenue Non-Operating		
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts		
Investment Income	680,998.80	415,355.42
Investing Activities Expense	(19,710.25)	(16,949.37)
Interest Expense	(164.35)	
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	20,757.01	
Settlement of Claims		
Other Nonoperating Revenues	79,623.16	134,644.63
Other Nonoperating [Expenses]	<u>(67,813.17)</u>	<u>(437,184.06)</u>
Total Nonoperating Revenues [Expenses]	<u>\$ 693,691.20</u>	<u>\$ 95,866.62</u>
Income [Loss] Before Other Revenues and Transfers	<u>\$ (868,414.19)</u>	<u>\$ (3,376,854.93)</u>

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EXHIBIT IV
 TEXAS A&M RESEARCH FOUNDATION
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u> </u>	<u> </u>
Other Revenues and Transfers		
Capital Contributions	\$	\$
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments		
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies		
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members		
Nonmandatory Transfers From Members/Agencies-Cap Assets		
Transfers Out		
Transfers to Other State Agencies		
Mandatory Transfers to Other Members		
Nonmandatory Transfers to Other Members		
Nonmandatory Transfers to Members/Agencies - Cap Assets		
Legislative Transfers - In		
Legislative Transfers - Out		
Legislative Appropriations Lapsed		
	<u> </u>	<u> </u>
Total Other Revenues and Transfers	\$	\$
Change In Net Position	\$ (868,414.19)	\$ (3,376,854.93)
Net Position, Beginning of Year Restatement	\$ 13,044,382.94	\$ 16,421,237.87
	<u> </u>	<u> </u>
Net Position, Beginning of Year, Restated	\$ 13,044,382.94	\$ 16,421,237.87
	<u> </u>	<u> </u>
Net Position, End of Year	\$ 12,175,968.75	\$ 13,044,382.94

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SCHEDULE IV-1
 TEXAS A&M RESEARCH FOUNDATION
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX
 FOR THE YEAR ENDED AUGUST 31, 2017

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$	\$	\$
Salaries & Wages		9,222,790.88	114,998.40		
Payroll Related Costs		2,255,557.88	25,434.53		
Payroll Related Costs-TRS Pension					
Professional Fees & Services		1,947,892.60			
Travel		1,000,348.16			
Materials & Supplies		4,593,882.93			
Communication & Utilities		715,004.07			13,620.92
Repairs & Maintenance		537,354.94			
Rentals & Leases		591,710.61			
Printing & Reproduction		14,790.47			
Federal Pass-Through					
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					
Interest					
Scholarships		113,361.19			
Claims & Losses					
Net Change in OPEB Obligation					
Other Operating Expenses		47,260,763.15	73,914.82		911,265.07
Total Operating Expenses	\$	\$ 68,253,456.88	\$ 214,347.75	\$	\$ 924,885.99

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$	\$	\$	\$	\$	\$
36,008.70					9,373,797.98	12,229,851.56
9,379.50					2,290,371.91	2,788,881.55
263,456.91					2,211,349.51	33,253,143.81
5,006.45					1,005,354.61	2,909,522.02
16,737.58					4,610,620.51	7,595,907.09
124,257.07					852,882.06	797,758.67
29,250.87					566,605.81	599,902.26
9,539.96					601,250.57	415,849.37
					14,790.47	47,712.80
				2,217,120.42	2,217,120.42	3,424,161.17
						253.90
					113,361.19	398,495.23
78,196.93					48,324,139.97	14,594,402.61
<u>\$ 571,833.97</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,217,120.42</u>	<u>\$ 72,181,645.01</u>	<u>\$ 79,055,842.04</u>

[Exhibit IV]

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EXHIBIT V
TEXAS A&M RESEARCH FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$	\$
Proceeds Received From Customers	527,667.84	491,695.14
Proceeds From Grants and Contracts	69,405,807.20	78,372,326.76
Proceeds From Auxiliary Enterprises		
Proceeds From Loan Programs		
Proceeds From Other Operating Revenues		
Payments to Suppliers for Goods and Services	(71,018,842.42)	(77,245,642.42)
Payments to Employees	(45,388.20)	(684,038.23)
Payments for Loans Provided		
Payments for Other Operating Expenses		
Net Cash Provided [Used] By Operating Activities	<u>\$ (1,130,755.58)</u>	<u>\$ 934,341.25</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$	\$
Proceeds From Gifts		
Proceeds From Endowments		
Proceeds From Transfers From Other Funds		
Proceeds From Other Grant Receipts		
Proceeds From Other Noncapital Financing Activities		
Payments of Interest		
Payments for Transfers to Other Funds		
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses		
Other Noncapital Transfers From/To System		
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$</u>	<u>\$</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$	\$
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts		
Proceeds From Federal Grants and Contracts		
Proceeds From Gifts		
Proceeds From Interfund Payables		
Proceeds From Other Financing Activities		
Proceeds From Capital Contributions		
Payments for Additions to Capital Assets	(1,043,294.40)	(1,004,203.09)
Payments of Principal On Debt		
Payments for Capital Leases		
Payments of Interest On Debt Issuance		
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]		
Intrasystem Transfers for Capital Debt [Mandatory]		
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (1,043,294.40)</u>	<u>\$ (1,004,203.09)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$ 95,061.05	\$ 312,380.48
Sales and Purchases of Investments Held By System	(101,618.95)	(1,606,282.89)
Proceeds From Interest and Investment Income	119,464.40	129,608.05
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ 112,906.50</u>	<u>\$ (1,164,294.36)</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ (2,061,143.48)</u>	<u>\$ (1,234,156.20)</u>
Cash and Cash Equivalents, Beginning of Year Restatement	<u>\$ 2,835,450.37</u>	<u>\$ 4,069,606.57</u>
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 2,835,450.37</u>	<u>\$ 4,069,606.57</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 774,306.89</u>	<u>\$ 2,835,450.37</u>

