

UNAUDITED

Annual

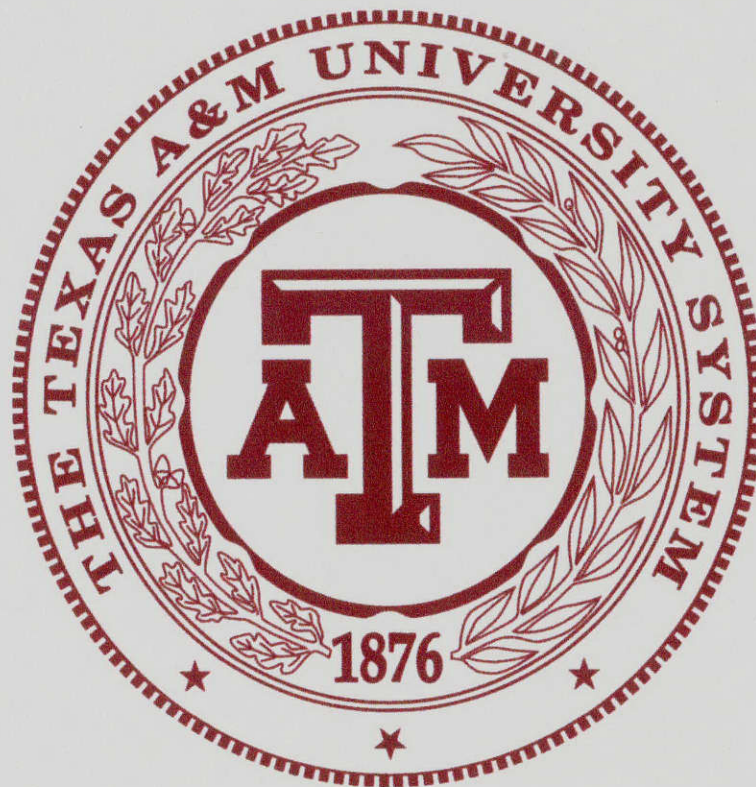
# FINANCIAL REPORT

of

**The Texas A&M University System**

*For the Year Ended August 31, 2016*

*With Comparative Totals for the Year Ended August 31, 2015*



Texas A&M University ■ Texas A&M University at Galveston ■ Texas A&M Health Science Center  
■ Prairie View A&M University ■ Tarleton State University ■ Texas A&M International University ■  
Texas A&M University-Central Texas ■ Texas A&M University-Commerce ■ Texas A&M University-  
Corpus Christi ■ Texas A&M University-Kingsville ■ Texas A&M University-San Antonio ■ Texas  
A&M University-Texarkana ■ West Texas A&M University ■ Texas A&M AgriLife Research ■  
Texas A&M AgriLife Extension Service ■ Texas A&M Forest Service ■ Texas A&M Veterinary  
Medical Diagnostic Laboratory ■ Texas A&M Engineering Experiment Station ■ Texas A&M  
Engineering Extension Service ■ Texas A&M Transportation Institute ■ Texas A&M University System  
Offices ■ Texas A&M System Shared Services Center ■ Texas A&M System Technology  
Commercialization ■ Texas A&M Research Foundation





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

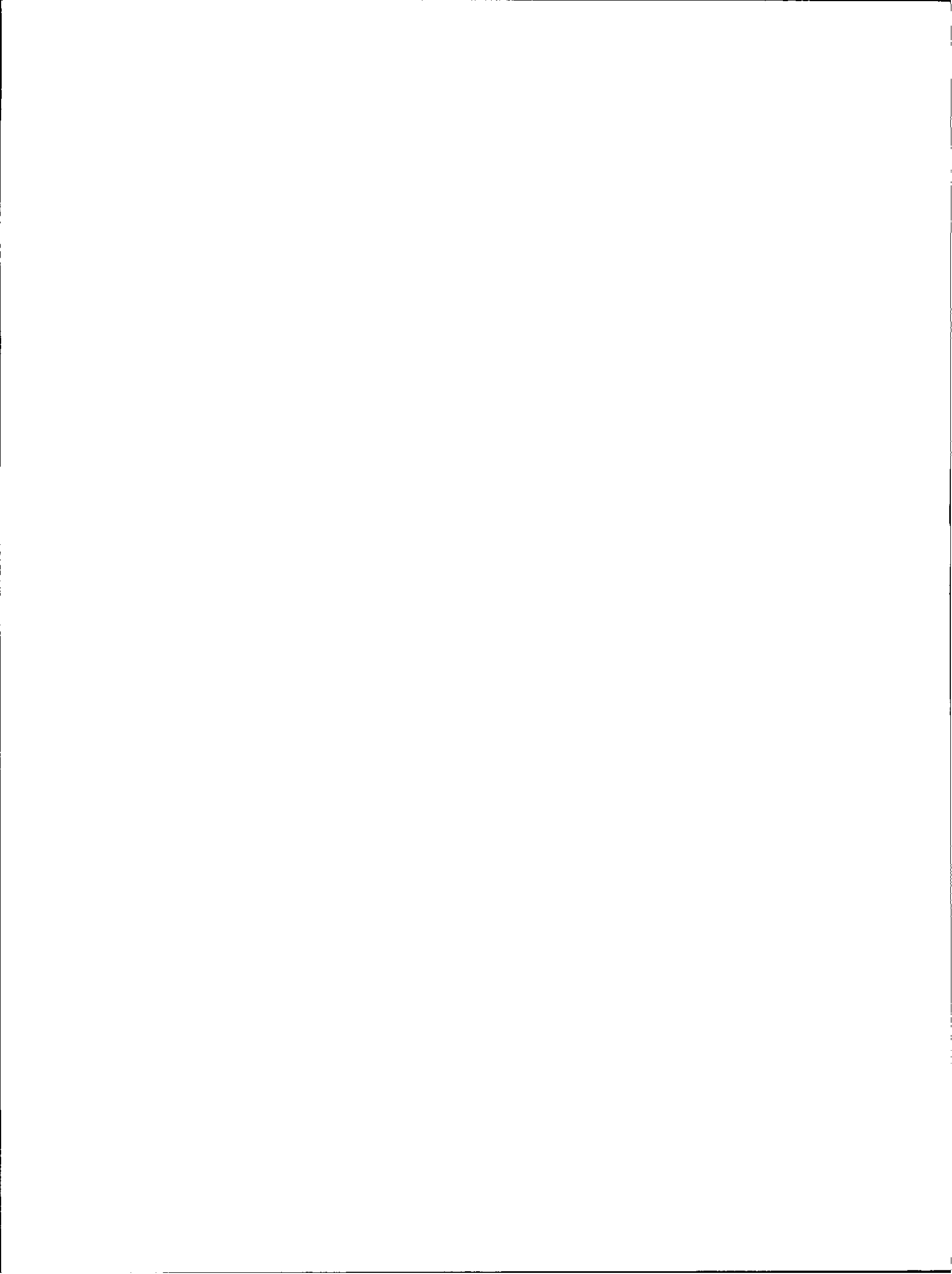
November 20, 2016

To Whom It May Concern,

Beginning with the fiscal year ended August 31, 1987, the State of Texas has issued audited financial statements, prepared in accordance with generally accepted accounting principles, for the State government as a whole. The State Auditor expresses an opinion on the financial statements of the State of Texas **but not on the financial statements of the individual component units of the State**. You may request a copy of the **audited** fiscal year 2016 State of Texas Comprehensive Annual Financial Report directly from the State Comptroller of Public Accounts.

Sincerely,

Joseph Duron, CPA  
Executive Director, Budgets & Accounting  
The Texas A&M University System



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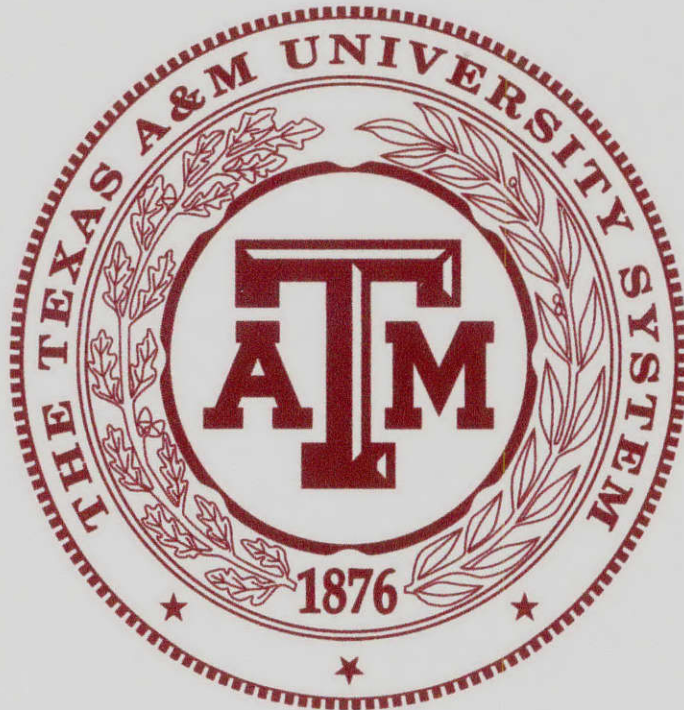
# FINANCIAL REPORT

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**The Texas A&M University System**

*For the Year Ended August 31, 2016*

*With Comparative Totals for the Year Ended August 31, 2015*



November 20, 2016

*John Sharp, Chancellor*

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

*Joseph Duron, Executive Director, Budgets and Accounting*

*Teresa Bass, Comptroller*

**College Station, Texas**





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

November 20, 2016

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, 2016.

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 Bass, CPA  
Comptroller

Joseph Duron, CPA  
Executive Director, Budgets & Accounting





# The Texas A&M University System

## Board of Regents

Cliff Thomas	Term Expires February 1, 2017
Elaine Mendoza	Term Expires February 1, 2017
Judy Morgan	Term Expires February 1, 2017
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
Stephanie Y. Martinez (Student Regent)	Term Expires May 31, 2017

## Officers of the Board

Cliff Thomas	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. Bass	Comptroller

# **The Texas A&M University System**

## **Chief Executive Officers**

Texas A&M University	Michael K. Young, President
Texas A&M University at Galveston	Douglas Palmer, Interim Chief Operations Officer, Interim Vice- President
Texas A&M Health Science Center	Paul Ogden, Interim Executive Vice President and CEO
Prairie View A&M University	George C. Wright, President
Tarleton State University	F. Dominic Dottavio, President
Texas A&M International University	Pablo Arenaz, Interim President
Texas A&M University - Central Texas	Marc A. Nigliazzo, President
Texas A&M University - Commerce	Ray Keck, Interim President
Texas A&M University - Corpus Christi	Flavius Killebrew, 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	James Hallmark, Interim 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	Tom 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	Dennis L. Christiansen, 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 System Technology Commercialization	Billy Hamilton, Executive Vice Chancellor and Chief Financial Officer
Texas A&M Research Foundation	Glen A. Laine, 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, 2016

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#### *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 considers the Texas A&M Research Foundation 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 approximately 150,000 students and reaches another 22 million people through training and outreach programs each year. With over 26,000 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.

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, 2016, with comparative data to fiscal year 2015 and some data for fiscal year 2014. 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.

For Fiscal Year 2016, the A&M System has implemented the GASB Statement No. 72 *Fair Value Measurement & Application* standard. The Standard requires a restatement for prior year balances, which totals \$33.5 million. This Standard revises the definition of investments and provides guidance for how to apply fair value when market values are not readily available.

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### The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2016

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Investments are defined as a security or other asset that a government holds primarily for the purpose of income or profit and has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. The valuation method used for investments in mineral rights and private equity technology partnerships has been updated to follow the guidance provided in the new standard. Valuation methodologies have been established, see Note 3 Deposits, Investments and Repurchase Agreements as well as Note 14 Restatement of Net Position for additional details.

#### *Financial Highlights*

Below are financial highlights for fiscal year 2016.

- The pension liability increased to \$399 million compared to \$352 million liability reported in 2015. This liability continues to increase based upon the Teacher's Retirement System (TRS) actuary report. A \$16.6 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 \$34.7 million decrease in deferred inflows of resources reflects the difference between projected and actual investment returns. This is the second year of *GASB 68 Accounting and Financial Reporting for Pensions* implementation.
- The Kyle Field Stadium Redevelopment project was completed and \$234 million was capitalized as Facilities and Other Improvements in 2016.
- A \$189 million increase in investment income included an increase in unrealized gains of \$265 million, a decrease of \$113 million in realized gains and an increase in interest income of \$37 million.
- A \$133 million increase in Net Change in Other Post Employment (OPEB), reporting an ending balance of \$1.118 billion OPEB liability which is an actuary calculation for the A&M System's retiree group insurance program.
- 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. This increased the deferred outflows for Unamortized Loss on Refunding Debt by \$31.1 million for 2016.



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#### *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, 2016**

<b>Statement of Net Position</b>			
<b>(in millions)</b>			
<b>Assets and Deferred Outflows of Resources</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Current Assets	\$2,103	\$1,978	\$1,840
Capital Assets, Net	5,024	4,666	4,155
Other Assets	5,521	5,138	4,962
Deferred Outflows	145	102	35
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$12,793</b>	<b>\$11,884</b>	<b>\$10,992</b>
<b>Liabilities and Deferred Inflows of Resources</b>			
Current Liabilities	\$1,361	\$1,238	\$1,183
Non-Current Liabilities	5,465	4,859	4,026
Deferred Inflows	73	108	0
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>\$6,899</b>	<b>\$6,205</b>	<b>\$5,209</b>
<b>Net Position</b>			
Net Investment in Capital Assets	\$1,725	\$1,640	\$1,462
Restricted			
Expendable	1,239	1,209	1,157
NonExpendable	382	377	372
Unrestricted	2,548	2,453	2,792
<b>Total Net Position</b>	<b>\$5,894</b>	<b>\$5,679</b>	<b>\$5,783</b>

The Statement of Net Position indicates an increase in total assets of 43.2%. This increase in assets is mostly attributable to an increase of \$544 million in Investments plus Cash Equivalents plus a \$358 million increase in net capital assets and an increase of \$31 million for unamortized loss on refunding debt.

The increase in investments and cash equivalents includes \$178 million realized gains and interest and unrealized gains of \$59 million. A non-A&M institution invested \$153 million with the A&M System for us to manage on their behalf, for more details see *Note 3-Deposits, Investments and Repurchase Agreements*.

Total liabilities increased \$694 million from the previous year. Notes, Loans and Bonds increased \$283.5 million, primarily attributable to the Kyle Field Stadium Redevelopment project plus the new Veterinary Medical & Biomedical Science Building. The pension liability

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The Texas A&M University System  
Management's Discussion and Analysis  
For the Year Ended August 31, 2016

increased by \$47 million; this was the second year of implementation. The Other Postemployment Benefits (OPEB) liability increased \$134 million, reporting a balance of \$1.118 billion. This accrued liability is being amortized over 30 years.

The final section of the statement reports the net position of the A&M System. Total net position increased 3.8% from the 2015 amount of \$5.679 billion to \$5.894 billion in 2016. Net Investment in Capital Assets increased 5.1% and by \$84 million, and unrestricted net position increased 3.9% and by \$94.9 million.

Although these balances are defined as unrestricted, they do contain internal restrictions, as defined in the table below.

<b>Unrestricted Net Position</b>	
<b>(in millions)</b>	
<b>Reserved For</b>	
Accounts Receivable	\$1,040
Encumbrances	200
Unrealized Gain on Investments	206
Annual Debt Service Payment	188
Inventories	25
Higher Education Fund	32
Self-Insured Plans	86
Prepaid Expenses and Other Reserves	58
Other State Funds	119
<b>Total Unrestricted Reserves</b>	<b>1,954</b>
<b>Unreserved</b>	
Available University Fund	33
Allocated	318
Funds Functioning as Endowments	243
<b>Total Unreserved</b>	<b>594</b>
<b>Unrestricted Net Position</b>	<b>\$2,548</b>

***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.

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### The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2016

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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 that are 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"

The condensed Statement of Revenues, Expenses and Changes in Net Position reflect an increase in Net Position of \$182 million.

During the 2016 fiscal year, revenues increased \$175 million. The most significant changes are listed below.

- A \$189 million increase in investment income included an increase in unrealized gains of \$265 million, a decrease of \$113 million in realized gains and an increase in interest income of \$37 million.
- A \$46 million increase in net tuition and fee revenue due to the 5,743 increase in student enrollment which corresponds to an increase in Instruction Expenses of \$35 million.
- A \$33.5 million restatement to implement GASB Statement No. 72 *Fair Value Measurement & Application* standard.

During the 2016 fiscal year, operating expenses increased by 7.2%, \$289 million. The most significant changes are listed below.

- Salaries & Wages had a slight increase of 5.11%, \$86 million; and, the payroll related costs increased 7.95% which increased by \$33 million.
- Depreciation and amortization expense increased 5.13%, \$15 million due to the completion of several construction projects.
- Scholarships increased \$21.2 million due to the increase in students.
- Repairs and Maintenance expense increased \$34.7 million. Several institutions completed large construction projects and non-capital costs were incurred.

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**The Texas A&M University System  
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For the Year Ended August 31, 2016**

- Net Change in Other Post Employment benefits increased by \$9.8 million which was a 7.91% increase from the prior year.

Total Non-Operating Revenues and Expenses for 2016 increased to \$1.6 billion, compared to the 2015 amount of \$1.3 billion. The largest portion is attributable to an increase \$189 million growth in investment earnings which resulted in \$237 million in revenue. Legislative revenue totaled \$1.1 billion for 2016, an increase of 11%.

Other Revenues and Transfers decreased by 31% from the 2015 amount of \$525 million to \$364 million in 2016. Contributing factors include a decrease in Capital Contributions of \$25.1 million and a \$151.4 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.

<b>Statement of Revenues, Expenses and Changes in Net Position</b>			
<b>(in millions)</b>			
	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Operating Revenues and Expenses</b>			
Operating Revenues	\$2,547	\$2,472	\$2,257
Operating Expenses	(4,297)	(4,007)	(3,798)
<b>Operating (Loss)</b>	<b>(1,750)</b>	<b>(1,535)</b>	<b>(1,541)</b>
NonOperating Revenues	1,567	1,307	2,231
<b>Income (Loss) Before Other Revenues and Transfers</b>	<b>(183)</b>	<b>(228)</b>	<b>690</b>
Other Revenues and Transfers	365	525	521
<b>Change in Net Position</b>	<b>182</b>	<b>297</b>	<b>1,211</b>
Net Position, Beginning of Year	\$5,679	\$5,783	\$4,572
Restatement	33	(401)	0
Net Position as Restated	5,712	5,382	4,572
<b>Net Position, End of Year</b>	<b>\$5,894</b>	<b>\$5,679</b>	<b>\$5,783</b>

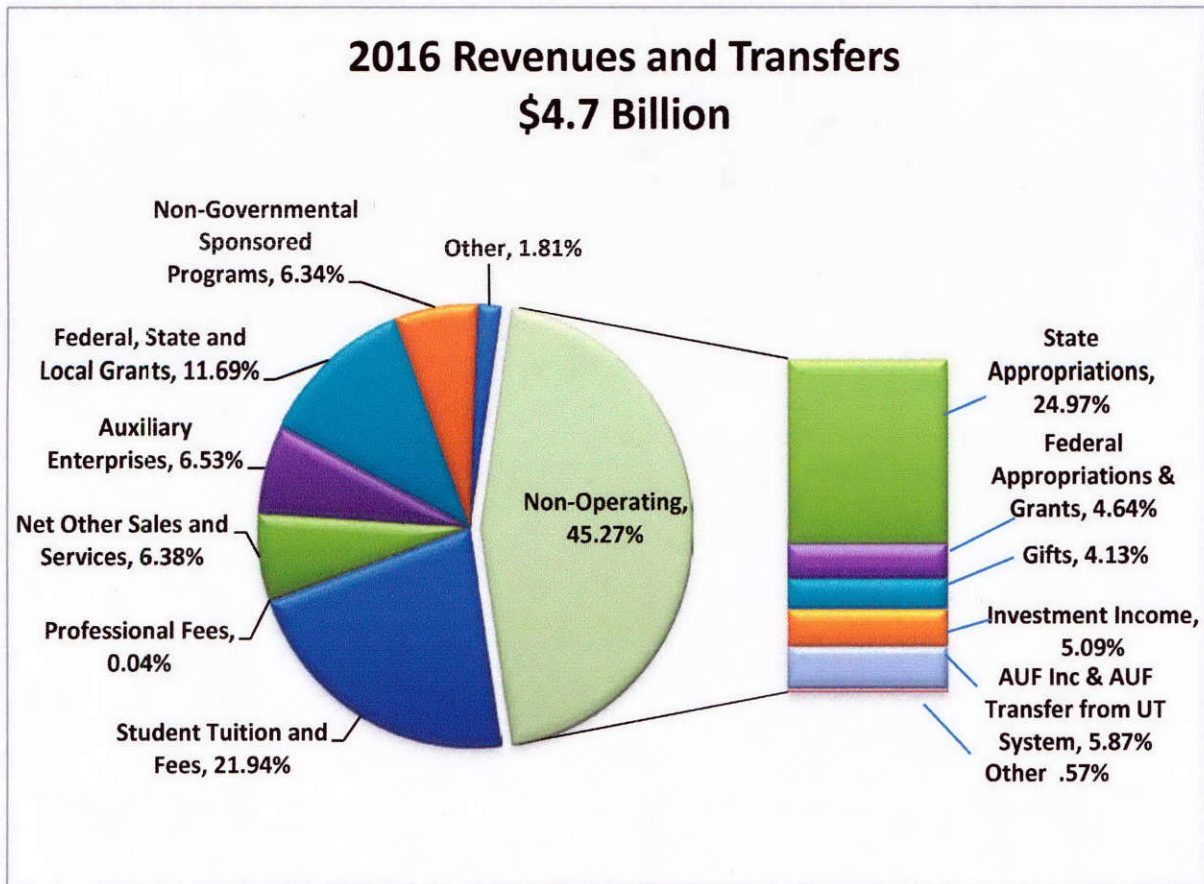
Certain internal activities embedded in the Statement of Revenues, Expenses and Changes in Net Position provide goods and services to internal customers and to other A&M System members. These activities include self-insured programs (health, dental, auto, etc.), repairs & maintenance, utilities, computer services, and other interdepartmental activities. The net operating revenues for these internal activities were eliminated to the extent of operating expenses. The total eliminated

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was approximately \$568 million. The majority of this activity relates to the self-insured programs which reported operating expenses of approximately \$294 million. Of the remaining \$274 million in operating expenses eliminated, \$103 million were professional fees & services, \$79 million included utilities and communications. Approximately \$74 million represented salaries and wages and \$19.4 million represented other payroll related costs.

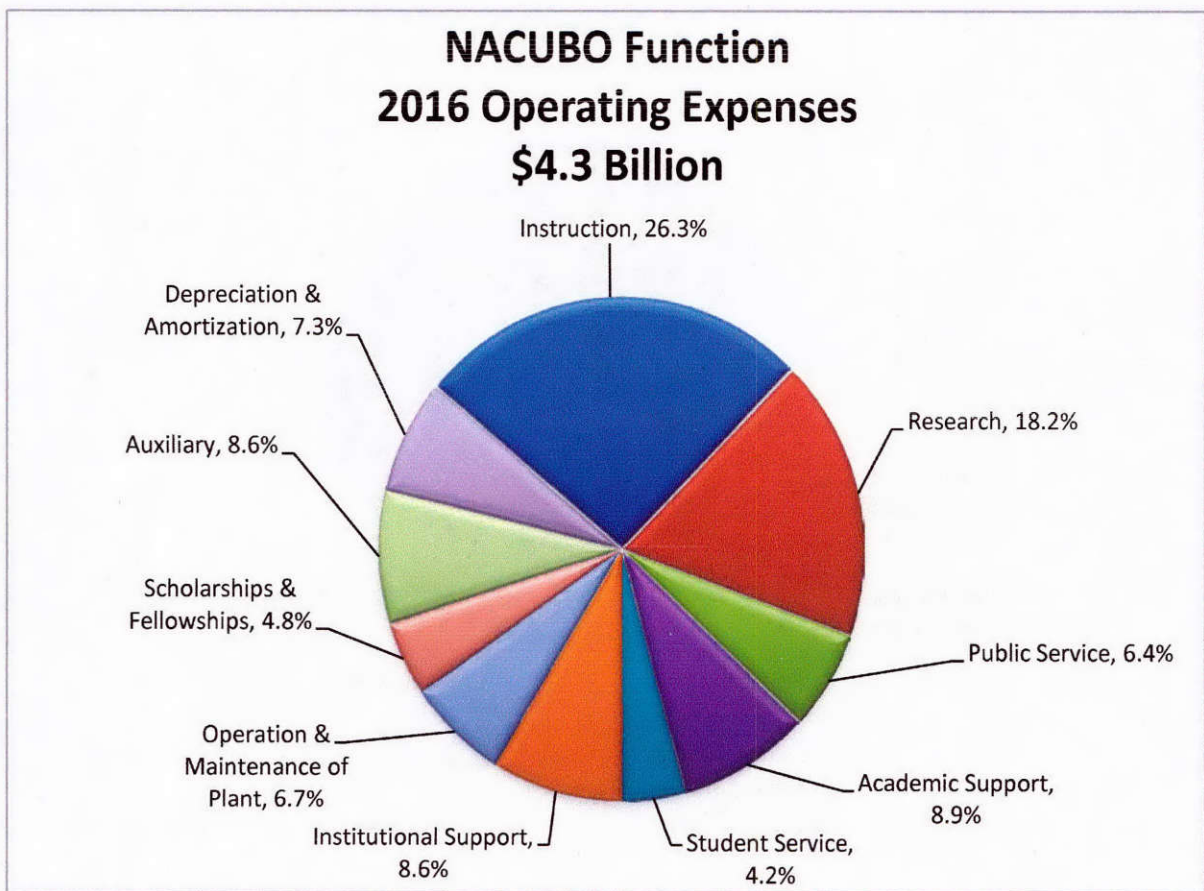
The following graph presents total revenues and transfers for the fiscal year ended August 31, 2016. Revenues are presented as operating and non-operating in the Statement of Revenues, Expenses and Changes in Net Position. Operating revenues totaled \$2.5 billion and non-operating revenues plus transfers in totaled \$2.2 billion for a total of \$4.7 billion.



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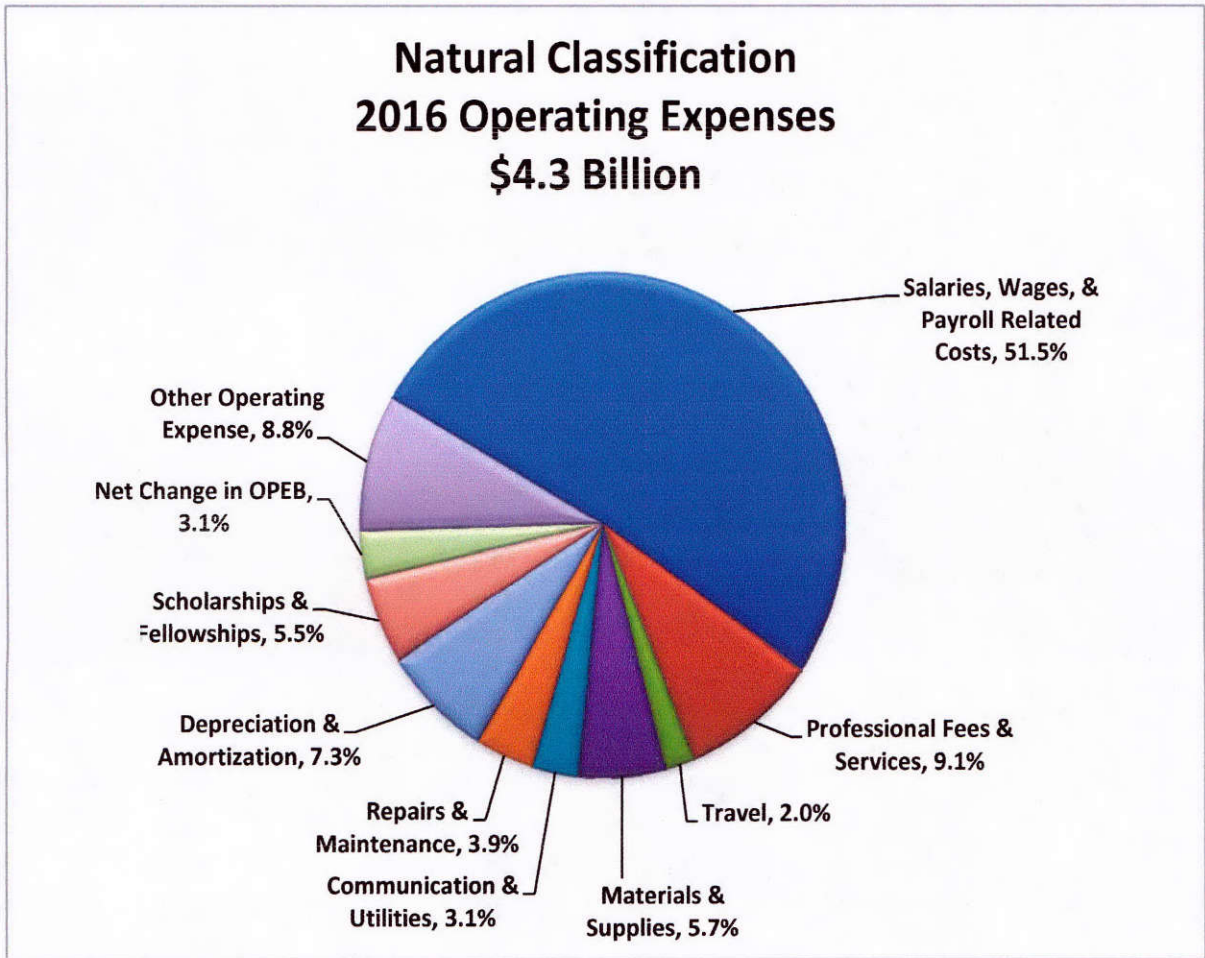
The following two graphs present operating expenses of \$4.3 billion. The first graph presents the operating expenses in the National Association of College and University Business Officers (NACUBO) functional classification and the second graph presents operating expenses in the natural classification.



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Operating expenses totaled \$4.3 billion, as depicted in the graph, and non-operating expenses plus transfers out equaled \$223.8 million.





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*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.

<b>Statement of Cash Flows</b>			
<b>(in millions)</b>			
	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Cash Flows From</b>			
Operating Activities	(\$1,261)	(\$1,151)	(\$1,226)
Non-Capital Financing Activities	1,951	1,679	1,718
Capital and Related Financing Activities	(601)	(476)	(222)
Investing Activities	64	(56)	(105)
Net Change in Cash & Cash Equivalents	153	(4)	165
Cash & Cash Equivalents, Beginning of Year	1,117	1,121	956
<b>Cash &amp; Cash Equivalents, End of Year</b>	<b>\$1,270</b>	<b>\$1,117</b>	<b>\$1,121</b>

*Capital Asset and Debt Administration*

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. 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 for construction in progress during 2016 totaled \$519 million, as compared to \$403 million in 2015. This represents projects that have been substantially completed and moved to the appropriate capital asset categories.

The A&M System had significant capital asset additions for facilities in 2016. 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 \$592 million in payments for construction in progress during 2016. Approximately \$253 million related to the Kyle Field Stadium Redevelopment, \$44.7 million related to the Prairie View

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A&M University Football Stadium/Athletic Field House and \$11.8 million related to the implementation of the new Human Capital Management software for all A&M members.

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

Campus	Project	Projected Fiscal Year Completion	Projected Budget
<b>Texas A&amp;M University</b>			
	Chemistry Building '72 Wing I & II Floor Renovation	2017	\$ 12,894,125
	Human Clinical Research Facility	2017	13,900,000
	FY 2014 Utility Production Upgrade	2017	21,276,643
	Aggie Softball Stadium	2018	28,640,000
	Renovate the Commissary Building	2018	33,155,000
	Aggie Track and Field Stadium	2018	39,800,000
	Commons Building Renovation	2017	49,850,000
	Student Recreation Center Addition	2017	54,990,000
	CVM & BioMed Science New Education Building	2017	123,294,248
	Zachry Building Renovation and Expansion	2017	225,669,000
	<b>Subtotal</b>		<b>\$ 603,469,016</b>
<b>Texas A&amp;M University-Galveston</b>			
	Academic Building Complex Phase I	2017	\$ 46,830,000
<b>Prairie View A&amp;M University</b>			
	Football Stadium and Athletic Field House	2018	\$ 62,263,206
<b>Tarleton State University</b>			
	Utility and Infrastructure Improvements	2018	\$ 25,750,000
<b>Texas A&amp;M AgriLife Research</b>			
	Agriculture and Life Sciences Building #4	2018	\$ 32,500,000
<b>West Texas A&amp;M University</b>			
	Agricultural Sciences Complex	2018	\$ 48,760,000
<b>Texas A&amp;M Veterinary Medical Diagnostic Laboratory</b>			
	Veterinary Medical Laboratory	2017	\$ 53,600,000
<b>Texas A&amp;M Health Science Center</b>			
	Multidisciplinary Research and Education Facility Bryan	2018	\$ 10,000,000
<b>Texas A&amp;M Engineering Experiment Station</b>			
	Center for Infrastructure Renewal	2018	\$ 73,000,000
	<b>Total</b>		<b>\$ 956,172,222</b>

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### The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2016

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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 2016, 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, Taxable Series 2016A had a par amount of \$91,520,000 with a true interest cost of 2.84%. Refundings associated with this bond issue resulted in approximately \$6,298,137.73 of total savings or approximately \$5,343,790.93 of net present value savings equating to a net present value benefit of 6.46%. The Revenue Financing System Bonds, Taxable Series 2016B had a par amount of \$325,575,000 with a true interest cost of 3.69%. The Revenue Financing System Bonds, Series 2016C had a par amount of \$207,445,000 with a true interest cost of 2.14%. Refundings associated with this bond issue resulted in approximately \$39,516,939.03 of total savings or approximately \$32,862,930.27 of net present value savings equating to a net present value benefit of 14.59%. The Revenue Financing System Bonds, Taxable Series 2016D had a par amount of \$176,860,000 with a true interest cost of 2.96%. Refundings associated with this bond issue resulted in approximately \$8,989,447.28 of total savings or approximately \$7,018,064.08 of net present value savings equating to a net present value benefit of 8.43%. The Revenue Financing System Bonds, Series 2016E had a par amount of \$139,350,000 with a true interest cost of 1.90%. Refundings associated with this bond issue resulted in approximately \$21,642,967.34 of total savings or approximately \$18,782,568.72 of net present value savings equating to a net present value benefit of 13.04%.

Revenue Financing System Commercial Paper in the amount of \$140 million and Permanent University Fund Taxable Commercial Paper in the amount of \$68 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 FY2016-17 biennium. For additional information concerning Capital Assets and Debt Administration, see the Notes to the Financial Statements.

#### *Economic Outlook*

Capital markets ended the fiscal year on an upbeat note, as most stock markets experienced positive results. After a volatile first half of the year, driven by concerns surrounding global growth, collapsing energy prices, slowing corporate earnings and Chinese stock market declines, markets rebounded from February lows as accommodative monetary policies helped stabilize global markets. Going forward, central bank actions will be closely monitored in order to determine the likely path of capital market performance.

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### The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2016

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Given this backdrop, 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 from large market dislocations, and may experience declines in market value from time to time; however, market declines 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 2016, these changes are included below.

- Mr. Charlie Hrcir was promoted to Chief Auditor for the A&M System on September 2, 2015.
- Mr. Terry Tatum was appointed Executive Vice President for Finance and Administration at Texas A&M University-Corpus Christi on November 12, 2015.
- Dr. Dan Jones President of Texas A&M University-Commerce passed away on April 29, 2016; he was a tremendous leader and built momentum at TAMUC. His presence is missed.
- Dr. Ray M. Keck was appointed as Interim President at Texas A&M University-Commerce on May 6, 2016. Dr. Keck previously was the President at Texas A&M International University.
- Dr. Pablo Arenas, Provost and Vice President for Academic Affairs of Texas A&M International University, succeeded Dr. Keck and has been named as the Interim President.
- Dr. Arturo Alonzo, Jr. assumed the role of Interim VP for Business Affairs and Chief Financial Officer at Texas A&M University-San Antonio on July 5, 2016.
- General Mark A. Welsh III was appointed as the Dean of the Bush School of Government and Public Service on August 15, 2016.
- Mr. John A. Barton was appointed to the Associate Vice Chancellor and Director of the RELIS Campus on August 25, 2016.
- Ms. Stephanie Martinez of Laredo, Texas has been appointed the next student regent for the Texas A&M University System by Governor Greg Abbott.

In fiscal year 2017, there were additional changes, they are included below.

- Dr. Walter V. Wendler was named as the President of West Texas A&M University on September 1, 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 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.

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### The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2016

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- 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 on November 10, 2016.
- Dr. Ray M. Keck was appointed as President at Texas A&M University-Commerce on November 10, 2016.
- Dr. William (Bill) Spindle assumed the role of VP for Business Affairs and Chief Financial Officer at Texas A&M University-San Antonio on October, 2016.

In 2013, the A&M System Board of Regents approved the Kyle Field Stadium Redevelopment project with a future stadium capacity of 102,500. The renovation and expansion of Kyle Field Stadium began immediately following the 2013 football season and was completed September, 2015. In this fiscal year, \$253 million was completed and recorded in Construction in Progress on the Financial Statements. On January 13, 2016 the redevelopment of historic Kyle Field was completed, not only on time, but more than \$1.3 million *under* budget, according to figures released by Billy Hamilton, Executive Vice Chancellor and Chief Financial Officer of The Texas A&M University System. "We not only met every deadline, including the formal Substantial Completion Date of September 9, 2015, but we delivered the largest collegiate athletic construction project in history at more than \$1.3 million under budget," Hamilton said.

In fiscal year 2015, Texas A&M University 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 we have recorded \$11.8 million in construction in progress for fiscal year 2016.

On September 30, 2015, Texas A&M System announced the launching of "Healthy South Texas," a unique effort to reduce preventable diseases and their consequences throughout the region. The pilot program of the Healthy Texas Initiative, "Healthy South Texas" will combine the expertise of the Texas A&M Health Science Center with Texas A&M AgriLife Extension Service's one-of-a-kind, statewide reach to promote preventative health at the most local level of the community, improving the well-being of South Texans for generations to come.

On November 19, 2015, the National Science Foundation released its latest ranking of top research universities and Texas A&M has climbed from No. 19 to No. 17 on this year's ranking, making it the only university in Texas in the top 20. Texas A&M is also in the top 10 of all public universities on the list. Other Texas A&M University System institutions on the list include Texas A&M University-Kingsville, Texas A&M University-Corpus Christi, Prairie View A&M University, Tarleton State University, West Texas A&M University, Texas A&M International University and Texas A&M University-Commerce.

On December 14, 2015, Texas A&M University and the University of Haifa announced their plans to establish a major Mediterranean observatory to capitalize on the oceanographic and atmospheric strengths of the two institutions and build on existing teaching and research in the Gulf of Mexico. Texas A&M University is launching a \$6 million marine research center that's expected to contribute to critical projects Israel is pursuing along the Mediterranean Sea.

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### **The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2016**

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On January 12, 2016 the Texas A&M University System launched a new website to provide one-stop information for bondholders and potential investors in the System's debt. The Texas A&M System is one of only eight higher education institutions in the U.S. with Moody's top bond rating. The Texas A&M University System continues to enjoy strong debt ratings with a stable outlook, according to the nation's three largest bond-rating agencies. Moody's Investors Service, Standard & Poor's Rating Services and Fitch Ratings issued their latest opinions last summer when the System was selling \$67.3 million in Revenue Financing System bonds. Moody's rated Texas A&M University System's Revenue Financing System debt as "Aaa," its highest rating. "We are proud of these ratings and what they say about the financial health and stability of the Texas A&M System," said Chancellor John Sharp. "That stability remains one of our highest priorities, and this new website allows greater transparency for the public and investors."

On May 2, 2016 Chancellor Sharp announced the Texas A&M University System is investing \$150 million to revamp the old Bryan Air Base (Riverside Campus) and create a research and development park 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 are not accepted at Texas A&M but 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 that Texas A&M University acquired in 1962, and today is called the Riverside Campus. In September 2015, the 2,000-acre tract was transferred to The Texas A&M System and was named RELIS Campus, from an acronym for the Texas Aggies' core values of respect, excellence, leadership, loyalty, integrity and selfless service.

On June 10, 2016 Philips North America and Texas A&M System announced the creation of a Center for Global Health and Innovation. Philips, a global company that has become a health technology giant in recent years, has other centers at Stanford, Yale and MIT. In College Station, the Center will be focused on commercialization possibilities in preventive health care; medical devices, diagnostics and disease monitoring; and emergency medical services. The center will concentrate on collaboration aimed at developing population health solutions as part of the Healthy South Texas pilot project, creating integrated Emergency Medical Services (EMS) technologies for more efficient and effective coordination of response efforts, and developing point-of-care diagnostics and biosurveillance to help avoid epidemics and pandemics.

On June 24, 2016 Chancellor Sharp announced a plan with Houston Methodist Hospital and Research Institute to train Aggie doctors simultaneously as engineers. It will be an exciting program that stresses entrepreneurship. These students would graduate with a MD and a graduate degree in engineering. They also would be expected to invent something transformational by graduation. This new discipline weds the world-renowned Houston Methodist with our Top 10 College of Engineering in an innovative approach to medical technology.

On July 1, 2016 BestColleges.com reviewed STEM (Science, Technology, Engineering and Math) programs and where women study STEM. Looking at the highest proportion of students

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### The Texas A&M University System Management's Discussion and Analysis For the Year Ended August 31, 2016

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at the nation's 100 largest universities, BestCollege.com reported that Texas A&M University ranked 12th nationally and first in Texas.

On July 14, 2016 Governor Greg Abbott announced the first 10 grants awarded through his Governor's University Research Initiative, which aims to recruit nationally-recognized researchers to Texas institutions of higher education. Of the 10 awards announced, Texas A&M University received five, worth a total of more than \$20.6 million.