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EXHIBIT V
 TEXAS A&M RESEARCH FOUNDATION
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED AUGUST 31, 2017

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(1,562,105.39)	(3,472,721.55)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	2,217,120.42	3,424,161.17
Bad Debt Expense		
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	357,653.44	2,808,313.06
[Increase] Decrease In Due From Agencies/Funds		
[Increase] Decrease In Due From System Members	3,990.24	6,295.82
[Increase] Decrease In Inventories		
[Increase] Decrease In Prepaid Expenses	(60,493.30)	10,069.92
[Increase] Decrease In Loans and Contracts		
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	114,378.05	(106,068.33)
Increase [Decrease] In Due to Other Agencies/Funds		
Increase [Decrease] In Due to System Members	(1,153,261.88)	(2,108,743.85)
Increase [Decrease] In Unearned Revenue	(1,047,708.26)	461,454.01
Increase [Decrease] In Deposits		
Increase [Decrease] In Employees' Compensable Leave		(88,747.90)
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities	(328.90)	328.90
Total Adjustments	\$ 431,349.81	\$ 4,407,062.80
Net Cash Provided [Used] By Operating Activities	\$ (1,130,755.58)	\$ 934,341.25
Non-Cash Transactions		
Donation of Capital Assets	\$	\$
Net Change In Fair Value of Investments	486,660.60	229,702.66
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other		



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SCHEDULE THREE
TEXAS A&M RESEARCH FOUNDATION
SCHEDULE OF CASH & CASH EQUIVALENTS
FOR THE YEAR ENDED AUGUST 31, 2017

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Cash In Bank	\$ 697,458.29
Cash In State Treasury	
Assets Held By System Offices-Current	29,922.65
Cash Equivalents	<u>46,925.95</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 774,306.89</u>
Total Cash & Cash Equivalents [Exhibit V]	<u>\$ 774,306.89</u>

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SCHEDULE N-2
 TEXAS A&M RESEARCH FOUNDATION
 NOTE 2 - CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2017

	BALANCE 9-1-16	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 305,303.34	\$	\$
Construction In Progress	461,070.00		(461,070.00)
Total Non-Depreciable/Non-Amortizable Assets	<u>\$ 766,373.34</u>	<u>\$</u>	<u>\$ (461,070.00)</u>
Depreciable Assets			
Buildings	\$ 1,879,982.86	\$	\$
Furniture and Equipment	29,672,127.41		461,070.00
Vehicles, Boats and Aircraft	41,891.90		
Total Depreciable Assets at Historical Cost	<u>\$ 31,594,002.17</u>	<u>\$</u>	<u>\$ 461,070.00</u>
Less Accumulated Depreciation for			
Buildings	\$ (1,493,830.78)	\$	\$
Furniture and Equipment	(22,844,945.05)		
Vehicles, Boats and Aircraft	(3,820.94)		
Total Accumulated Depreciation	<u>\$ (24,342,596.77)</u>	<u>\$</u>	<u>\$</u>
Depreciable Assets, Net	<u>\$ 7,251,405.40</u>	<u>\$</u>	<u>\$ 461,070.00</u>
Amortizable Assets - Intangible			
Computer Software	\$ 5,000.00	\$	\$
Total Intangible Assets at Historical Cost	<u>\$ 5,000.00</u>	<u>\$</u>	<u>\$</u>
Less Accumulated Amortization for			
Computer Software	\$ (5,000.00)	\$	\$
Total Accumulated Amortization	<u>\$ (5,000.00)</u>	<u>\$</u>	<u>\$</u>
Amortizable Assets, Net	<u>\$</u>	<u>\$</u>	<u>\$</u>
Capital Assets, Net	<u>\$ 8,017,778.74</u>	<u>\$</u>	<u>\$</u>

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-17</u>
\$	\$	\$	\$	\$ 305,303.34
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 305,303.34</u>
\$	\$	\$	\$	\$ 1,879,982.86
		1,197,838.20	(2,784,992.97)	28,546,042.64
		32,358.26		74,250.16
<u>\$</u>	<u>\$</u>	<u>\$ 1,230,196.46</u>	<u>\$ (2,784,992.97)</u>	<u>\$ 30,500,275.66</u>
\$	\$	\$	\$	\$ (1,539,794.50)
		(45,963.72)	2,717,179.80	(22,396,662.17)
		(2,268,896.92)		(13,359.62)
		(9,538.68)		
<u>\$</u>	<u>\$</u>	<u>\$ (2,324,399.32)</u>	<u>\$ 2,717,179.80</u>	<u>\$ (23,949,816.29)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (1,094,202.86)</u>	<u>\$ (67,813.17)</u>	<u>\$ 6,550,459.37</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 5,000.00</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 5,000.00</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (5,000.00)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (5,000.00)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>\$</u>	<u>\$</u>	<u>\$ (1,094,202.86)</u>	<u>\$ (67,813.17)</u>	<u>\$ 6,855,762.71</u>