On August 2, 2016 MONEY Magazine published 15 best public colleges in the country. Texas A&M University is ranked in their top four. Texas A&M was founded to give Texans access to opportunity and high quality education at a reasonable price.

On August 30, 2016 it was announced Texas A&M placed in the top 10 nationally - and first in Texas - in Washington Monthly's 2016 rankings. The magazine focuses on social mobility, research and service.

On August 30, 2016 it was announced the College of Engineering was ranked Number One on Best College Values' ranking of the 50 best values for bachelor degree programs in Engineering.

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.

#### ***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 \$1.118 billion to over \$4 billion due to the change in GASB methodology. The A&M System continues to evaluate the impact of this statement.

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**Exhibit III**  
**The Texas A&M University System**  
 Combined Statement of Net Position  
 For the Year Ended August 31, 2016

	Current Year Total	Prior Year Total
<b>Assets and Deferred Outflows</b>		
<b>Current Assets</b>		
Cash & Cash Equivalents (Schedule Three)	\$ 820,666,812.25	\$ 718,937,685.75
Derivative Instruments		1,479,065.95
Restricted		
Cash & Cash Equivalents (Schedule Three)	449,194,918.95	397,936,740.80
Investments		20,867.00
Legislative Appropriations	125,759,425.60	103,388,512.05
Receivables, Net (Note 24)		
Federal	120,182,513.06	229,277,057.25
Other Intergovernmental	4,719,847.12	5,760,121.18
Interest and Dividends	8,059,994.77	7,277,751.97
Gifts	71,643,119.56	68,017,420.32
Self-Insured Health and Dental	31,869,492.35	27,240,006.11
Student	42,470,654.20	32,591,157.04
Investment Trades	69,067,138.96	48,512,822.34
Accounts	110,688,712.38	120,656,627.62
Other	3,595,751.54	2,831,744.52
Due From Other Agencies	31,756,219.18	28,437,127.67
Consumable Inventories	18,283,597.92	18,957,615.84
Merchandise Inventories	6,688,114.05	6,152,495.33
Loans and Contracts	23,578,039.26	24,795,470.03
Interfund Receivable (Note 12)	48,475,000.00	37,770,000.00
Other Current Assets	115,681,056.77	98,341,329.39
<b>Total Current Assets</b>	<b>\$ 2,102,380,407.92</b>	<b>\$ 1,978,381,618.16</b>
<b>Non-Current Assets</b>		
Restricted		
Investments (Note 3)	\$ 1,261,269,710.88	\$ 1,065,820,314.15
Loans, Contracts and Other	4,259,169.84	3,539,647.14
Gifts Receivable	455,591,190.15	461,775,615.16
Loans and Contracts	17,174,132.66	18,986,566.73
Investments (Note 3)	2,803,509,055.37	2,606,709,598.04
Interfund Receivable (Note 12)	971,261,060.04	974,653,632.73
Capital Assets, Non-Depreciable (Note 2)		
Land and Land Improvements	144,048,041.76	142,818,884.29
Construction In Progress	947,461,519.98	875,482,586.79
Other Tangible Capital Assets	54,850,041.24	48,389,920.42
Land Use Rights	92,817.00	92,817.00
Capital Assets, Depreciable (Note 2)		
Buildings and Building Improvements	4,905,524,916.95	4,730,959,546.29
Infrastructure	695,054,626.76	662,341,194.09
Facilities and Other Improvements	887,240,940.60	618,046,796.58
Furniture and Equipment	856,369,996.01	810,485,883.21
Vehicles, Boats, and Aircraft	139,564,808.82	133,958,193.87
Other Capital Assets	224,403,077.00	220,018,641.74
Intangible Capital Assets, Amortized (Note 2)		
Land Use Rights	255,457.00	255,457.00
Computer Software	66,614,781.52	61,520,864.98
Accumulated Depreciation/Amortization	(3,897,791,759.38)	(3,638,469,941.01)
Assets Held In Trust	362,100.00	362,100.00
Other Non-Current Assets	7,746,459.16	5,833,822.66
<b>Total Non-Current Assets</b>	<b>\$ 10,544,862,143.36</b>	<b>\$ 9,803,582,141.86</b>
<b>Deferred Outflows of Resources (Note 28)</b>		
Unamortized Loss On Refunding Debt	\$ 38,812,671.80	\$ 7,700,377.87
Government Acquisition	27,296,914.19	31,219,824.01
Pensions	79,160,948.00	62,533,706.63
<b>Total Deferred Outflows of Resources</b>	<b>\$ 145,270,533.99</b>	<b>\$ 101,453,908.51</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 12,792,513,085.27</b>	<b>\$ 11,883,417,668.53</b>



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**Exhibit III**  
**The Texas A&M University System**  
 Combined Statement of Net Position  
 For the Year Ended August 31, 2016

	<b>Current Year Total</b>	<b>Prior Year Total</b>
<b>Liabilities and Deferred Inflows</b>		
<b>Current Liabilities</b>		
Payables		
Accounts	\$ 175,185,824.31	\$ 131,360,161.97
Payroll	135,705,763.58	127,208,100.75
Investment Trades	122,134,467.38	56,226,926.47
Self-Insured Health and Dental	15,995,000.00	24,261,101.89
Student	9,169,902.02	10,457,329.96
Other	5,257,434.60	4,669,814.80
Interfund Payable (Note 12)	2,953,192.38	3,294,671.09
Due to Other Agencies	2,028,744.27	2,344,425.77
Unearned Revenue	547,638,314.27	532,322,803.56
Employees Compensable Leave	11,405,722.43	12,149,227.51
Claims and Judgments	3,619,000.00	3,017,000.00
Notes and Loans Payable (Note 5)	29,509,287.34	27,498,333.34
Bonds Payable (Note 6)	181,865,242.06	176,725,720.23
Capital Lease Obligations	5,388,011.94	3,241,679.73
Liabilities Payable From Restricted Assets	26,493,447.82	54,137,947.34
Funds Held for Others	57,617,473.41	41,371,931.56
Other Current Liabilities	28,669,426.05	27,222,813.06
<b>Total Current Liabilities</b>	<b>\$ 1,360,636,253.86</b>	<b>\$ 1,237,509,989.03</b>
<b>Non-Current Liabilities</b>		
Interfund Payable (Note 12)	\$ 7,361,965.98	\$ 9,731,138.83
Employees Compensable Leave	101,885,149.06	101,432,410.04
Other Post Employment Benefits (Note 11)	1,117,799,433.00	983,874,345.00
Pension Liability (Note 9)	399,241,902.00	352,410,894.44
Claims and Judgments	7,564,000.00	4,469,000.00
Notes and Loans Payable (Note 5)	151,452,712.62	135,539,999.96
Bonds Payable (Note 6)	3,227,306,356.03	2,966,841,806.37
Assets Held In Trust	362,100.00	362,100.00
Liabilities Payable From Restricted Assets	20,922,144.22	18,630,001.48
Funds Held for Others	333,936,608.21	179,754,698.66
Capital Lease Obligations	36,135,881.95	37,848,798.70
Other Non-Current Liabilities	61,022,481.34	68,581,107.22
<b>Total Non-Current Liabilities</b>	<b>\$ 5,464,990,734.41</b>	<b>\$ 4,859,476,300.70</b>
<b>Deferred Inflows of Resources (Note 28)</b>		
Pension	\$ 72,953,213.00	\$ 107,720,015.87
<b>Total Deferred Inflows of Resources</b>	<b>\$ 72,953,213.00</b>	<b>\$ 107,720,015.87</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>\$ 6,898,580,201.27</b>	<b>\$ 6,204,706,305.60</b>
<b>Net Position</b>		
Net Investment In Capital Assets	\$ 1,724,453,009.00	\$ 1,640,253,696.89
Restricted for		
Debt Service	340,000.00	
Capital Projects	552,992,506.43	531,843,460.38
Education	367,759,654.74	350,107,465.39
Endowment and Permanent Funds		
Nonexpendable	382,661,859.66	377,089,630.25
Expendable	317,750,297.42	326,309,620.03
Unrestricted	2,547,975,556.75	2,453,107,489.99
<b>Total Net Position (Exhibit IV)</b>	<b>\$ 5,893,932,884.00</b>	<b>\$ 5,678,711,362.93</b>

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, 2016

	<b>Current Year Total</b>	<b>Prior Year Total</b>
<b>Operating Revenues</b>		
Tuition and Fees	\$ 1,332,350,073.96	\$ 1,271,385,927.43
Discounts and Allowances	(311,240,484.24)	(296,807,920.69)
Professional Fees	1,839,264.56	1,423,523.93
Auxiliary Enterprises	337,293,276.96	314,164,365.25
Discounts and Allowances	(32,669,681.32)	(33,010,878.87)
Other Sales of Goods and Services	303,390,278.32	308,865,592.44
Discounts and Allowances	(5,974,786.16)	(5,380,800.98)
Interest Revenue	3,408,152.62	3,301,953.31
Federal Revenue - Operating	396,738,597.81	430,699,761.16
Federal Pass Through Revenue	31,272,011.72	29,286,011.22
State Grant Revenue	5,218,785.79	4,053,793.90
State Pass Through Revenue	111,011,681.75	95,322,452.10
Other Grants and Contracts - Operating	294,580,668.06	288,342,502.89
Other Operating Revenue	79,460,781.72	60,560,968.85
<b>Total Operating Revenues</b>	<b>\$ 2,546,678,621.55</b>	<b>\$ 2,472,207,251.94</b>
<b>Operating Expenses</b>		
Instruction	\$ 1,128,341,057.28	\$ 1,092,584,845.65
Research	780,656,177.61	759,751,581.19
Public Service	273,694,726.37	247,414,801.96
Academic Support	380,278,522.40	335,820,265.16
Student Services	180,903,371.03	158,225,130.21
Institutional Support	376,125,849.15	345,389,144.47
Operation & Maintenance of Plant	286,443,714.72	251,259,193.54
Scholarships & Fellowships	206,299,166.35	186,420,751.82
Auxiliary	368,525,863.25	331,065,015.61
Depreciation/Amortization	314,921,728.52	299,552,652.04
<b>Total Operating Expenses (Schedule IV-1)</b>	<b>\$ 4,296,190,176.68</b>	<b>\$ 4,007,483,381.65</b>
<b>Total Operating Loss</b>	<b>\$ (1,749,511,555.13)</b>	<b>\$ (1,535,276,129.71)</b>
<b>Nonoperating Revenues (Expenses)</b>		
Legislative Revenue	\$ 1,128,329,914.20	\$ 1,015,312,366.30
Federal Revenue Non-Operating	215,820,452.58	214,325,861.42
Gifts	180,207,210.72	133,726,201.59
Investment Income	236,859,148.68	47,865,893.15
Investing Activities Expense	(11,779,962.89)	(10,450,265.93)
Interest Expense	(158,762,365.37)	(112,779,081.26)
Borrower Rebates and Agent Fees	(5,090,806.43)	(3,861,699.30)
Gain (Loss) On Sale or Disposal of Capital Assets	(3,597,030.61)	40,435,436.06
Settlement of Claims	(706,399.90)	(650,061.25)
Other Nonoperating Revenues	26,503,815.47	12,996,147.64
Other Nonoperating (Expenses)	(41,115,859.68)	(29,575,541.47)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>\$ 1,566,668,116.77</b>	<b>\$ 1,307,345,256.95</b>
<b>Loss Before Other Revenues and Transfers</b>	<b>\$ (182,843,438.36)</b>	<b>\$ (227,930,872.76)</b>

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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, 2016

	<b>Current Year Total</b>	<b>Prior Year Total</b>
<b>Other Revenues and Transfers</b>		
Capital Contributions	\$ 9,190,562.32	\$ 34,354,198.02
Capital Appropriations (Higher Education Fund)	31,057,942.00	27,136,522.00
Additions to Permanent and Term Endowments	2,938,728.00	6,593,967.79
Transfers In		
Transfers From Other State Agencies	324,151,386.03	475,559,926.64
Nonmandatory Transfers From Members/Agencies-Cap Assets		955,264.51
Transfers Out		
Transfers to Other State Agencies	(6,189,412.94)	(18,321,855.66)
Nonmandatory Transfers to Members/Agencies - Cap Assets	(186,651.30)	(86,656.93)
Legislative Transfers - In	3,571,725.00	
Legislative Appropriations Lapsed	(3,714.30)	(1,140,371.55)
<b>Total Other Revenues and Transfers</b>	<b>\$ 364,530,564.81</b>	<b>\$ 525,050,994.82</b>
<b>Change In Net Position</b>	<b>\$ 181,687,126.45</b>	<b>\$ 297,120,122.06</b>
Net Position, Beginning of Year	\$ 5,678,711,362.93	\$ 5,782,830,189.45
Restatement	33,534,394.62	(401,238,948.58)
Net Position, Beginning of Year, Restated	<u>\$ 5,712,245,757.55</u>	<u>\$ 5,381,591,240.87</u>
<b>Net Position, End of Year</b>	<b>\$ 5,893,932,884.00</b>	<b>\$ 5,678,711,362.93</b>

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, 2016

	<u>Instruction</u>	<u>Research</u>	<u>Public Service</u>	<u>Academic Support</u>	<u>Student Services</u>
<b>Natural Classification</b>					
Cost of Goods Sold	\$ 117,849.29	\$ 610,856.57	\$ 603,743.05	\$ 155,291.91	\$ 41,051.21
Salaries & Wages	744,484,532.26	355,434,315.31	131,200,754.48	195,801,538.28	80,723,441.34
Payroll Related Costs	182,258,507.17	78,696,647.59	45,699,272.89	44,678,213.62	21,628,829.00
Professional Fees & Services	64,005,821.11	98,690,445.66	12,411,814.36	43,078,776.91	15,771,883.15
Travel	21,608,076.22	25,397,666.57	6,874,386.24	8,629,948.07	5,106,379.55
Materials & Supplies	45,877,314.71	74,042,527.21	19,160,757.49	47,977,981.58	14,336,900.06
Communication & Utilities	6,378,479.64	14,264,758.32	3,768,680.62	8,155,268.33	2,225,998.30
Repairs & Maintenance	9,488,734.63	16,464,258.65	4,018,480.10	6,568,680.79	6,395,615.21
Rentals & Leases	17,492,692.25	12,141,996.68	6,960,939.30	4,153,112.47	5,036,307.28
Printing & Reproduction	2,595,200.83	2,217,670.69	1,783,384.22	2,149,673.29	1,720,792.52
Federal Pass-Through	16,962.95	2,534,736.95	121,095.00	8,782.69	
State Pass-Through		959,587.56	169,740.87		
Depreciation & Amortization					
Bad Debt Expense					688,883.88
Interest	8,011.06	25,788.21	7,019.14	12,103.43	4,786.09
Scholarships	3,266,882.50	24,871,715.86	496,826.22	1,057,851.51	1,479,937.25
Claims & Losses	25,895.04	15,499.58	31,772.04		
Net Change in OPEB Obligation					
Other Operating Expenses	<u>30,716,097.62</u>	<u>74,287,706.20</u>	<u>40,386,060.35</u>	<u>17,851,299.52</u>	<u>25,742,566.19</u>
<b>Total Operating Expenses</b>	<b><u>\$ 1,128,341,057.28</u></b>	<b><u>\$ 780,656,177.61</u></b>	<b><u>\$ 273,694,726.37</u></b>	<b><u>\$ 380,278,522.40</u></b>	<b><u>\$ 180,903,371.03</u></b>

<b>Institutional Support</b>	<b>Operation &amp; Maintenance of Plant</b>	<b>Scholarships &amp; Fellowships</b>	<b>Auxiliary</b>	<b>Depreciation &amp; Amortization</b>	<b>Total</b>	<b>Prior Year</b>
\$ 5,571.88	\$ 23,469.77	\$ 390.50	\$ 6,379,108.46	\$	\$ 7,937,332.64	\$ 7,261,686.75
115,654,912.00	26,661,744.66	8,794,620.49	104,928,286.20		1,763,684,145.02	1,677,965,926.83
42,114,268.16	8,108,590.21	529,953.57	23,960,922.51		447,675,204.72	414,690,940.96
41,017,773.27	54,767,400.17	553,838.18	60,095,227.91		390,392,980.72	370,082,953.98
2,753,892.25	353,136.05	397,643.61	13,808,128.26		84,929,256.82	78,596,718.33
8,881,527.91	10,162,774.96	344,359.22	24,947,433.48		245,731,576.62	237,600,340.13
3,549,293.00	68,924,636.28	151,042.24	26,743,432.98		134,161,589.71	134,798,847.40
4,225,351.52	88,156,238.63	47,067.72	30,708,896.01		166,073,323.26	131,418,475.42
4,443,103.57	6,841,730.27	163,777.23	18,660,264.33		75,893,923.38	69,125,966.40
1,287,863.99	60,680.02	9,767.78	1,385,468.75		13,210,502.09	11,813,686.45
(25,126.42)		393,495.75			3,049,946.92	2,613,212.03
		332,245.32			1,461,573.75	1,555,616.97
				314,921,728.52	314,921,728.52	299,552,652.04
					688,883.88	(75,939.47)
13,646.83	9,141.36	29.00	22,304.59		102,829.71	61,595.47
77,867.00	119,400.00	192,078,089.85	13,360,447.16		236,809,017.35	215,655,182.22
74,836.12	482,603.00				630,605.78	858,451.32
133,925,088.00					133,925,088.00	124,108,157.00
18,125,980.07	21,772,169.34	2,502,845.89	43,525,942.61		274,910,667.79	229,798,911.42
<b>\$ 376,125,849.15</b>	<b>\$ 286,443,714.72</b>	<b>\$ 206,299,166.35</b>	<b>\$ 368,525,863.25</b>	<b>\$ 314,921,728.52</b>	<b>\$ 4,296,190,176.68</b>	<b>\$ 4,007,483,381.65</b>

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## Exhibit V

## The Texas A&amp;M University System

Combined Statement of Cash Flows

For the Year Ended August 31, 2016

	Current Year Total	Prior Year Total
<b>Cash Flows From Operating Activities</b>		
Proceeds Received From Tuition and Fees	\$ 1,003,194,352.80	\$ 933,337,370.70
Proceeds Received From Customers	298,516,473.28	261,154,959.49
Proceeds From Grants and Contracts	903,124,253.68	896,241,780.47
Proceeds From Auxiliary Enterprises	304,732,788.02	280,073,703.76
Proceeds From Loan Programs	8,492,964.40	6,864,185.40
Proceeds From Other Operating Revenues	111,303,121.97	94,597,977.70
Payments to Suppliers for Goods and Services	(1,343,122,370.14)	(1,290,492,539.05)
Payments to Employees	(2,205,310,247.58)	(2,080,239,983.41)
Payments for Loans Provided	(7,824,897.16)	(4,972,715.99)
Payments for Other Operating Expenses	(333,565,530.29)	(247,150,837.26)
<b>Net Cash Used By Operating Activities</b>	<b>\$ (1,260,459,091.02)</b>	<b>\$ (1,150,586,098.19)</b>
<b>Cash Flows From Noncapital Financing Activities</b>		
Proceeds From State Appropriations	\$ 1,111,398,834.54	\$ 1,009,940,603.69
Proceeds From Gifts	186,276,632.05	212,184,533.99
Proceeds From Endowments	2,938,728.00	6,593,967.79
Proceeds From Transfers From Other Funds	318,893,684.05	312,042,763.88
Proceeds From Other Grant Receipts	251,654,412.29	196,021,550.92
Proceeds From Other Noncapital Financing Activities	186,424,581.75	95,543,488.93
Payments of Interest	(477,626.80)	(29,895.09)
Payments for Transfers to Other Funds	(8,002,203.33)	(18,321,855.66)
Payments for Other Noncapital Financing Uses	(97,771,723.82)	(135,401,455.34)
<b>Net Cash Provided By Noncapital Financing Activities</b>	<b>\$ 1,951,335,318.73</b>	<b>\$ 1,678,573,703.11</b>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Proceeds From Sale of Capital Assets	\$ 1,925,213.61	\$ 46,767,935.39
Proceeds From Debt Issuance	1,237,885,795.69	1,081,919,377.90
Proceeds From State Grants and Contracts	28,996,234.60	20,913,924.44
Proceeds From Other Financing Activities	1,501,518.78	29,353.27
Payments for Additions to Capital Assets	(719,246,654.96)	(757,197,550.98)
Payments of Principal On Debt	(954,358,057.54)	(742,453,747.26)
Payments for Capital Leases	(931,779.12)	(630,619.50)
Payments of Interest On Debt Issuance	(187,940,469.13)	(119,340,537.74)
Payments for Interfund Receivables	(2,710,651.57)	(668,815.28)
Payments of Other Costs On Debt Issuance	(6,547,369.80)	(4,983,049.32)
<b>Net Cash Used By Capital and Related Financing Activities</b>	<b>\$ (601,426,219.44)</b>	<b>\$ (475,643,729.08)</b>
<b>Cash Flows From Investing Activities</b>		
Proceeds From Sales of Investments	\$ 3,043,740,503.99	\$ 3,016,374,191.84
Proceeds From Interest and Investment Income	117,891,991.61	61,621,735.01
Payments to Acquire Investments	(3,098,095,199.22)	(3,134,028,845.00)
<b>Net Cash Provided (Used) By Investing Activities</b>	<b>\$ 63,537,296.38</b>	<b>\$ (56,032,918.15)</b>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	<b>\$ 152,987,304.65</b>	<b>\$ (3,689,042.31)</b>
Cash and Cash Equivalents, Beginning of Year	\$ 1,116,874,426.55	\$ 1,120,563,468.86
<b>Cash and Cash Equivalents, End of Year (Sch Three)</b>	<b>\$ 1,269,861,731.20</b>	<b>\$ 1,116,874,426.55</b>

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Exhibit V

**The Texas A&M University System**

Combined Statement of Cash Flows  
For the Year Ended August 31, 2016

	<b>Current Year Total</b>	<b>Prior Year Total</b>
<b>Reconciliation of Operating Loss to Net Cash</b>		
<b>Used By Operating Activities</b>		
Operating Loss	\$ (1,749,511,555.13)	\$ (1,535,276,129.71)
<b>Adjustments to Reconcile Operating Loss to Net Cash</b>		
<b>Used By Operating Activities</b>		
Amortization and Depreciation	314,921,728.52	299,552,652.04
Bad Debt Expense	4,865,461.17	5,106,839.32
Changes In Assets and Liabilities		
(Increase) Decrease In Receivables	13,011,661.91	(39,729,248.23)
(Increase) Decrease In Due From Other Agencies/Funds	(3,853,454.55)	(7,503,569.92)
(Increase) Decrease In Inventories	138,399.20	(513,446.41)
(Increase) Decrease In Prepaid Expenses	(17,885,831.82)	(3,053,316.98)
(Increase) Decrease In Loans and Contracts	1,350,286.87	(208,888.72)
(Increase) Decrease In Other Assets	6,721,331.08	(2,571,083.28)
Increase (Decrease) In Payables	47,371,958.05	23,096,047.15
Increase (Decrease) In Due to Other Agencies/Funds	(315,681.50)	203,987.71
Increase (Decrease) In Unearned Revenue	3,475,335.44	(22,192,796.36)
Increase (Decrease) In Deposits	786,513.30	1,419,834.65
Increase (Decrease) In Employees Compensable Leave	(290,766.06)	5,065,261.04
Increase (Decrease) In OPEB Liability	133,925,088.00	(275,093,416.59)
Increase (Decrease) In Pension Liability	(4,563,036.68)	397,597,203.68
Increase (Decrease) In Self Insured Accrued Liability	(4,569,101.89)	(2,558,430.08)
Increase (Decrease) In Other Liabilities	(6,037,426.93)	6,072,402.50
<b>Total Adjustments</b>	<b>\$ 489,052,464.11</b>	<b>\$ 384,690,031.52</b>
<b>Net Cash Used By Operating Activities</b>	<b>\$ (1,260,459,091.02)</b>	<b>\$ (1,150,586,098.19)</b>
<b>Non-Cash Transactions</b>		
Donation of Capital Assets	\$ 9,190,562.32	\$ 34,447,232.52
Net Change In Fair Value of Investments	59,185,648.29	(205,957,709.60)
Refunding of Long Term Debt	674,595,000.00	512,777,000.00
Amortization of Bond Premiums and Discounts	57,887,652.71	20,812,449.94
Other	(3,544,989.25)	41,667,683.67

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, 2016

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, 2016

#### 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

The A&M System implemented GASB Statement No. 72, *Fair Value Measurement and Application*, in fiscal year 2016. The Standard defines an investment as a security or other asset that a government holds primarily for the purpose of income or profit. The present service capacity is based solely on the ability of the security or other asset to generate cash or to be sold to generate cash. 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. Based on the revised definitions of investments and fair value, the A&M System is reporting a restatement in the amount of \$33,534,394.62 to restate the prior year balances related to mineral rights and private equity investments.

The Standard requires fair value to be measured in a manner consistent with one of three approaches, the market approach, the cost approach, or the income approach. The market approach uses prices and relevant market information to measure fair value. The cost approach reflects the amount that would be required to replace the asset and its service capacity. The income approach converts future amounts, such as cash flows, into a single current amount. The A&M System primarily uses the market approach to value investments. For mineral rights, the value is determined based on oil and gas royalties received.

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.

## UNAUDITED

### The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2016

#### 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.

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 represents claims owed for the self-insured group health and dental plan insurance coverage. Other payables include a variety of items, including payables for purchasing card activity, manager fees, sales taxes, and student liabilities.

#### Pension Liability, Deferred Outflows and Deferred Inflows of Resources

The A&M System implemented GASB Statement No. 68, *Accounting and Reporting for Pensions* in fiscal year 2016. 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. 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 the Teacher Retirement System of Texas (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. Investments are reported at fair value.

## UNAUDITED

### The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2016

#### Revenues and Expenses

Operating revenues include activities such as student tuition and fees; net sales and services of auxiliary enterprises; 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. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires the A&M System to report our proportional share of the unfunded pension liability recorded on the Teacher Retirement System of Texas's (TRS) Annual Financial Report. Teacher Retirement System of Texas 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.

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
- Unamortized losses on bond refunding transactions
- Proportional share of the unfunded pension (additional details provided in Note 9)

#### Net Position

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

#### 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.

## UNAUDITED

### The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2016

#### **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 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.

**UNAUDITED**

**The Texas A&M University System  
Notes to the Combined Financial Statements  
For the Year Ended August 31, 2016**

**Note 2 - Capital Assets**

A summary of changes in Capital Assets for the year ended August 31, 2016 is presented below.

<b>Capital Asset Activity</b>									
	Beginning Balance	Adjustments	Completed CIP	Increase Interagency Transactions	Decrease Interagency Transactions	Additions	Deletions	Ending Balance	
<b>Business-Type Activities</b>									
<b>Non-Depreciable/Amortizable Assets</b>									
Land and Land Improvements	\$ 142,818,884.29	\$ -	\$ -	\$ -	\$ -	\$ 1,229,157.47	\$ -	\$ 144,048,041.76	
Construction in Progress	875,482,586.79	-	(519,675,907.17)	-	-	591,972,742.72	(317,902.36)	947,461,519.98	
Other Tangible Capital Assets	48,389,920.42	-	92,670.00	-	-	6,779,455.82	(412,005.00)	54,850,041.24	
Land Use Rights	92,817.00	-	-	-	-	-	-	92,817.00	
Total Non-Depreciable/Amortizable	1,066,784,208.50	-	(519,583,237.17)	-	-	599,981,356.01	(729,907.36)	1,146,452,419.98	
<b>Depreciable Assets</b>									
Buildings & Building Improvements	4,730,959,546.29	-	186,668,334.08	-	-	8,198,793.12	(20,301,756.54)	4,905,524,916.95	
Infrastructure	662,341,194.09	-	33,463,036.09	-	-	182,824.11	(932,427.53)	695,054,626.76	
Facilities and Other Improvements	618,046,796.58	-	269,274,232.05	-	-	1,310,630.52	(1,390,718.55)	887,240,940.60	
Furniture and Equipment	810,485,883.21	(6,400.00)	29,437,758.20	35,275.00	(205,916.29)	75,997,298.02	(59,373,902.13)	856,369,996.01	
Vehicles, Boats and Aircraft	133,958,193.87	-	655,355.10	-	-	10,537,186.29	(5,585,926.44)	139,564,808.82	
Other Capital Assets	220,018,641.74	-	84,521.65	-	-	5,825,845.68	(1,525,932.07)	224,403,077.00	
Total Depreciable Assets	7,175,810,255.78	(6,400.00)	519,583,237.17	35,275.00	(205,916.29)	102,052,577.74	(89,110,663.26)	7,708,158.36	
<b>Less Accumulated Depreciation</b>									
Buildings & Building Improvements	(2,197,080,598.56)	-	-	-	-	(178,222,595.03)	8,338,713.16	(2,366,964,480.43)	
Infrastructure	(316,278,175.77)	-	-	-	-	(25,317,540.42)	-	(341,595,716.19)	
Facilities and Other Improvements	(240,813,887.30)	-	-	-	-	(24,346,293.51)	97,335.50	(265,062,845.31)	
Furniture and Equipment	(575,293,827.45)	6,400.00	-	(35,275.00)	19,264.99	(64,694,972.10)	40,258,842.50	(599,739,567.06)	
Vehicles, Boats and Aircraft	(94,105,397.54)	-	-	-	-	(9,734,518.06)	4,975,447.47	(98,864,468.13)	
Other Capital Assets	(158,234,407.37)	-	-	-	-	(8,639,298.96)	558,975.79	(166,314,730.54)	
Total Accumulated Depreciation	(3,581,806,293.99)	6,400.00	-	(35,275.00)	19,264.99	(310,955,218.08)	54,229,314.42	(3,838,541,807.66)	
Depreciable Assets, Net	3,594,003,961.79	-	519,583,237.17	-	(186,651.30)	(208,902,640.34)	(34,881,348.84)	3,869,616,558.48	
<b>Intangible Capital Assets-Amortizable</b>									
Land Use Rights	255,457.00	-	-	-	-	-	-	255,457.00	
Computer Software	61,520,864.98	-	-	-	-	6,485,686.14	(1,391,769.60)	66,614,781.52	
Total Intangible Assets-Amortizable	61,776,321.98	-	-	-	-	6,485,686.14	(1,391,769.60)	66,870,238.52	
<b>Less Accumulated Amortization</b>									
Land Use Rights	(140,501.46)	-	-	-	-	(25,545.72)	-	(166,047.18)	
Computer Software	(56,523,145.56)	-	-	-	-	(3,940,964.72)	1,380,205.74	(59,083,904.54)	
Total Accumulated Amortization	(56,663,647.02)	-	-	-	-	(3,966,510.44)	1,380,205.74	(59,249,951.72)	
Intangible Amortizable Assets, Net	5,112,674.96	-	-	-	-	2,519,175.70	(11,563.86)	7,620,286.80	
Business-Type Activities Capital Assets, Net	\$ 4,665,900,845.25	\$ -	\$ -	\$ -	\$ (186,651.30)	\$ 393,597,891.37	\$ (35,622,820.06)	\$ 5,023,689,265.26	

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**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, 2016, the carrying amount of deposits was \$19,141,189.76. 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 \$19,688,824.40.

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, 2016, 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 2016 was \$1,112,093.25. 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, 2016 the balance was \$853,334.06.

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 2016 was \$189,660.49 and as of August 31, 2016 the balance was \$87,181.65.

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 trades) 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 2016, the average balance of uninvested cash was \$39,541.86. On eight occasions the balance exceeded the FDIC insurance and the excess amount was collateralized with securities held by the pledging financial institution (Bank of New York Mellon). In addition, on Friday, June 10, 2016, the custodian was unable to fully complete the processing for the automated sweep vehicle. The trade failure occurred during the transition from a prime money market fund to a government money market fund related to regulatory changes. The collateral pledged by the custodian for the uninvested cash was inadequate and resulted in an uncollateralized cash balance of \$10,924,127.66. The cash was invested in the government money market fund the following Monday. As of August 31, 2016, there was no uninvested cash balance.

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The bank balances exposed to custodial credit risk as of August 31, 2016 are presented in the tables below.

Bank Balances Exposed to Custodial Credit Risk	
Uninsured and uncollateralized	\$ 940,515.71

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, 2016 is presented below.

Bank Balances Exposed to Foreign Currency Risk	
<u>Currency</u>	<u>Balance</u>
Australian Dollar	\$ 4,366.99
Brazilian Real	7,886.06
British Pound	46,518.26
Canadian Dollar	1,096.14
Danish Krone	7,896.82
Euro	1,056.48
Hong Kong Dollar	1,108.46
Japanese Yen	4,583.10
New Turkish Lira	7,927.94
New Zealand Dollar	806.55
Qatar Riyal	406,463.00
Singapore Dollar	809.05
South Korean Won	793.81
Swedish Krona	969.25
Swiss Franc	1,317.85
Thai Baht	44.89
Total	<u>\$ 493,644.65</u>

**Investments**

The A&M System implemented GASB Statement No. 72, *Fair Value Measurement and Application*, for fiscal year 2016. Investments have been 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).



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- 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, 2016 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, 2016 NAV by the estimated performance as of August 31, 2016 as reported by the investment manager.

The implementation of GASB Statement No. 72 for fiscal year 2016 included changes to the valuation methods used for investments where market values cannot be obtained and where management judgments are necessary. Mineral rights held for the purpose of generating income are reported at fair value based on three times the previous twelve months of income. Prior to fiscal year 2016, mineral rights were reported at cost. The mineral rights beginning balance was restated by \$12,516,320.48, and the value reported as of August 31, 2016 is \$13,132,261.26.

The A&M System invests in private equity technology partnerships through Texas A&M Technology Commercialization. These investments, previously valued at cost or par, were also impacted by the implementation of GASB Statement No. 72. The fair value is estimated based on the cost (pro-rata share of contributed capital based on percentage ownership in the company) or 3<sup>rd</sup> 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 beginning balance was restated by \$21,018,074.14, and the fair value reported as of August 31, 2016 is \$30,862,409.91.

The A&M System provides investment services to Midwestern State University (MSU), Stephen F. Austin University (SFA), and Texas Women's University (TWU). As of August 31, 2016, the A&M System managed investments valued at \$39,079,822.64 for MSU, \$61,520,495.30 for SFA, and \$153,448,920.17 for TWU. The investment totals and all disclosures presented below include the amounts invested on behalf of MSU, SFA, and TWU.

The fair value of investments, as of August 31, 2016, is presented below as reported in the financial statements and detailed by investment type in the table on the following page. The investment type table includes categories to show the level of inputs used in determining the fair value of investments.

<b>Investments per Financial Statements</b>	
Schedule Three	
Cash Equivalents	\$ 258,638,167.66
Restricted Cash Equivalents	435,250,728.72
Statement of Net Position	
Non-Current Restricted Investments	1,261,269,710.88
Non-Current Investments	<u>2,803,509,055.37</u>
Total Investments	<u>\$ 4,758,667,662.63</u>

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Investment Fair Value					
Investment Type	Fair Value Hierarchy				Fair Value
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Net Asset Value	
U.S. Treasury Securities	\$ 158,203,574.01	\$ -	\$ -	\$ -	\$ 158,203,574.01
U.S. Treasury TIPS	6,074,570.85				6,074,570.85
U.S. Government Agency Obligations		183,666,078.00			183,666,078.00
Corporate Obligations		378,290,902.23			378,290,902.23
Corporate Asset and Mortgage Backed Securities		124,204,361.72			124,204,361.72
U.S. Equity	655,445,456.97				655,445,456.97
Fixed Income Money Market and Bond Mutual Fund	850,049,266.50				850,049,266.50
International Bond Mutual Funds	1,996.90				1,996.90
International Obligations		159,527,878.71			159,527,878.71
International Equity	548,211,560.36				548,211,560.36
Mutual Funds - U.S. Equity	1,246,861.96				1,246,861.96
Mutual Funds - International Equity	459,041,422.76				459,041,422.76
Repurchase Agreements - TTSTC	400,779.02				400,779.02
Other Commingled Funds - Equity			30,885,978.45		30,885,978.45
Other Commingled Funds - Fixed Income	46,900,000.00		36,364,911.38		83,264,911.38
Real Estate - Mineral Rights & REITS	5,701.32		13,132,261.26		13,137,962.58
Derivatives	231,214.99				231,214.99
Alternative Investments					
Hedge Funds				758,871,752.88	758,871,752.88
Limited Partnerships - Private Equity			30,862,409.91	150,551,555.06	181,413,964.97
Limited Partnerships - International Private Equity				50,502,868.12	50,502,868.12
Limited Partnerships - Real Estate				21,750,795.27	21,750,795.27
Limited Partnerships - International Real Estate				2,230,358.71	2,230,358.71
Limited Partnerships - Natural Resources				90,928,055.09	90,928,055.09
Other Investments					-
Political Subdivisions		1,085,090.20			1,085,090.20
<b>Total Investments</b>	<b>\$ 2,725,812,405.64</b>	<b>\$ 846,774,310.86</b>	<b>\$ 111,245,561.00</b>	<b>\$ 1,074,835,385.13</b>	<b>\$ 4,758,667,662.63</b>

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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 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, 2016. The A&M System did not participate in a securities lending program during fiscal year 2016 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 subcustodians and securities depositories. 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 are monitored on a periodic basis after selection with respect to the quality and extent of services relative to client needs. Subcustodians are selected on their securities processing and operational capabilities, financial strength, reputation and market standing, risk management, and legal and regulatory compliance.

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, 2016 is presented below.

<b>Investments Exposed to Foreign Currency Risk</b>				
Foreign Currency	International Obligations	International Equity	International Equity Mutual Funds	International Alternative Investments
U.S. Dollar Denominated Foreign	\$ 132,103,500.63	\$ 204,071,826.40	\$ 459,041,422.76	\$ 39,108,795.63
Australian Dollar	10,634,507.07	7,766,637.84		
Brazilian Real		4,666,567.99		
British Pound	505,675.17	73,552,847.30		
Canadian Dollar	4,117,947.90	23,190,197.95		
Danish Krone		9,016,658.96		
Euro	120,222.77	83,309,009.35		13,624,431.20
Hong Kong Dollar		11,148,972.69		
Japanese Yen		68,125,169.35		
New Taiwan Dollar		4,792,360.68		
New Zealand Dollar	12,048,022.07			
Singapore Dollar		1,486,682.32		
South Korean Won		1,558,977.60		
Swedish Krona		10,546,976.07		
Swiss Franc		38,672,222.55		
Thailand Baht		4,449,896.35		
Turkish Lira		1,856,556.96		
<b>Total</b>	<b>\$ 159,529,875.61</b>	<b>\$ 548,211,560.36</b>	<b>\$ 459,041,422.76</b>	<b>\$ 52,733,226.83</b>

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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, 2016, the A&M System's credit quality distribution for securities with credit risk exposure is presented below.

<b>Investments Exposed to Credit Risk – Standard &amp; Poor's (in thousands)</b>								
Investment Type	AAA	AA	A	BBB	BB	B	CCC	Unrated
U. S. Government Agency Obligations		154,357		1,362	257			27,690
Corporate Obligations	8,375	17,620	69,378	221,751	32,432	12,282		16,452
Corporate Asset and Mortgage Backed Securities	13,482	18,440	24,053	7,343	41		4,285	56,560
International Obligations	11,975	29,953	35,539	56,130	4,432	5,594		15,907
Repurchase Agreements (Texas Treasury Safekeeping Trust Company)		401						
Fixed Income Money Market and Bcnd Mutual Fund	849,840							209
Other Commingled Funds – Fixed Income								83,265
Other Investments (municipals)								1,085

Concentration of credit risk is the risk of loss attributable to the magnitude of investment in a single issuer. As of August 31, 2016, 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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<b>Investments Exposed to Interest Rate Risk</b>		
Investment Type	Effective Duration	Fair Value
U.S. Treasury Securities	6.468	\$ 158,203,574.01
U.S. Treasury TIPS	2.464	6,074,570.85
U.S. Government Agency Obligations	2.065	183,666,078.00
Corporate Obligations	6.404	378,290,902.23
Corporate Asset and Mortgage Backed Securities	2.624	124,204,361.72
International Obligations	4.195	159,527,878.71
Repurchase Agreements - TTSTC	0.003	400,779.02
Bond Mutual Funds	5.330	9,605.68
International Bond Mutual Funds	7.800	1,996.90
Other Commingled Funds	2.676	83,264,911.38
Mixcellaneous - Political Subdivision	2.712	1,085,090.20
		<hr/>
Total	4.623	<u>\$ 1,094,729,748.70</u>

**Securities Lending**

The A&M System did not participate in a securities lending program during fiscal year 2016.

**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, 2016.

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<b>Foreign Exchange Contracts</b>				
Currency	Sell	Buy	Unrealized Gain on Foreign Exchange Contract	Unrealized Loss on Foreign Exchange Contract
Australian Dollar	\$ 10,715,034.16	\$ -	\$ 205,610.35	\$ -
Canadian Dollar	2,490,000.00		22,439.58	
Euro	164,016.75	215,009.68	2,004.38	2,414.10
Japanese Yen	417,584.67	-	3,574.78	
	<u>\$ 13,786,635.58</u>	<u>\$ 215,009.68</u>	<u>\$ 233,629.09</u>	<u>\$ 2,414.10</u>

The fair value of open foreign currency exchange contracts as of August 31, 2016 was \$231,214.99, which is included in investment income on the consolidated statement of revenues, expenses and changes in net position.

The gross counter party exposure for the A&M System, as of August 31, 2016, is presented below. 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.

<b>Foreign Exchange Contract Exposure to Counterparty Risk</b>				
	Assets		Liabilities	Counterparty Rating
Notional Amount	Fair Value as of August 31, 2016	Fair Value as of August 31, 2016		
\$ 13,254,209.20	\$ 228,235.06	\$ -		A+
415,862.81	3,389.65	106.92		A
331,573.25	2,004.38	2,307.18		BBB+
<u>\$ 14,001,645.26</u>	<u>\$ 233,629.09</u>	<u>\$ 2,414.10</u>		

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.

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

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### The Texas A&M University System Notes to the Combined Financial Statements For the Year Ended August 31, 2016

unanticipated movements in the fair value of the underlying securities. As of August 31, 2016, the A&M System's investment in hedge funds was \$758,871,752.88.

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, 2016, the A&M System has committed \$589,169,877.00 to various private investments, of which \$423,962,237 has been funded. The fair value of the investments, net of distributions, as of August 31, 2016 was \$315,963,632.25. In addition, the A&M System has invested directly in companies and partnerships to promote research technology. As of August 31, 2016, the value of the investments in research technology was \$30,862,409.91. The fair value is estimated based on the cost (pro-rata share of contributed capital based on percentage ownership in the company) or 3<sup>rd</sup> 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.

#### **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, 2016, was \$15,170,775,298.61 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 \$272,575,991.93 for the fiscal year ended August 31, 2016, 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, 2016.



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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.

<b>Long-Term Liabilities Activity</b>						
	Balance 9/1/15	Additions	Reductions	Balance 8/31/16	Amounts Due Within One Year	Amounts Due Thereafter
Employees' Compensable Leave	\$ 113,581,637.55	\$ 3,289,876.64	\$ (3,580,642.70)	\$ 113,290,871.49	\$ 11,405,722.43	\$ 101,885,149.06
Claims & Judgments	7,486,000.00	5,734,000.00	(2,037,000.00)	11,183,000.00	3,619,000.00	7,564,000.00
Notes and Loans Payable	163,038,333.30	208,000,000.00	(190,076,333.34)	180,961,999.96	29,509,287.34	151,452,712.62
Bonds Payable	3,143,567,526.60	956,374,071.49	(690,770,000.00)	3,409,171,598.09	181,865,242.06	3,227,306,356.03
Liabilities Payable from Restricted Assets	72,767,948.82	2,292,142.74	(27,644,499.52)	47,415,592.04	26,493,447.82	20,922,144.22
Capital Lease Obligations	41,090,478.43	3,080,610.34	(2,647,194.88)	41,523,893.89	5,388,011.94	36,135,881.95
Pollution Remediation Obligations	120,000.00	-	(120,000.00)	-	-	-
<b>Total</b>	<b>\$ 3,541,651,924.70</b>	<b>\$ 1,178,770,701.21</b>	<b>\$ (916,875,670.44)</b>	<b>\$ 3,803,546,955.47</b>	<b>\$ 258,280,711.59</b>	<b>\$ 3,545,266,243.88</b>

The net amount of interest cost for qualifying assets is capitalized. The total interest cost for the year ended August 31, 2016 was \$129,638,839.41. Of this amount, \$12,120,262.99 associated with financing projects during the construction phase was capitalized. The remaining amount of \$117,518,576.42 was reported as interest expense.

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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.

Pursuant to a resolution adopted by the Board in September 2015, authorization for the Permanent University Fund Flexible Rate Notes program has been discontinued. The Board plans to continue use of the Permanent University Fund Commercial Paper Notes for PUF interim financing needs.

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, 2016, is \$1,999,999.96.

Notes and Loans Payable-Debt Service Requirements

<u>Description</u>	<u>Balances</u>			<u>Balances</u> <u>August 31, 2016</u>
	<u>September 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	
Permanent University Fund Commercial Paper Taxable Notes	\$ -	\$ 68,000,000.00	\$ 14,700,000.00	\$ 53,300,000.00
Revenue Financing System Commercial Paper Notes, Series B	24,105,000.00	140,000,000.00	120,435,000.00	43,670,000.00
Revenue Financing System Commercial Paper Taxable Notes, Series B	136,600,000.00	-	54,608,000.00	81,992,000.00
Revenue Financing System Note (2007 TIPS Project)*	2,333,333.30	-	333,333.34	1,999,999.96
Total	\$ 163,038,333.30	\$ 208,000,000.00	\$ 190,076,333.34	\$ 180,961,999.96

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest**</u>	<u>Total</u>
2017	\$ 29,509,287.34	\$ 3,087,628.42	\$ 32,596,915.76
2018	29,605,581.34	2,747,327.81	32,352,909.15
2019	29,702,015.34	2,404,870.19	32,106,885.53
2020	4,798,594.34	2,060,298.75	6,858,893.09
2021	4,895,320.34	1,953,471.35	6,848,791.69
2022-2026	24,729,547.26	8,133,586.62	32,863,133.88
2027-2031	27,268,450.00	5,270,105.92	32,538,555.92
2032-2036	30,453,204.00	2,076,935.58	32,530,139.58
Total	\$ 180,961,999.96	\$ 27,734,224.64	\$ 208,696,224.60

\* Private Placement note with the Office of the Governor, Economic Development and Tourism Division through the Texas Economic Development Bank. For fiscal years 2017 - 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 Taxable Notes, Revenue Financing System Commercial Paper Notes and Revenue Financing System Commercial Paper Taxable Notes in the amount of \$103.962 million will be refunded into long term bonds. For estimated debt service on this exhibit, the rate of 2.24% corresponds to the municipal market data published on August 31, 2016. Revenue Financing System Commercial Paper Taxable Notes in the amount of \$75 million will be paid off over 3 years, and the rate of 0.96% 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.

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**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, \$113,290,871.49 as of August 31, 2016, 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 \$13,697,346.53 for accrued vacation to employees who separated from State service during the fiscal year ended August 31, 2016.

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 \$3,619,000.00 and a non-current portion totaling \$7,564,000.00, for a total worker's compensation liability of \$11,183,000.00. 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. A current portion has been 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, 2016. 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.

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**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, 2016, \$288,339,042.64 of Revenue Financing System debt proceeds had been appropriated prior to the receipt of the proceeds. As of August 31, 2016, \$83,664,553.56 of Permanent University Fund debt proceeds had been appropriated prior to the receipt of the proceeds.

**B. General Information**

At August 31, 2016, the A&M System had outstanding bonds payable of \$3,213,895,000.00 as detailed below, which does not include unamortized premium of \$195,276,598.09.

Bonds payable are due in annual installments varying from \$55,000.00 to \$22,735,000.00 with interest rates ranging from 0.535% 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.

<b>Bonds Payable</b>	<b>Interest Rates</b>	<b>Maturity Dates</b>	<b>Outstanding Principal</b>
Permanent University Fund Bonds	1.25-5.75%	2017-2036	\$ 915,375,000.00
Revenue Financing System Bonds	0.535-5.50%	2017-2045	2,298,520,000.00
			<u>\$ 3,213,895,000.00</u>

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<b>Debt Service Requirements</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 157,415,000.00	\$ 130,228,902.07	\$ 287,643,902.07
2018	151,230,000.00	127,177,896.04	278,407,896.04
2019	155,570,000.00	121,468,722.74	277,038,722.74
2020	159,085,000.00	115,757,737.96	274,842,737.96
2021	164,585,000.00	109,708,416.04	274,293,416.04
2022-2026	789,305,000.00	450,080,397.62	1,239,385,397.62
2027-2031	752,210,000.00	286,388,854.14	1,038,598,854.14
2032-2036	504,195,000.00	144,786,150.34	648,981,150.34
2037-2041	294,045,000.00	55,272,669.04	349,317,669.04
2042-2045	86,255,000.00	7,335,608.68	93,590,608.68
<b>Total</b>	<b>\$ 3,213,895,000.00</b>	<b>\$ 1,548,205,354.67</b>	<b>\$ 4,762,100,354.67</b>

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, 2016 was \$28,795,000.00.

Permanent University Fund Bonds, Series 2006

- Issued July 6, 2006, to current refund \$29,340,000.00 of the Board's previously issued and outstanding Permanent University Fund Bonds, Series 1996A; to advance refund \$12,335,000.00 of the Board's previously issued and outstanding Permanent University Fund Bonds, Series 1998; to provide funds for construction and other capital improvements; and to pay for the costs of issuing the bonds.
- \$165,940,000.00 authorized; all authorized bonds have been issued. \$103,880,000.00 was refunded by Permanent University Fund Bonds, Series 2015A. \$8,175,000.00 was refunded by Permanent University Fund Bonds, Taxable Series 2015B. Outstanding balance at August 31, 2016 was \$0.

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, 2016 was \$210,910,000.00.

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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, 2016 was \$76,100,000.00.

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, 2016 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, 2016 was \$104,030,000.00.

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, 2016 was \$143,680,000.00.

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, 2016 was \$142,260,000.00.

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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, 2016 was \$133,920,000.00.

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, 2016 was \$16,745,000.00.

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, 2016 was \$31,955,000.00.

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, 2016 was \$8,200,000.00.

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, 2016 was \$5,990,000.00.

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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.
- \$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, 2016 was \$32,915,000.00.

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. Outstanding balance at August 31, 2016 was \$68,915,000.00.

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. Outstanding balance at August 31, 2016 was \$111,265,000.00.

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, 2016 was \$8,945,000.00.

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, 2016 was \$95,090,000.00.



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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 2013A; 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, 2016 was \$27,390,000.00.

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, 2016 was \$216,795,000.00.

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, 2016 was \$231,765,000.00.

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, 2016 was \$93,860,000.00.

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.
- \$64,670,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2016 was \$51,610,000.00.

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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, 2016 was \$135,000,000.00.

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, 2016 was \$157,560,000.00.

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, 2016 was \$65,400,000.00.

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, 2016 was \$89,890,000.00.

Revenue Financing System Bonds, Taxable Series 2016B

- Issued April 12, 2016, to refund \$127,264,000.00 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.
- \$325,575,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2016 was \$325,575,000.00.

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.

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- \$207,445,000.00 authorized; all authorized bonds have been issued. Outstanding balance at August 31, 2016 was \$207,445,000.00.

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, 2016 was \$176,860,000.00.

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, 2016 was \$139,350,000.00.

**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, 2016, the principal balance outstanding for the defeased bonds is \$535,190,000.00.

Revenue Financing System Bonds, Taxable Series 2016A

- Advance refunding of \$82,670,000.00 of Revenue Financing System Bonds, Series 2008 to allow the Board of Regents of the Texas A&M University System to restructure its debt service requirements and realize a present value debt service savings.
- Refunded by Revenue Financing System Bonds, Taxable Series 2016A issued April 12, 2016.
- Average interest rate of bonds refunded was 4.82%.
- Net proceeds from refunding bonds of \$0.00 after payment of \$470,501.85 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 \$6,298,137.73.

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- Economic gain was \$5,343,790.93, the difference between the net present value of the old and new debt service payments.
- Current refunding resulted in the removal of \$82,670,000.00 of bond liability from the balance sheet and the addition of \$91,520,000.00 of bond liability, the net of which is an accounting loss of \$8,850,000.00.

Revenue Financing System Bonds, Series 2016C

- Advance refunding of \$132,540,000.00 of Revenue Financing System Bonds, Series 2009A, \$49,420,000.00 of Revenue Financing System Bonds, Series 2009B, and \$43,225,000.00 of Revenue Financing System Bonds, Series 2009D, to allow the Board of Regents of the Texas A&M University System to restructure its debt service requirements and realize a present value debt service savings.
- Refunded by Revenue Financing System Bonds, Series 2016C issued July 20, 2016.
- Average interest rate of bonds refunded was 4.99%.
- Net proceeds from refunding bonds of \$0.00 after payment of \$965,068.05 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 24 years by approximately \$39,516,939.03.
- Economic gain was \$32,862,930.27, the difference between the net present value of the old and new debt service payments.
- Current refunding resulted in the removal of \$225,185,000.00 of bond liability from the balance sheet and the addition of \$207,445,000.00 of bond liability, the net of which is an accounting gain of \$17,740,000.00.

Revenue Financing System Bonds, Taxable Series 2016D

- Advance refunding of \$13,885,000.00 of Revenue Financing System Bonds, Series 2009A, \$2,925,000.00 of Revenue Financing System Bonds, Series 2009B, \$5,995,000 of Revenue Financing System Bonds, Series 2009C, and \$60,495,000.00 of Revenue Financing System Bonds, Series 2009D to allow the Board of Regents of the Texas A&M University System to restructure its debt service requirements and realize a present value debt service savings.
- Refunded by Revenue Financing System Bonds, Taxable Series 2016D issued July 20, 2016.
- Average interest rate of bonds refunded was 5.00%.
- Net proceeds from refunding bonds of \$0.00 after payment of \$923,613.33 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 24 years by approximately \$8,989,447.28.

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- Economic gain was \$7,018,064.08, the difference between the net present value of the old and new debt service payments.
- Current refunding resulted in the removal of \$83,300,000.00 of bond liability from the balance sheet and the addition of \$95,585,000.00 of bond liability, the net of which is an accounting loss of \$12,285,000.00.

Revenue Financing System Bonds, Series 2016E

- Advance refunding of \$21,300,000.00 of Revenue Financing System Bonds, Series 2009C and \$122,735,000.00 of Revenue Financing System Bonds, Series 2009D to allow the Board of Regents of the Texas A&M University System to restructure its debt service requirements and realize a present value debt service savings.
- Refunded by Revenue Financing System Bonds, Series 2016E issued July 20, 2016.
- Average interest rate of bonds refunded was 5.00%.
- Net proceeds from refunding bonds of \$0.00 after payment of \$655,936.44 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 19 years by approximately \$21,642,967.34.
- Economic gain was \$18,782,568.72, the difference between the net present value of the old and new debt service payments.
- Current refunding resulted in the removal of \$144,035,000.00 of bond liability from the balance sheet and the addition of \$139,350,000.00 of bond liability, the net of which is an accounting gain of \$4,685,000.00.

**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.

<b>Pledged Future Revenue</b>	
Pledged revenue required for future principal and interest on existing revenue bonds	\$ 4,762,100,354.67
Term of commitment year ending 8/31	2045
Percentage of revenue pledged	100%
Current year pledged revenue	\$ 2,464,322,386.04
Current year principal and interest paid	\$ 285,218,839.41

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**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.

<b>Summary of Investment Derivative Activity</b>					
	<u>Changes in Fair Value</u>		<u>Fair Value at August 31, 2016</u>		
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	<u>Notional Amount</u>
	Investment				
Forwards	Income	\$ 231,214.99	Investments	\$ 231,214.99	\$ 14,004,645.26

**Hedging Derivatives**

The A&M System did not enter into hedging derivatives in fiscal year 2016.

**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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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, 2016, 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, 2016, is \$49,352,867.70. The following is a schedule of the future minimum lease payments for leased property and the present value of the net minimum lease payments.

Assets Under Capital Leases			
Class of Property	Assets under Capital Lease	Accumulated Depreciation/Amortization	Total
Buildings	\$ 32,558,402.22	\$(1,603,254.64)	\$ 30,955,147.58
Furniture and Equipment	11,329,385.99	(3,810,451.43)	7,518,934.56
Vehicles	62,973.40	(18,006.29)	44,967.11
Computer Software	5,402,106.09	(1,584,997.28)	3,817,108.81
Total	<u>\$ 49,352,867.70</u>	<u>\$(7,016,709.64)</u>	<u>\$ 42,336,158.06</u>

Future Capital Lease Payments			
Fiscal Year	Principal Payments	Interest Payments	Minimum Future Lease Payments
2017	\$ 5,388,011.94	\$ 1,532,841.39	\$ 6,920,853.33
2018	3,944,115.11	1,471,041.74	5,415,156.85
2019	2,906,372.41	1,406,840.15	4,313,212.56
2020	1,071,283.12	1,309,785.32	2,381,068.44
2021	1,094,138.05	1,261,334.55	2,355,472.60
2022-2026	7,171,513.72	5,425,076.50	12,596,590.22
2027-2031	10,657,132.40	3,421,795.51	14,078,927.91
2032-2036	9,291,327.14	730,036.74	10,021,363.88
	<u>\$ 41,523,893.89</u>	<u>\$ 16,558,751.90</u>	<u>\$ 58,082,645.79</u>
<b>Summary</b>			
	Total: Minimum Lease Payments		\$ 58,082,645.79
	Less: Interest at Various Rates		<u>(16,558,751.90)</u>
	Present Value of Net Minimum Lease Payments		<u>\$ 41,523,893.89</u>

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**Operating Leases**

The A&M System has included operating expenses for rent paid under operating leases for space, software and equipment in the amount of \$27,783,418.58 for the year ended August 31, 2016. Of this amount, \$414,205.14 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, 2016 are presented below. For fiscal years 2017-2021, the lease payment amount includes sublease rental payments totaling \$1,308,015.55.

<b>Operating Lease Obligations</b>	
<u>Fiscal Year</u>	<u>Minimum Future Lease Payments</u>
2017	\$ 16,572,291.39
2018	11,973,212.45
2019	7,509,769.00
2020	5,375,568.58
2021	4,106,869.54
2022-2026	5,547,311.86
2027-2031	2,121,626.40
2032-2036	<u>1,272,975.84</u>
Total Minimum Future Lease Payments	<u>\$ 54,479,625.06</u>



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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 \$6,088,152.92 has been recorded for the year ended August 31, 2016. 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, 2016, are presented below.

<b>Operating Lease Rentals</b>	
Fiscal Year	Minimum Future Rentals
2017	\$ 5,508,048.65
2018	4,469,928.44
2019	4,205,080.06
2020	3,409,270.05
2021	2,378,865.55
2022-2026	12,657,496.76
2027-2031	14,138,756.95
2032-2036	15,597,234.95
2037-2041	15,514,974.85
2042-2046	1,280,746.99
2047-2051	844,660.00
<b>Total Minimum Future Rentals</b>	<b>\$ 80,005,063.25</b>

<b>Carrying Value of Leased Assets</b>			
Class of Property	Leased Assets	Accumulated Depreciation	Total
Land	\$ 1,369,505.37	\$ -	\$ 1,369,505.37
Vehicles	86,715.96	(79,462.91)	7,253.05
Buildings	149,161,108.75	(58,836,882.12)	90,324,226.63
<b>Total</b>	<b>\$ 150,617,330.08</b>	<b>\$ (58,916,345.03)</b>	<b>\$ 91,700,985.05</b>

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**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 2015 measurement period for fiscal year 2016 reporting, the amount of the A&M System contributions recognized by the plan was \$38,024,480. The A&M System's contributions to TRS for years ended August 31, 2015 were \$34,794,286. Contributions by employees were 6.7 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 2015 and 2014.

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, 2015 measurement date.

<b>Summary of Actuarial Methods and Assumptions-TRS Plan</b>	
Actuarial Valuation Date	August 31, 2015
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

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. There have been changes in inflation, salary increase and mortality assumptions since the prior measurement date. The inflation assumption

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changed from 3.00 percent to 2.50 percent. The salary increase assumption changed from a range of 4.25 percent to 7.25 percent to a range of 3.50 percent to 9.50 percent including inflation. The mortality assumption changed from the one based on 1994 Group Annuity Mortality Table to the one based on the RP 2014 employee Mortality Tables for the active members. For the retired members, the new 2015 TRS Healthy Pensioner Mortality Tables were used for the mortality assumption.

There have been no changes to the benefit provisions of the plan since the prior measurement date.

The discount rate of 8.0 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 8.0 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
<b>Global Equity</b>		
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%
<b>Stable Value</b>		
U.S. Treasury	11%	0.7%
Absolute Return	0%	1.8%
Stable Value Hedge Funds	4%	3.0%
Cash	1%	-0.2%
<b>Real Return</b>		
Global Inflation Linked Bonds	3%	0.9%
Real Assets	16%	5.1%
Energy and Natural Resources	3%	6.6%
Commodities	0%	1.2%
<b>Risk Parity</b>	5%	6.7%
<b>Total</b>	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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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%)
\$625,536,810	\$399,241,902	\$210,752,306

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. The framework for measuring fair value is based on a hierarchy that gives the highest priority to the use of observable inputs in an active market and lowest priority to the use of unobservable inputs. More detailed information on the plan's investment policy, assets, and fiduciary net position, may be obtained from TRS' fiscal 2015 Comprehensive Annual Financial Report.

At August 31, 2016, the A&M System reported a liability of \$399,241,902 for its proportionate share of the collective net pension liability. The collective net pension liability was measured as of August 31, 2015, 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, 2015 was 1.1294397 percent which was a decrease from the 1.3190594 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, 2014 through August 31, 2015.

For the year ending August 31, 2016, the A&M System recognized pension expense of \$32,794,286. At August 31, 2016, 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	\$4,531,782	\$15,343,222
Changes of assumptions	19,047,189	14,243,201
Net difference between projected and actual investment return	98,324,389	80,766,892
Change in proportion and contribution difference		43,366,790
Contributions subsequent to the measurement date	38,024,480	
Measurement Period Variance for the difference between projected and actual investment returns	(\$80,766,892)	(80,766,892)
Total	\$79,160,948	\$72,953,213

The \$38,024,480 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, 2017.

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

<b>Portions of Deferred Outflows and Inflows in Pension Expense</b>	
2017	\$(9,928,434)
2018	\$(9,928,434)
2019	\$(9,928,435)
2020	\$16,993,868
2021	\$(7,870,415)
Thereafter	\$(11,154,895)

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.

<b>Optional Retirement Program</b>	
	<u>Amount</u>
Employer Contributions	\$ 44,422,828.00
Employee Contributions	<u>40,626,458.00</u>
Total	<u>\$ 85,049,286.00</u>

Effective January 1, 1999, the A&M System implemented an excess benefit arrangement under Section 415(m) of the *Internal Revenue Code* (IRC).

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**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 TexasSaver 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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**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, 2016, the A&M System had 8,393 retirees and 23,938 active employees. For the year ended August 31, 2016, the employer and retiree contribution rates are presented below.

<b>Required Contribution Rates</b>		
<b>Retiree Health and Basic Life Premium</b>		
<u>Level of Coverage</u>	<u>Employer</u>	<u>Retiree*</u>
Retiree Only	\$ 547.71	\$ 10.00
Retiree/Spouse	818.94	281.22
Retiree/Children	757.58	199.87
Retiree/Family	927.42	389.70
*Health premium only		

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.

Because the OPEB plan described herein is not administered through a trust as defined under Paragraph 4 of GASB No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, GASB No. 43 accounting is not applicable to the A&M System.

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For the year ended August 31, 2016, 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.

<b>Three-Year History of Annual OPEB Cost and Net OPEB Obligation</b>				
<b>Fiscal Year</b>	<b>Employer</b>	<b>Annual</b>	<b>Percentage of Annual</b>	<b>Net OPEB Obligation</b>
<b>Ending</b>	<b>Contribution</b>	<b>OPEB Cost</b>	<b>OPEB Cost Contributed</b>	<b>At End of Fiscal Year</b>
8/31/2014	\$ 50,098,629	\$ 190,640,222	26.3%	\$ 859,766,188
8/31/2015	\$ 62,619,823	\$ 186,727,980	33.5%	\$ 983,874,345
8/31/2016	\$ 64,215,124	\$ 198,140,212	32.4%	\$ 1,117,799,433

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.

**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.

<b>Annual OPEB Cost and Net OPEB Obligation</b>	
Annual Required Contribution (ARC)	\$ 178,631,717
Interest on Net OPEB Obligation	72,806,702
Adjustment to ARC	(53,298,207)
Annual OPEB Cost	198,140,212
Employer Contributions	(64,215,124)
Increase in Net OPEB Obligation	133,925,088
Net OPEB Obligation at Beginning of Year	983,874,345
Net OPEB Obligation at End of Year	<u>\$ 1,117,799,433</u>

**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 on the following page.



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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)
9/1/2010	\$ -	\$ 1,854,690,001	\$ 1,854,690,001	0.0%	\$ 1,313,538,458	141.20%
9/1/2012	\$ -	\$ 1,924,980,271	\$ 1,924,980,271	0.0%	\$ 1,149,300,305	167.50%
9/1/2014	\$ -	\$ 2,002,648,687	\$ 2,002,648,687	0.0%	\$ 1,440,510,210	139.02%

The plan benefit obligation as of September 1, 2011 was determined based on an actuarial roll-forward of the September 1, 2010 valuation results, and the plan benefit obligations as of September 1, 2013 was determined based on an actuarial roll-forward of the September 1, 2012 valuation results.

**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.

Actuarial Valuation Date (Biennial Valuation)	September 1, 2014
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 assumption (discount rate) <sup>1</sup>	7.40%
Projected annual salary increases <sup>1</sup>	4.75% to 7.75%
Weighted-average at valuation date <sup>1</sup>	6.27%
Annual Healthcare Trend Rates <sup>1</sup>	8.00% in Fiscal Year 2016 declining to 5.50% in Fiscal Year 2022
<sup>1</sup> Includes inflation assumption of 3.50%	

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**The Texas A&M University System  
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**Medicare Part D**

In fiscal year 2016 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 2016 the system received \$4,275,749.28 of Medicare Part D payments from the federal government.

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The Texas A&M University System  
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**Note 12 - Interfund Activity and Transactions**

As of August 31, 2016, amounts to be received or paid between funds and agencies are to be reported as Interfund Receivable or Interfund Payable. Interfund activity between A&M System members has been eliminated.

Individual balances and activity at August 31, 2016 are presented below.

<b>Interfund Receivables/Payables</b>			
<b>Current Portion</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>	<b>Purpose</b>
ENTERPRISE FUND (05)			
Agy# 710, Appd Fund 0047, D23 Fund 0047 from Agy# 720, D23 Fund 0011	\$ 48,475,000.00	\$ -	PUF
Agy# 711, Appd Fund 0001, D23 Fund 0001 from Agy# 907, D23 Fund 0515	-	2,953,192.38	SECO LoanSTAR
<b>Total Current Interfund Receivable/Payable</b>	<b>\$ 48,475,000.00</b>	<b>\$ 2,953,192.38</b>	
<b>Non-Current Portion</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>	<b>Purpose</b>
ENTERPRISE FUND (05)			
Agy# 710, Appd Fund 0047, D23 Fund 0047 from Agy# 720, D23 Fund 0011	\$ 971,261,606.04	\$ -	PUF
Agy# 711, Appd Fund 0001, D23 Fund 0001 from Agy# 907, D23 Fund 0515	-	7,361,965.98	SECO LoanSTAR
<b>Total Non-Current Interfund Receivable/Payable</b>	<b>\$ 971,261,606.04</b>	<b>\$ 7,361,965.98</b>	

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**The Texas A&M University System  
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**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  
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**Note 14 - Restatement of Net Position**

The beginning net position was restated as part of the implementation of GASB Statement No. 72, *Fair Value Measurement and Application*. Following the new guidance, changes were made to the valuation methods used for investments where market values cannot be obtained and where management judgments are necessary. For the A&M System, this impacted the valuation methods used for mineral rights and certain private equity investments. This Standard requires a restatement of prior year balances which totals \$33,534,394.62, as detailed in the table below. For more information, see Note 3, Deposits, Investments and Repurchase Agreements.

<b>Restatements to Net Position</b>			
<u>Agency Name</u>	<u>Agency Number</u>	<u>Amount</u>	<u>Description</u>
Texas A&M University System Offices	710	\$ 12,516,320.48	GASB 72 Fair Value of Mineral Rights
Texas A&M University System Offices	710	6,530,951.75	GASB 72 Fair Value of Private Equity
Texas A&M Technology Commercialization	707	14,487,122.39	GASB 72 Fair Value of Private Equity
Total		<u>\$ 33,534,394.62</u>	

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**The Texas A&M University System  
Notes to the Combined Financial Statements  
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**Note 15 - Commitments and Contingencies**

At August 31, 2016, 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, 2016, the A&M System has committed \$589,169,877 to various private investments, of which \$168,303,866 is unfunded.

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**The Texas A&M University System  
Notes to the Combined Financial Statements  
For the Year Ended August 31, 2016**

**Note 16 - Subsequent Events**

The A&M System is authorized to issue up to \$1.582 billion of Revenue Financing System Bonds during fiscal year 2017 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 \$373 million of Permanent University Fund Bonds during fiscal year 2017 to provide funding for eligible projects, refund previously issued bonds, refund commercial paper and pay the costs of issuing the bonds. 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.

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**The Texas A&M University System  
Notes to the Combined Financial Statements  
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**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  
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**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, 2016, 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, 2016, 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, 2016, 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.

<b>Current Year Changes in Claims and IBNR</b>				
<b>Plan Type</b>	<b>Liability Balance 09/01/15</b>	<b>Claims and Changes in Estimates</b>	<b>Claims Payments</b>	<b>Liability Balance 08/31/16</b>
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
<b>Total</b>	<b>\$ 29,515,692.00</b>	<b>\$ 268,174,983.00</b>	<b>\$ (270,512,675.00)</b>	<b>\$ 27,178,000.00</b>

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**The Texas A&M University System  
Notes to the Combined Financial Statements  
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<b>Prior Year Changes in Claims and IBNR</b>				
<b>Plan Type</b>	Liability Balance 09/01/14	Claims and Changes in Estimates	Claims Payments	Liability Balance 08/31/15
WCI	\$ 9,035,000.00	\$ 1,484,000.00	\$ (3,033,000.00)	\$ 7,486,000.00
Group Health and Dental Insurance	15,634,000.00	257,153,258.00	(250,757,566.00)	22,029,692.00
<b>Total</b>	<b>\$ 24,669,000.00</b>	<b>\$ 258,637,258.00</b>	<b>\$ (253,790,566.00)</b>	<b>\$ 29,515,692.00</b>

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.

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**The Texas A&M University System  
Notes to the Combined Financial Statements  
For the Year Ended August 31, 2016**

**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, 2016**

**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. Also included are other organizations where the nature and significance of their relationships with the primary government are such that exclusion would cause the state's financial statements to be incomplete. An agency may determine an outside organization to be a component unit, related organization, joint venture, jointly governed organization or related party.

For component units, the A&M System has defined significance as 3% of net position, net revenues, or operating expenses. Entities that have a 3 year average that exceeds 3% will be included in the A&M System's financial statements. Component units are either blended or discretely presented, depending on the nature of the relationship. As of August 31, 2016, only one of the A&M System's potential component units meet the criteria for inclusion as a blended component.

**Blended Component Unit**

The Texas A&M Research Foundation (Research Foundation) has been included as a blended component unit in the combined financial statements of the A&M System since fiscal year 1990, at the direction of the State Auditor's Office. 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, as well as the fact that various officials of the A&M System serve as ex-officio voting and non-voting trustees, and members of the executive committee of the Research Foundation, and they are defined as significant to the A&M System. The Research Foundation has a fiscal year end of August 31, 2016 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.

Since 2012, Texas A&M System Sponsored Research Services has managed a number of the relationships and agreements previously managed by the Texas A&M Research Foundation. The intent is to move the majority of fiscal activity to each System member's financial statements. The Texas A&M Research Foundation's operating revenues and expenses decreased by 15%, compared to the prior fiscal year. We will continue to see reductions in the balances and activities reported by the Texas A&M Research Foundation.

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**The Texas A&M University System  
Notes to the Combined Financial Statements  
For the Year Ended August 31, 2016**

**Note 20 - Stewardship, Compliance and Accountability**

Changes to the financial reports of the A&M System are discussed in Note 1. The A&M System has no material violations of finance related legal and contract provisions. Per the laws of the State of Texas, the A&M System cannot spend amounts in excess of appropriations granted by the Texas Legislature and there are no deficits reported in net assets or retained earnings.

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**The Texas A&M University System  
Notes to the Combined Financial Statements  
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**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, 2016

**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.

<b>Net Appreciation - Donor-Restricted Endowments</b>		
Donor-Restricted Endowments	Amount of Net Appreciation*	Reported in Net Position
True Endowments	\$ 77,580,307.19	Restricted for Expendable
Term Endowments	1,217.16	Restricted for Expendable
Total	<u>\$ 77,581,524.35</u>	

\* The total fiscal year 2016 fair value adjustment to the Fund was \$5,302,298.47.

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**The Texas A&M University System  
Notes to the Combined Financial Statements  
For the Year Ended August 31, 2016**

**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, 2016.



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The Texas A&M University System  
Notes to the Combined Financial Statements  
For the Year Ended August 31, 2016

**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, 2016, is presented below.

<b>Accounts Receivable</b>			
	Gross	Allowance for Doubtful Accounts	Net
<b>Current Receivables</b>			
Federal	\$ 120,182,513.06	\$ -	\$ 120,182,513.06
Other Intergovernmental	4,719,847.12	-	4,719,847.12
Interest and Dividends	8,059,994.77	-	8,059,994.77
Gifts	71,767,311.64	(124,192.08)	71,643,119.56
Self Insured Plans	31,869,492.35	-	31,869,492.35
Student	56,299,391.16	(13,828,736.96)	42,470,654.20
Investment Trades	69,067,138.96	-	69,067,138.96
Accounts	114,071,275.47	(3,382,563.09)	110,688,712.38
Other	3,662,350.13	(66,598.59)	3,595,751.54
	<u>\$ 479,699,314.66</u>	<u>\$ (17,402,090.72)</u>	<u>\$ 462,297,223.94</u>
<b>Non-Current Receivables</b>			
Gifts	<u>\$ 455,591,190.15</u>	<u>\$ -</u>	<u>\$ 455,591,190.15</u>
	<u>\$ 455,591,190.15</u>	<u>\$ -</u>	<u>\$ 455,591,190.15</u>

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

<b>Other Payables</b>	
	Amount
Sales Tax Payable	\$ 2,304,048.14
External Investment Manager Fee Payable	1,953,779.38
Miscellaneous Payables	999,607.08
	<u>\$ 5,257,434.60</u>

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**The Texas A&M University System  
Notes to the Combined Financial Statements  
For the Year Ended August 31, 2016**

**Note 25 - Termination Benefits**

As of August 31, 2016, the A&M System has not incurred obligations to pay voluntary or involuntary termination benefits in fiscal year 2016.

For the fully-insured dental plan and vision plan, the carrier is responsible for the billing and collection from all COBRA participants. The carrier retains all premiums and is liable for all claims and expenses. Enrollment information for these plans is included below; however, the A&M System does not have premium and expense information related to these plans.

For the self-insured health and dental plans, the carrier performs the billing and collections process for COBRA participants. The carrier then forwards the premium to the A&M System, net of the 2% administrative fee, which is intended to cover costs related to the billing and collection functions. However, since the plan is self-insured, the A&M System is responsible for any claims or administrative costs associated with COBRA participants, and these amounts are included below.

COBRA benefits for the Texas A&M University System for the year ended August 31, 2016 are presented below.

<b>Termination Benefits - COBRA</b>				
<b>Enrollment</b>				
	Self-Insured Medical Plan	Self-Insured Dental Plan	Fully-Insured Dental Plan	Fully- Insured Vision Plan
Number of Participants	130	85	21	131
<b>Self-Insured Activity</b>				
Premium Revenue	\$ 709,277	\$ 61,345		
2 Percent Administrative Fee Revenue	14,186	1,227		
Total COBRA Revenue	<u>723,463</u>	<u>62,572</u>		
Claims Paid	1,135,869	78,564		
Administrative Expenses	19,985	4,949		
Total COBRA Expenses	<u>1,155,854</u>	<u>83,513</u>		
Total Cost to State	<u>\$ 432,391</u>	<u>\$ 20,941</u>		

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**The Texas A&M University System  
Notes to the Combined Financial Statements  
For the Year Ended August 31, 2016**

**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, 2016**

**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, 2016

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

In fiscal year 2016, the A&M System reported Deferred Inflows and Deferred Outflows in connection with a loss on refunding debt, a government acquisition, and changes related to the pension liability. These amounts are summarized in the table below.

Activity	Deferred Outflows of Resources	Deferred Inflows of Resources
Unamortized Loss on Refunding Debt	\$ 38,812,671.80	\$ -
Government Acquisition	27,296,914.19	-
Pensions (Note 9)	79,160,948.00	72,953,213.00
Total	<u>\$ 145,270,533.99</u>	<u>\$ 72,953,213.00</u>

**Unamortized Loss on Refunding Debt**

Deferred Outflows of Resources of \$38.8 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 either a deferred outflow of resources or a deferred inflow of resources. Unamortized losses on refunding debt are reported as deferred outflows. Unamortized gains on refunding debt are reported as deferred inflows. The gain or 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. The unamortized amounts are detailed in the table below.

Fiscal Year Refunded	Bonds Refunded	Amortization Period (FY)	Amount Remaining to be Amortized
2015	Permanent University Fund Bonds, Series 2006	2015-2036	\$ 7,330,759.73
2016	Revenue Financing System Bonds, Series 2009A and Series 2009B	2016-2039	12,523,953.77
2016	Revenue Financing System Bonds, Series 2009C and Series 2009D	2016-2040	18,957,958.30
	Total		<u>\$ 38,812,671.80</u>

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**The Texas A&M University System  
Notes to the Combined Financial Statements  
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**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 third of four \$6 million annual payments was made during fiscal year 2016 towards the purchase of the law school. A liability for the remaining payment is included in Other Liabilities on the Statement of Net Position. Annual building lease payments of \$1.7 million will also be paid. Prior to the end of the fifth lease year, Texas A&M University may choose to exercise the option to purchase the building for an additional \$11 million.

The Deferred Outflows of Resources-Government Acquisitions 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, 2016**

**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, 2016**

**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  
Required Supplementary Information (RSI)  
to the Combined Financial Statements  
For the Year Ended August 31, 2016**

**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.

<b>Schedule of the A&amp;M System's Proportionate Share of the Net Pension Liability*</b>		
	<b>2016</b>	<b>2015</b>
A&M System's percentage proportionate share of the net pension liability	1.1294397%	1.3190594%
A&M System's proportionate share of the net pension liability	\$399,241,901	\$352,410,894
A&M System's covered payroll-non General Revenue	\$434,248,377	\$483,491,868
A&M System's proportionate share of the net pension liability as a percentage of covered payroll	91.94%	72.89%
Plan fiduciary net position as a percentage of the total pension liability	78.43%	83.25%

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



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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, 2016**

**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.

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

## UNAUDITED

Schedule 2A  
**The Texas A&M University System**  
 Schedule of Miscellaneous Bond Information  
 For the Year Ended August 31, 2016

Description	Bonds Issued to Date	Range of Interest Rates	Maturities		
			First Year	First Call Date	Last Year
<b>Revenue Bonds - Self Supporting</b>					
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 2006 Revenue Bonds	165,940,000.00	4.5 - 5.0%	7/1/2007	7/1/2016 (1) (2)	7/1/2036
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 Tuition Revenue Bonds	164,900,000.00 4,615,000.00	4.5 - 5.0%	5/15/2008	5/15/2018 (1) (2)	5/15/2037 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 Tuition Revenue Bonds	16,605,000.00 5,730,000.00	2.5 - 4.0%	5/15/2011	5/15/2020 (1)	5/15/2021 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, 2016

Description	Bonds Issued to Date	Range of Interest Rates	Maturities		
			First Year	First Call Date	Last Year
<b>Revenue Bonds - Self Supporting</b>					
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	88,565,000.00	0.510 - 3.993%	5/15/2016	5/15/2026 (1) (2)	5/15/2037
Tuition Revenue Bonds	2,955,000.00				
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	85,740,000.00	3.0 - 5.0%	5/15/2017	5/15/2026 (1)	5/15/2040
Tuition Revenue Bonds	121,705,000.00				
Revenue Financing System Bonds, Taxable Series 2016D Revenue Bonds	154,265,000.00	0.535 - 3.579%	5/15/2017	5/15/2026 (1) (2) (3)	5/15/2040
Tuition Revenue Bonds	22,595,000.00				
Revenue Financing System Bonds, Series 2016E Revenue Bonds	118,950,000.00	2.0 - 5.0%	5/15/2017	5/15/2026 (1)	5/15/2035
Tuition Revenue Bonds	20,400,000.00				
	<b>\$ 4,534,055,000.00</b>				

(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, 2016

Description	Bonds Outstanding September 1, 2015	Bonds Issued or Converted	Bonds Matured or Retired	Bonds Refunded	Bonds Outstanding August 31, 2016
<b>Revenue Bonds - Self Supporting</b>					
Permanent University Fund Bonds, Series 1998 Revenue Bonds	\$ 28,795,000.00	\$	\$	\$	\$ 28,795,000.00
Permanent University Fund Bonds, Series 2006 Revenue Bonds	1,345,000.00		1,345,000.00		-
Permanent University Fund Bonds, Series 2009AB Revenue Bonds	211,580,000.00		670,000.00		210,910,000.00
Permanent University Fund Bonds, Series 2011 Revenue Bonds	78,245,000.00		2,145,000.00		76,100,000.00
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	109,495,000.00		5,465,000.00		104,030,000.00
Permanent University Fund Bonds, Series 2013 Revenue Bonds	169,230,000.00		20,550,000.00		148,680,000.00
Permanent University Fund Bonds, Series 2015A Revenue Bonds	142,260,000.00				142,260,000.00
Permanent University Fund Bonds, Taxable Series 2015B Revenue Bonds	141,515,000.00		7,595,000.00		133,920,000.00
Revenue Financing System Bonds, Series 2008 Revenue Bonds	104,720,000.00		8,420,000.00	80,005,000.00	16,295,000.00
Tuition Revenue Bonds	3,325,000.00		210,000.00	2,665,000.00	450,000.00
Revenue Financing System Bonds, Series 2009A Tuition Revenue Bonds	188,100,000.00		9,720,000.00	146,425,000.00	31,955,000.00
Revenue Financing System Bonds, Series 2009B Revenue Bonds	63,335,000.00		2,790,000.00	52,345,000.00	8,200,000.00
Revenue Financing System Bonds, Series 2009C Tuition Revenue Bonds	35,135,000.00		1,850,000.00	27,295,000.00	5,990,000.00
Revenue Financing System Bonds, Series 2009D Revenue Bonds	269,420,000.00		10,050,000.00	226,455,000.00	32,915,000.00
Revenue Financing System Bonds, Series 2010A Tuition Revenue Bonds	75,650,000.00		6,735,000.00		68,915,000.00
Revenue Financing System Bonds, Series 2010B Revenue Bonds	124,925,000.00		13,660,000.00		111,265,000.00
Revenue Financing System Bonds, Series 2011A Revenue Bonds	10,300,000.00		1,620,000.00		8,680,000.00
Tuition Revenue Bonds	1,050,000.00		785,000.00		265,000.00
Revenue Financing System Bonds, Series 2011B Revenue Bonds	97,370,000.00		2,280,000.00		95,090,000.00
Revenue Financing System Bonds, Series 2013A Tuition Revenue Bonds	30,640,000.00		3,250,000.00		27,390,000.00
Revenue Financing System Bonds, Series 2013B Revenue Bonds	229,385,000.00		12,590,000.00		216,795,000.00
Revenue Financing System Bonds, Taxable Series 2013C Revenue Bonds	237,015,000.00		5,250,000.00		231,765,000.00
Revenue Financing System Bonds, Series 2013D Revenue Bonds	94,365,000.00		505,000.00		93,860,000.00

## UNAUDITED

**Schedule 2B**  
**The Texas A&M University System**  
 Schedule of Changes in Bonded Indebtedness  
 For the Year Ended August 31, 2016

Description	Unamortized Premium	Net Bonds Outstanding August 31, 2016	Principal Due Within One Year	Premium Amortization Due Within One Year	Amounts Due Within One Year	Bonds Outstanding August 31, 2016
<b>Revenue Bonds - Self Supporting</b>						
Permanent University Fund Bonds, Series 1998 Revenue Bonds	\$	\$ 28,795,000.00	\$ -	\$ -	\$ -	\$ 28,795,000.00
Permanent University Fund Bonds, Series 2006 Revenue Bonds						
Permanent University Fund Bonds, Series 2009AB Revenue Bonds		210,910,000.00	690,000.00		690,000.00	210,910,000.00
Permanent University Fund Bonds, Series 2011 Revenue Bonds	6,835,029.73	82,935,029.73	1,720,000.00	729,558.41	2,449,558.41	76,100,000.00
Permanent University Fund Bonds, Series 2012A Revenue Bonds	10,098,990.12	80,778,990.12	-	1,793,088.32	1,793,088.32	70,680,000.00
Permanent University Fund Bonds, Taxable Series 2012B Revenue Bonds		104,030,000.00	5,545,000.00		5,545,000.00	104,030,000.00
Permanent University Fund Bonds, Series 2013 Revenue Bonds	9,454,333.08	158,134,333.08	21,660,000.00	2,971,537.84	24,631,537.84	148,680,000.00
Permanent University Fund Bonds, Series 2015A Revenue Bonds	24,672,707.11	166,932,707.11	830,000.00	1,900,755.61	2,730,755.61	142,260,000.00
Permanent University Fund Bonds, Taxable Series 2015B Revenue Bonds		133,920,000.00	7,730,000.00		7,730,000.00	133,920,000.00
Revenue Financing System Bonds, Series 2008 Revenue Bonds	179,886.28	16,474,886.28	8,840,000.00	129,109.81	8,969,109.81	16,295,000.00
Tuition Revenue Bonds	4,803.76	454,803.76	220,000.00	3,447.80	223,447.80	450,000.00
Revenue Financing System Bonds, Series 2009A Tuition Revenue Bonds	470,627.79	32,425,627.79	10,145,000.00	242,962.01	10,387,962.01	31,955,000.00
Revenue Financing System Bonds, Series 2009B Revenue Bonds	58,585.99	8,258,585.99	2,875,000.00	30,245.07	2,905,245.07	8,200,000.00
Revenue Financing System Bonds, Series 2009C Tuition Revenue Bonds	63,785.23	6,053,785.23	1,915,000.00	32,809.29	1,947,809.29	5,990,000.00
Revenue Financing System Bonds, Series 2009D Revenue Bonds	441,029.09	33,356,029.09	10,450,000.00	226,852.71	10,676,852.71	32,915,000.00
Revenue Financing System Bonds, Series 2010A Tuition Revenue Bonds	4,900,638.88	73,815,638.88	7,005,000.00	631,637.10	7,636,637.10	68,915,000.00
Revenue Financing System Bonds, Series 2010B Revenue Bonds	9,460,559.02	120,725,559.02	7,195,000.00	936,865.23	8,131,865.23	111,265,000.00
Revenue Financing System Bonds, Series 2011A Revenue Bonds		8,680,000.00	1,685,000.00		1,685,000.00	8,680,000.00
Tuition Revenue Bonds		265,000.00	265,000.00		265,000.00	265,000.00
Revenue Financing System Bonds, Series 2011B Revenue Bonds		95,090,000.00	2,510,000.00		2,510,000.00	95,090,000.00
Revenue Financing System Bonds, Series 2013A Tuition Revenue Bonds	2,972,208.16	30,362,208.16	3,375,000.00	727,568.31	4,102,568.31	27,390,000.00
Revenue Financing System Bonds, Series 2013B Revenue Bonds	25,326,395.06	242,121,395.06	6,630,000.00	2,823,918.94	9,453,918.94	216,795,000.00
Revenue Financing System Bonds, Taxable Series 2013C Revenue Bonds		231,765,000.00	1,240,000.00		1,240,000.00	231,765,000.00
Revenue Financing System Bonds, Series 2013D Revenue Bonds	8,052,460.91	101,912,460.91	4,750,000.00	1,443,353.14	6,193,353.14	93,860,000.00

UNAUDITED

Schedule 2B

The Texas A&M University System

Schedule of Changes in Bonded Indebtedness

For the Year Ended August 31, 2016

Description	Bonds Outstanding September 1, 2015	Bonds Issued or Converted	Bonds Matured or Retired	Bonds Refunded	Bonds Outstanding August 31, 2016
<b>Revenue Bonds - Self Supporting</b>					
Revenue Financing System Bonds, Series 2015A					
Tuition Revenue Bonds	63,675,000.00		12,065,000.00		51,610,000.00
Revenue Financing System Bonds, Series 2015B					
Revenue Bonds	139,675,000.00		4,675,000.00		135,000,000.00
Revenue Financing System Bonds, Taxable Series 2015C					
Revenue Bonds	175,435,000.00		17,875,000.00		157,560,000.00
Revenue Financing System Bonds, Taxable Series 2015D					
Revenue Bonds	67,250,000.00		1,850,000.00		65,400,000.00
Revenue Financing System Bonds, Taxable Series 2016A					
Revenue Bonds	-	88,565,000.00	1,570,000.00		86,995,000.00
Tuition Revenue Bonds	-	2,955,000.00	60,000.00		2,895,000.00
Revenue Financing System Bonds, Taxable Series 2016B					
Revenue Bonds	-	325,575,000.00			325,575,000.00
Revenue Financing System Bonds, Series 2016C					
Revenue Bonds	-	85,740,000.00			85,740,000.00
Tuition Revenue Bonds	-	121,705,000.00			121,705,000.00
Revenue Financing System Bonds, Taxable Series 2016D					
Revenue Bonds	-	154,265,000.00			154,265,000.00
Tuition Revenue Bonds	-	22,595,000.00			22,595,000.00
Revenue Financing System Bonds, Series 2016E					
Revenue Bonds	-	118,950,000.00			118,950,000.00
Tuition Revenue Bonds	-	20,400,000.00			20,400,000.00
		[a]			
	<u>\$ 2,963,915,000.00</u>	<u>\$ 940,750,000.00</u>	<u>\$ 155,580,000.00</u>	<u>\$ 535,190,000.00</u>	<u>\$ 3,213,895,000.00</u>
			(Schedule 2D)		(Schedule 2C)

[a] Bonds Issued or Converted

Revenue Financing System Bonds, Taxable Series 2016A	91,520,000.00
Revenue Financing System Bonds, Taxable Series 2016B	325,575,000.00
Revenue Financing System Bonds, Series 2016C	207,445,000.00
Revenue Financing System Bonds, Taxable Series 2016D	176,860,000.00
Revenue Financing System Bonds, Series 2016E	139,350,000.00
Total, Bonds Issued or Converted	<u>\$ 940,750,000.00</u>



UNAUDITED

**Schedule 2B**  
**The Texas A&M University System**  
 Schedule of Changes in Bonded Indebtedness  
 For the Year Ended August 31, 2016

Description	Unamortized Premium	Net Bonds Outstanding August 31, 2016	Principal Due Within One Year	Premium Amortization Due Within One Year	Amounts Due Within One Year	Bonds Outstanding August 31, 2016
<b>Revenue Bonds - Self Supporting</b>						
Revenue Financing System Bonds, Series 2015A						
Tuition Revenue Bonds	6,287,030.75	57,897,030.75	11,375,000.00	1,485,239.81	12,860,239.81	51,610,000.00
Revenue Financing System Bonds, Series 2015B						
Revenue Bonds	12,485,802.93	147,485,802.93	4,805,000.00	1,570,205.01	6,375,205.01	135,000,000.00
Revenue Financing System Bonds, Taxable Series 2015C						
Revenue Bonds		157,560,000.00	18,005,000.00		18,005,000.00	157,560,000.00
Revenue Financing System Bonds, Taxable Series 2015D						
Revenue Bonds		65,400,000.00	1,355,000.00		1,355,000.00	65,400,000.00
Revenue Financing System Bonds, Taxable Series 2016A						
Revenue Bonds		86,995,000.00	1,265,000.00		1,265,000.00	86,995,000.00
Tuition Revenue Bonds		2,895,000.00	70,000.00		70,000.00	2,895,000.00
Revenue Financing System Bonds, Taxable Series 2016B						
Revenue Bonds		325,575,000.00	4,670,000.00		4,670,000.00	325,575,000.00
Revenue Financing System Bonds, Series 2016C						
Revenue Bonds	19,796,360.15	105,536,360.15	470,000.00	1,349,449.98	1,819,449.98	85,740,000.00
Tuition Revenue Bonds	27,900,453.90	149,605,453.90	1,990,000.00	2,790,595.83	4,780,595.83	121,705,000.00
Revenue Financing System Bonds, Taxable Series 2016D						
Revenue Bonds		154,265,000.00	4,530,000.00		4,530,000.00	154,265,000.00
Tuition Revenue Bonds		22,595,000.00	620,000.00		620,000.00	22,595,000.00
Revenue Financing System Bonds, Series 2016E						
Revenue Bonds	21,791,468.45	140,741,468.45	650,000.00	2,207,333.33	2,857,333.33	118,950,000.00
Tuition Revenue Bonds	4,023,441.70	24,423,441.70	335,000.00	423,708.51	758,708.51	20,400,000.00
		[b]				
	<u>\$ 195,276,598.09</u>	<u>\$ 3,409,171,598.09</u>	<u>\$ 157,415,000.00</u>	<u>\$ 24,450,242.06</u>	<u>\$ 181,865,242.06</u>	<u>\$ 3,213,895,000.00</u>
		(Exhibit III)	(Schedule 2C)			(Schedule 2C)

[b] Bonds Payable per Exhibit III  
 Current Bonds Payable \$ 181,865,242.06  
 NonCurrent Bonds Payable 3,227,306,356.03  
 Total Bonds Payable \$ 3,409,171,598.09

UNAUDITED

Schedule 2C  
**The Texas A&M University System**  
 Schedule of Debt Service Requirements  
 For the Year Ended August 31, 2016

Description	Year Ended August 31.					
	2017	2018	2019	2020	2021	
<b>Revenue Bonds - Self Supporting</b>						
Permanent University Fund Bonds, Series 1998						
Revenue Bonds	Principal	\$ 0.00	\$ 0.00	\$ 2,235,000.00	\$ 2,360,000.00	2,490,000.00
	Interest	1,583,725.00	1,583,725.00	1,583,725.00	1,460,800.00	1,331,000.00
Permanent University Fund Bonds, Series 2009AB						
Revenue Bonds	Principal	690,000.00	715,000.00	5,550,000.00	5,695,000.00	5,900,000.00
	Interest	10,592,981.28	10,568,831.28	10,543,806.28	10,266,306.28	9,981,556.28
Permanent University Fund Bonds, Series 2011						
Revenue Bonds	Principal	1,720,000.00	1,780,000.00	2,490,000.00	2,675,000.00	5,000,000.00
	Interest	3,553,350.00	3,501,750.00	3,448,350.00	3,348,750.00	3,241,750.00
Permanent University Fund Bonds, Series 2012A						
Revenue Bonds	Principal	0.00	0.00	10,335,000.00	10,875,000.00	11,495,000.00
	Interest	3,511,500.00	3,511,500.00	3,511,500.00	3,017,250.00	2,473,500.00
Permanent University Fund Bonds, Taxable Series 2012B						
Revenue Bonds	Principal	5,545,000.00	5,625,000.00	5,720,000.00	5,820,000.00	5,950,000.00
	Interest	2,937,518.20	2,857,725.66	2,760,413.16	2,652,877.16	2,521,461.56
Permanent University Fund Bonds, Series 2013						
Revenue Bonds	Principal	21,660,000.00	22,735,000.00	7,785,000.00	8,165,000.00	8,555,000.00
	Interest	6,767,400.00	5,684,400.00	4,547,650.00	4,158,400.00	3,750,150.00
Permanent University Fund Bonds, Series 2015A						
Revenue Bonds	Principal	830,000.00	875,000.00	0.00	0.00	0.00
	Interest	6,795,800.02	6,754,300.02	6,706,175.02	6,706,175.02	6,706,175.02
Permanent University Fund Bonds, Taxable Series 2015B						
Revenue Bonds	Principal	7,730,000.00	7,800,000.00	7,740,000.00	7,815,000.00	7,960,000.00
	Interest	3,543,505.06	3,446,880.06	3,349,380.04	3,233,280.04	3,096,517.52
Revenue Financing System Bonds, Series 2008						
Revenue Bonds	Principal	8,840,000.00	7,455,000.00			
	Interest	814,750.00	372,750.00			
Tuition Revenue Bonds	Principal	220,000.00	230,000.00			
	Interest	22,560.00	11,500.00			
Revenue Financing System Bonds, Series 2009A						
Tuition Revenue Bonds	Principal	10,145,000.00	10,655,000.00	11,155,000.00		
	Interest	1,508,700.00	1,001,450.00	498,700.00		
Revenue Financing System Bonds, Series 2009B						
Revenue Bonds	Principal	2,875,000.00	2,620,000.00	2,705,000.00		
	Interest	279,600.00	193,350.00	108,200.00		
Revenue Financing System Bonds, Series 2009C						
Tuition Revenue Bonds	Principal	1,915,000.00	2,000,000.00	2,075,000.00		
	Interest	249,975.00	173,375.00	93,375.00		
Revenue Financing System Bonds, Series 2009D						
Revenue Bonds	Principal	10,450,000.00	10,965,000.00	11,500,000.00		
	Interest	1,570,287.50	1,065,750.00	517,500.00		
Revenue Financing System Bonds, Series 2010A						
Tuition Revenue Bonds	Principal	7,005,000.00	6,810,000.00	7,140,000.00	7,465,000.00	7,850,000.00
	Interest	3,326,375.00	3,001,925.00	2,685,875.00	2,351,375.00	1,978,125.00
Revenue Financing System Bonds, Series 2010B						
Revenue Bonds	Principal	7,195,000.00	7,560,000.00	7,940,000.00	7,715,000.00	8,100,000.00
	Interest	5,563,250.00	5,203,500.00	4,825,500.00	4,428,500.00	4,042,750.00
Revenue Financing System Bonds, Series 2011A						
Revenue Bonds	Principal	1,685,000.00	1,680,000.00	1,730,000.00	1,765,000.00	1,820,000.00
	Interest	307,562.50	240,162.50	172,962.50	121,062.50	63,700.00
Tuition Revenue Bonds	Principal	265,000.00				
	Interest	10,600.00				
Revenue Financing System Bonds, Series 2011B						
Revenue Bonds	Principal	2,510,000.00	2,730,000.00	2,905,000.00	3,095,000.00	3,290,000.00
	Interest	4,768,412.52	4,630,362.56	4,480,212.56	4,320,437.56	4,150,212.56

UNAUDITED

Schedule 2C  
The Texas A&M University System  
Schedule of Debt Service Requirements  
For the Year Ended August 31, 2016

Description		2022-2026	2027-2031	2032-2036	2037-2041	2042-2045	Total Requirements
<b>Revenue Bonds - Self Supporting</b>							
Permanent University Fund Bonds, Series 1998							
Revenue Bonds	Principal	\$ 14,660,000.00	\$ 7,050,000.00	\$	\$	\$	\$ 28,795,000.00
	Interest	4,444,275.00	586,850.00				12,574,100.00
Permanent University Fund Series 2009AB							
Revenue Bonds	Principal	48,685,000.00	91,585,000.00	52,090,000.00			210,910,000.00
	Interest	44,981,975.06	28,049,575.00	4,849,250.00			129,834,281.46
Permanent University Fund Bonds, Series 2011							
Revenue Bonds	Principal	25,375,000.00	37,060,000.00				76,100,000.00
	Interest	12,864,250.00	5,764,000.00				35,722,200.00
Permanent University Fund Bonds, Series 2012A							
Revenue Bonds	Principal	37,975,000.00					70,680,000.00
	Interest	3,854,750.00					19,880,000.00
Permanent University Fund Bonds, Taxable Series 2012B							
Revenue Bonds	Principal	32,120,000.00	35,470,000.00	7,780,000.00			104,030,000.00
	Interest	10,257,783.00	5,210,932.24	278,135.00			29,476,845.98
Permanent University Fund Bonds, Series 2013							
Revenue Bonds	Principal	34,490,000.00	31,055,000.00	14,235,000.00			148,680,000.00
	Interest	12,818,000.00	6,670,800.00	859,800.00			45,256,600.00
Permanent University Fund Bonds, Series 2015A							
Revenue Bonds	Principal	36,650,000.00	50,030,000.00	53,875,000.00			142,260,000.00
	Interest	31,746,000.10	20,076,250.14	5,475,800.00			90,966,675.34
Permanent University Fund Bonds, Taxable Series 2015B							
Revenue Bonds	Principal	20,155,000.00	45,305,000.00	29,415,000.00			133,920,000.00
	Interest	13,302,742.72	8,929,857.24	2,684,522.00			41,586,684.68
Revenue Financing System Bonds, Series 2008							
Revenue Bonds	Principal						16,295,000.00
	Interest						1,187,500.00
Tuition Revenue Bonds	Principal						450,000.00
	Interest						34,000.00
Revenue Financing System Bonds, Series 2009A							
Tuition Revenue Bonds	Principal						31,955,000.00
	Interest						3,008,850.00
Revenue Financing System Bonds, Series 2009B							
Revenue Bonds	Principal						8,200,000.00
	Interest						581,150.00
Revenue Financing System Bonds, Series 2009C							
Tuition Revenue Bonds	Principal						5,990,000.00
	Interest						516,725.00
Revenue Financing System Bonds, Series 2009D							
Revenue Bonds	Principal						32,915,000.00
	Interest						3,153,537.50
Revenue Financing System Bonds, Series 2010A							
Tuition Revenue Bonds	Principal	18,910,000.00	13,735,000.00				68,915,000.00
	Interest	6,139,750.00	1,287,500.00				20,770,925.00
Revenue Financing System Bonds, Series 2010B							
Revenue Bonds	Principal	22,265,000.00	19,180,000.00	18,125,000.00	13,185,000.00		111,265,000.00
	Interest	15,470,250.00	10,664,500.00	6,104,000.00	1,339,750.00		57,642,000.00
Revenue Financing System Bonds, Series 2011A							
Revenue Bonds	Principal						8,680,000.00
	Interest						905,450.00
Tuition Revenue Bonds	Principal						265,000.00
	Interest						10,600.00
Revenue Financing System Bonds, Series 2011B							
Revenue Bonds	Principal	19,950,000.00	23,575,000.00	23,150,000.00	13,885,000.00		95,090,000.00
	Interest	17,798,525.30	12,499,731.48	7,010,075.00	2,149,750.00		61,807,719.54

UNAUDITED

Schedule 2C  
**The Texas A&M University System**  
 Schedule of Debt Service Requirements  
 For the Year Ended August 31, 2016

Description		Year Ended August 31,				
		2017	2018	2019	2020	2021
Revenue Financing System Bonds, Series 2013A						
Tuition Revenue Bonds	Principal	3,375,000.00	3,510,000.00	3,655,000.00	3,805,000.00	3,950,000.00
	Interest	1,226,050.00	1,091,050.00	950,650.00	804,450.00	652,250.00
Revenue Financing System Bonds, Series 2013B						
Revenue Bonds	Principal	6,630,000.00	6,955,000.00	7,290,000.00	7,685,000.00	8,040,000.00
	Interest	10,470,100.00	10,138,600.00	9,790,850.00	9,426,350.00	9,042,100.00
Revenue Financing System Bonds, Taxable Series 2013C						
Revenue Bonds	Principal	1,240,000.00	0.00	0.00	0.00	0.00
	Interest	11,365,025.00	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	4,750,000.00	6,255,000.00	6,565,000.00	6,920,000.00	7,265,000.00
	Interest	4,693,000.00	4,455,500.00	4,142,750.00	3,814,500.00	3,468,500.00
Revenue Financing System Bonds, Series 2015A						
Tuition Revenue Bonds	Principal	11,375,000.00	4,230,000.00	4,445,000.00	4,660,000.00	4,900,000.00
	Interest	2,356,600.00	1,901,600.00	1,690,100.00	1,467,850.00	1,234,850.00
Revenue Financing System Bonds, Series 2015B						
Revenue Bonds	Principal	4,805,000.00	5,000,000.00	3,850,000.00	4,040,000.00	4,235,000.00
	Interest	5,711,050.00	5,518,850.00	5,268,850.00	5,076,350.00	4,874,350.00
Revenue Financing System Bonds, Taxable Series 2015C						
Revenue Bonds	Principal	18,005,000.00	16,310,000.00	16,490,000.00	16,790,000.00	14,425,000.00
	Interest	3,672,698.96	3,488,147.72	3,237,626.12	2,917,225.42	2,549,020.72
Revenue Financing System Bonds, Taxable Series 2015D						
Revenue Bonds	Principal	1,355,000.00	1,375,000.00	1,395,000.00	1,450,000.00	1,510,000.00
	Interest	2,720,666.26	2,666,466.26	2,611,466.26	2,555,666.26	2,497,666.26
Revenue Financing System Bonds, Taxable Series 2016A						
Revenue Bonds	Principal	1,265,000.00	1,270,000.00	8,420,000.00	8,505,000.00	8,650,000.00
	Interest	2,138,413.04	2,125,763.16	2,110,243.76	1,988,574.66	1,845,860.76
Tuition Revenue Bonds	Principal	70,000.00	45,000.00	285,000.00	290,000.00	290,000.00
	Interest	65,634.96	64,934.96	64,385.06	60,266.80	55,400.60
Revenue Financing System Bonds, Taxable Series 2016B						
Revenue Bonds	Principal	4,670,000.00	10,045,000.00	10,140,000.00	10,300,000.00	10,465,000.00
	Interest	11,673,248.96	10,653,357.52	10,530,607.62	10,384,084.62	10,211,250.62
Revenue Financing System Bonds, Series 2016C						
Revenue Bonds	Principal	470,000.00			3,625,000.00	3,795,000.00
	Interest	3,269,460.42	3,975,750.00	3,975,750.00	3,975,750.00	3,794,500.00
Tuition Revenue Bonds	Principal	1,990,000.00			9,555,000.00	10,030,000.00
	Interest	4,610,030.55	5,566,100.00	5,566,100.00	5,566,100.00	5,088,350.00
Revenue Financing System Bonds, Taxable Series 2016D						
Revenue Bonds	Principal	4,530,000.00	3,630,000.00	3,655,000.00	6,120,000.00	6,205,000.00
	Interest	3,301,394.89	4,004,585.38	3,975,073.48	3,938,194.54	3,861,694.54
Tuition Revenue Bonds	Principal	620,000.00	370,000.00	375,000.00	1,955,000.00	1,990,000.00
	Interest	370,854.31	449,250.96	446,242.88	442,459.10	418,021.60
Revenue Financing System Bonds, Series 2016E						
Revenue Bonds	Principal	650,000.00			8,335,000.00	8,745,000.00
	Interest	4,145,897.22	5,046,400.00	5,046,400.00	5,046,400.00	4,629,650.00
Tuition Revenue Bonds	Principal	335,000.00			1,605,000.00	1,680,000.00
	Interest	730,985.42	885,350.00	885,350.00	885,350.00	805,100.00
Total		387,643,902.07	278,407,896.04	277,038,722.74	274,842,737.96	274,293,416.04
Less Interest		(130,228,902.07)	(127,177,896.04)	(121,468,722.74)	(115,757,737.96)	(109,708,416.04)
Total Principal		\$ 157,415,000.00	\$ 151,230,000.00	\$ 155,570,000.00	\$ 159,085,000.00	\$ 164,585,000.00
		(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, 2016

Description		2022-2026	2027-2031	2032-2036	2037-2041	2042-2045	Total Requirements
Revenue Financing System Bonds, Series 2013A							
Tuition Revenue Bonds	Principal	9,095,000.00					27,390,000.00
	Interest	454,750.00					5,179,200.00
Revenue Financing System Bonds, Series 2013B							
Revenue Bonds	Principal	44,525,000.00	51,470,000.00	47,495,000.00	28,830,000.00	7,875,000.00	216,795,000.00
	Interest	38,950,750.00	27,472,000.00	14,405,500.00	4,485,000.00	475,600.00	134,656,850.00
Revenue Financing System Bonds, Taxable Series 2013C							
Revenue Bonds	Principal	0.00	33,955,000.00	68,360,000.00	87,035,000.00	41,175,000.00	231,765,000.00
	Interest	56,714,765.00	55,144,777.00	42,315,913.60	23,637,633.80	3,095,567.20	237,645,493.60
Revenue Financing System Bonds, Series 2013D							
Revenue Bonds	Principal	42,145,000.00	19,960,000.00				93,860,000.00
	Interest	11,517,250.00	1,509,250.00				33,600,750.00
Revenue Financing System Bonds, Series 2015A							
Tuition Revenue Bonds	Principal	22,000,000.00					51,610,000.00
	Interest	2,531,050.00					11,182,050.00
Revenue Financing System Bonds, Series 2015B							
Revenue Bonds	Principal	23,920,000.00	27,680,000.00	31,125,000.00	22,835,000.00	7,510,000.00	135,000,000.00
	Interest	21,227,450.00	15,496,450.00	9,502,850.00	3,515,800.00	608,600.00	76,800,600.00
Revenue Financing System Bonds, Taxable Series 2015C							
Revenue Bonds	Principal	50,530,000.00	20,525,000.00	4,485,000.00			157,560,000.00
	Interest	8,000,271.54	2,338,029.84	313,005.74			26,516,026.06
Revenue Financing System Bonds, Taxable Series 2015D							
Revenue Bonds	Principal	8,590,000.00	10,540,000.00	12,835,000.00	14,900,000.00	11,450,000.00	65,400,000.00
	Interest	11,446,381.30	9,490,631.30	7,198,580.04	4,301,855.00	1,242,062.50	46,731,441.44
Revenue Financing System Bonds, Taxable Series 2016A							
Revenue Bonds	Principal	37,715,000.00	12,725,000.00	6,900,000.00	1,545,000.00		86,995,000.00
	Interest	6,550,461.50	2,491,708.30	1,156,572.48	61,691.86		20,469,289.52
Tuition Revenue Bonds	Principal	1,580,000.00	335,000.00				2,895,000.00
	Interest	174,981.90	9,768.60				495,372.88
Revenue Financing System Bonds, Taxable Series 2016B							
Revenue Bonds	Principal	55,370,000.00	61,170,000.00	72,675,000.00	72,495,000.00	18,245,000.00	325,575,000.00
	Interest	47,427,410.40	39,368,471.10	27,474,550.80	11,752,104.34	1,913,778.98	181,388,864.96
Revenue Financing System Bonds, Series 2016C							
Revenue Bonds	Principal	22,040,000.00	22,085,000.00	17,875,000.00	15,850,000.00		85,740,000.00
	Interest	15,928,000.00	10,501,550.00	6,622,200.00	1,896,000.00		53,938,960.42
Tuition Revenue Bonds	Principal	58,165,000.00	41,965,000.00				121,705,000.00
	Interest	17,402,750.00	3,401,200.00				47,200,630.55
Revenue Financing System Bonds, Taxable Series 2016D							
Revenue Bonds	Principal	32,595,000.00	36,135,000.00	37,910,000.00	23,485,000.00		154,265,000.00
	Interest	17,689,486.80	13,737,676.10	7,937,195.68	2,133,084.04		60,578,385.45
Tuition Revenue Bonds	Principal	10,460,000.00	6,825,000.00				22,595,000.00
	Interest	1,570,838.00	372,895.80				4,070,562.65
Revenue Financing System Bonds, Series 2016E							
Revenue Bonds	Principal	49,585,000.00	45,770,000.00	5,865,000.00			118,950,000.00
	Interest	16,138,500.00	4,865,550.00	598,200.00			45,516,997.22
Tuition Revenue Bonds	Principal	9,755,000.00	7,025,000.00				20,400,000.00
	Interest	2,677,000.00	448,900.00				7,318,035.42
Total		1,239,385,397.62	1,038,598,854.14	648,981,150.34	349,317,669.04	93,590,608.68	4,762,100,354.67
Less Interest		(450,080,397.62)	(286,388,854.14)	(144,786,150.34)	(55,272,669.04)	(7,335,608.68)	(1,548,205,354.67)
Total Principal		\$ 789,305,000.00	\$ 752,210,000.00	\$ 504,195,000.00	\$ 294,045,000.00	86,255,000.00	\$ 3,213,895,000.00

(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, 2016

Description	Pledged Revenues	Operating Expenses From Pledged Revenues	Debt Service	
			Principal	Interest
Permanent University Fund Bonds	\$ 281,887,883.96	\$ 185,771,791.02	\$ 37,770,000.00	\$ 40,603,590.82
Revenue Financing System Bonds	2,182,434,502.08	1,438,283,762.11	117,810,000.00	89,035,248.59
	<u>\$ 2,464,322,386.04</u>	<u>\$ 1,624,055,553.13</u>	<u>\$ 155,580,000.00</u>	<u>\$ 129,638,839.41</u>
			(Schedule 2B)	

[a] Debt Service-Interest Expense (Exhibit IV)

\$ 158,762,365.37

Less:

Interest on Permanent University Fund Commercial Paper	\$ 54,489.66
Interest on Revenue Financing System Commercial Paper/Note	584,577.27
Interest on Capital Leases	1,521,500.68
Interest Expense on Defeased Bonds	38,531,746.71
Other Interest Expense (non-bonds)	551,474.63

Subtotal

(41,243,788.95)

Plus Capitalized Interest Expense

12,120,262.99

Total, Debt Service-Interest

\$ 129,638,839.41

[a]

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Schedule 2E

**The Texas A&M University System**  
Schedule of Defeased Bonds Outstanding  
For the Year Ended August 31, 2016

<u>Description of Issues</u>	<u>Calendar Year Refunded</u>	<u>Par Value Outstanding August 31, 2016</u>
The Texas A&M University System Permanent University Fund Bonds, Series 2006	2015	\$ -
Revenue Financing System Bonds, Series 2008	2016	82,670,000.00
Series 2009A	2016	146,425,000.00
Series 2009B	2016	52,345,000.00
Series 2009C	2016	27,295,000.00
Series 2009D	2016	226,455,000.00
Total		<u>\$ 535,190,000.00</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, 2016

Description	Category	Amount Extinguished or Refunded	Refunding Issue Par Value	Cash Flow Increase (Decrease)	Economic Gain/ (Loss)
<b>Revenue Bonds - Self Supporting</b>					
Revenue Financing System Bonds, Series 2008					
Revenue Bonds	Advance Refunding	80,005,000.00	88,565,000.00	6,067,342.71	5,143,153.82
Tuition Revenue Bonds	Advance Refunding	2,665,000.00	2,955,000.00	197,673.51	200,558.24
Revenue Financing System Bonds, Series 2009A					
Tuition Revenue Bonds	Advance Refunding	146,425,000.00	137,400,000.00	23,921,182.01	21,059,665.01
Revenue Financing System Bonds, Series 2009B					
Revenue Bonds	Advance Refunding	52,345,000.00	48,655,000.00	9,683,164.19	7,759,376.91
Revenue Financing System Bonds, Series 2009C					
Tuition Revenue Bonds	Advance Refunding	27,295,000.00	27,300,000.00	3,583,339.37	3,156,009.90
Revenue Financing System Bonds, Series 2009D					
Revenue Bonds	Advance Refunding	226,455,000.00	229,025,000.00	32,961,668.38	26,696,144.12
Total, Early Extinguishment and Refunding		\$ 535,190,000.00	\$ 533,900,000.00	\$ 76,414,370.17	\$ 64,014,908.00



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**Schedule Three**  
**The Texas A&M University System**  
 Combined Schedule of Cash & Cash Equivalents  
 For the Year Ended August 31, 2016

	<b>Current Year Total</b>
<b>Cash &amp; Cash Equivalents</b>	
<b>Unrestricted</b>	
Cash On Hand	
Cashiers Account	\$ 84,875.00
Petty Cash Department Working Fund	349,907.42
Temporary Working Fund	12,098.00
Total Cash On Hand	\$ 446,880.42
Cash In State Treasury	
Fund 0047	\$ 309,023,076.26
Fund 0230	15,663,912.72
Fund 0231	10,259,738.95
Fund 0232	5,437,265.79
Fund 0242	13,202,653.93
Fund 0243	1,826,541.10
Fund 0245	22,292,040.32
Fund 0254	20,735,548.72
Fund 0257	6,337,242.39
Fund 0263	4,761,617.22
Fund 0275	2,351,462.90
Fund 0289	12,163,661.27
Fund 0290	13,230,622.86
Fund 0291	3,986,446.45
Fund 0818	4,995,840.60
Fund 0900	1,153.12
Fund 0980	977.51
Fund 5029	8,843,677.10
Fund 5064	81,795,173.11
Fund 5066	5,038,933.11
Total Cash In State Treasury	\$ 541,947,585.43
Reimbursements Due From State Treasury	\$ 14,152,998.71
Cash In Bank	5,481,180.03
Cash Equivalents	258,638,167.66
<b>Total Unrestricted Cash and Cash Equivalents (Exhibit III)</b>	<b>\$ 820,666,812.25</b>
<b>Restricted</b>	
Cash On Hand	
Petty Cash Department Working Fund	\$ 260,250.50
Temporary Working Fund	23,930.00
Total Restricted Cash On Hand	\$ 284,180.50
Cash In Bank	\$ 13,660,009.73
Cash Equivalents	435,250,728.72
<b>Total Restricted Cash and Cash Equivalents (Exhibit III)</b>	<b>\$ 449,194,918.95</b>
<b>Total Cash &amp; Cash Equivalents (Exhibit V)</b>	<b>\$ 1,269,861,731.20</b>







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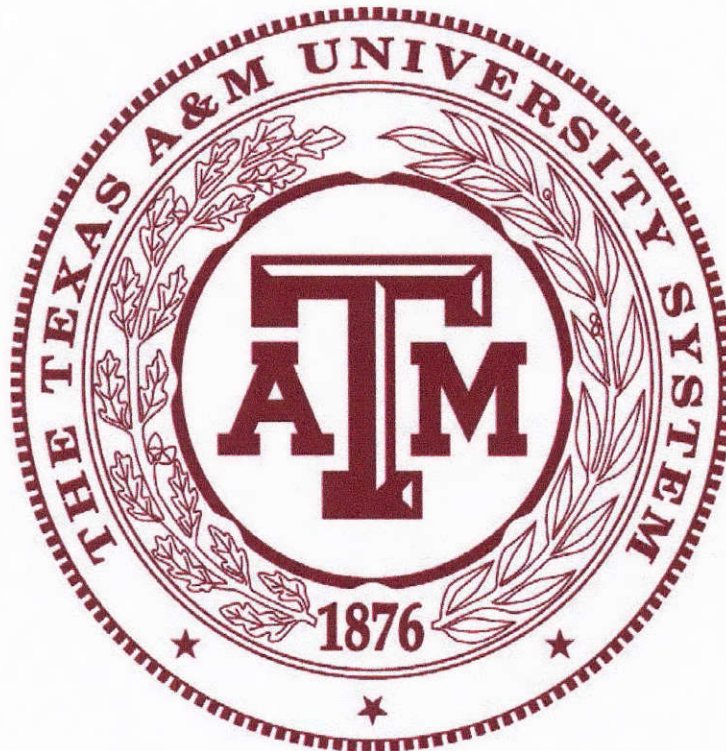
# ANNUAL FINANCIAL REPORT

of

Texas A&M University

*For the Year Ended August 31, 2016*

*With Comparative Totals for the Year Ended August 31, 2015*



**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 2015</u>	<u>FALL 2016</u>
Texas Resident	50,079	51,835
Out-of-State	3,230	3,386
Foreign	5,206	5,217
Total Students	<u>58,515</u>	<u>60,438</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	725,725



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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, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u>          </u>	<u>          </u>
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 80,183,308.28	\$ 25,075,162.55
Investments		
Derivative Instruments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	30,382,255.68	9,279,347.46
Investments		
Legislative Appropriations	20,635,484.74	12,774,721.47
Receivables, Net [Note 24]		
Federal	16,873,594.04	98,787,212.46
Other Intergovernmental		
Interest and Dividends		
Gifts	59,389,532.49	61,377,041.54
Self-Insured Health and Dental		
Student	12,997,508.93	11,932,781.18
Investment Trades		
Accounts	50,639,282.72	53,324,466.41
Other	342,113.49	461,989.08
Due From Other Agencies	3,185,344.33	2,082,046.34
Due From Other Members	184,388,413.44	170,350,382.31
Due From Other Funds	11,140,000.40	67,961,894.28
Consumable Inventories	14,306,289.81	14,276,303.83
Merchandise Inventories	2,469,186.88	2,279,425.79
Loans and Contracts	17,405,914.06	14,707,432.62
Interfund Receivable [Note 12]		
Other Current Assets	64,917,003.75	61,353,257.21
Total Current Assets	<u>\$ 569,255,233.04</u>	<u>\$ 606,023,464.53</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 455,156,506.54	\$ 434,368,646.95
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable	455,105,202.96	455,828,261.87
Loans and Contracts	15,618,317.66	16,662,358.32
Assets Held By System Office	1,389,660,382.20	1,311,219,052.63
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	28,407,557.95	30,012,332.27
Construction In Progress	128,103,768.86	102,136,323.58
Other Tangible Capital Assets	49,352,678.42	42,992,169.49
Land Use Rights	47,322.00	47,322.00
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	2,315,186,078.50	2,213,330,944.45
Infrastructure	447,268,158.32	458,237,781.48
Facilities and Other Improvements	699,079,053.14	440,995,284.32
Furniture and Equipment	324,144,140.57	304,599,434.30
Vehicles, Boats, and Aircraft	48,350,997.27	47,073,041.09
Other Capital Assets	102,068,850.59	97,707,027.17
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights	255,457.00	255,457.00
Computer Software	45,629,498.47	38,027,112.02
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(2,019,024,212.26)	(1,935,838,754.26)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 4,484,409,758.19</u>	<u>\$ 4,057,653,794.68</u>
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$ 27,296,914.19	\$ 31,219,824.01
Government Acquisition		
Pensions		
Total Deferred Outflows of Resources	<u>\$ 27,296,914.19</u>	<u>\$ 31,219,824.01</u>
Total Assets and Deferred Outflows	<u><u>\$ 5,080,961,905.42</u></u>	<u><u>\$ 4,694,897,083.22</u></u>

UNAUDITED

EXHIBIT III  
TEXAS A&M UNIVERSITY  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u>          </u>	<u>          </u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 56,335,573.84	\$ 43,312,389.03
Payroll	48,345,148.18	45,934,560.79
Investment Trades		
Self-Insured Health and Dental		
Student	6,018,608.13	6,827,610.82
Other	2,040,849.92	1,854,516.52
Interfund Payable [Note 12]	2,953,192.38	2,781,363.02
Due to Other Agencies	118,712.38	5,966.74
Due to Other Funds	11,140,000.40	67,961,894.28
Due to Other Members	65,925,580.18	59,720,777.43
Funds Held for Investment		
Unearned Revenue	259,046,456.51	257,614,800.30
Employees' Compensable Leave	5,045,394.06	5,092,605.17
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations	1,500,685.90	674,107.94
Liabilities Payable From Restricted Assets		
Funds Held for Others	22,174,818.82	14,745,525.94
Other Current Liabilities	18,776,633.83	17,738,271.82
Total Current Liabilities	<u>\$ 499,421,654.53</u>	<u>\$ 524,264,389.80</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$ 7,361,965.98	\$ 9,731,138.83
Employees' Compensable Leave	38,235,155.58	38,432,761.42
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	1,836,164.80	1,156,421.44
Other Non-Current Liabilities	19,389,500.00	25,189,500.00
Total Non-Current Liabilities	<u>\$ 66,822,786.36</u>	<u>\$ 74,509,821.69</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 566,244,440.89</u>	<u>\$ 598,774,211.49</u>
Net Position		
Net Investment In Capital Assets	\$ 2,149,679,848.83	\$ 1,820,385,974.91
Restricted for		
Debt Service		
Capital Projects	539,563,624.65	555,056,263.32
Education	170,191,317.79	163,952,356.17
Endowment and Permanent Funds		
Nonexpendable	178,103,024.38	176,876,882.54
Expendable	168,490,693.48	166,461,111.39
Unrestricted	1,308,688,955.40	1,213,390,283.40
Total Net Position [Exhibit IV]	<u>\$ 4,514,717,464.53</u>	<u>\$ 4,096,122,871.73</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 5,080,961,905.42</u>	<u>\$ 4,694,897,083.22</u>

UNAUDITED

EXHIBIT IV  
TEXAS A&M UNIVERSITY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$ 642,292,824.47	\$ 608,941,254.20
Discounts and Allowances	(136,015,393.26)	(132,918,582.46)
Professional Fees		
Auxiliary Enterprises	207,029,935.38	190,507,387.56
Discounts and Allowances	(10,121,270.73)	(11,230,211.19)
Other Sales of Goods and Services	149,163,308.58	157,807,462.84
Discounts and Allowances		
Interest Revenue	3,183,308.94	3,046,210.35
Federal Revenue - Operating	77,422,043.81	81,601,237.87
Federal Pass Through Revenue	3,506,836.63	3,920,025.90
State Grant Revenue	203,817.49	119,874.43
State Pass Through Revenue	43,430,537.69	34,779,902.64
Other Grants and Contracts - Operating	123,679,451.07	126,390,765.21
Other Operating Revenue	27,667,734.47	28,918,092.96
Total Operating Revenues	<u>\$ 1,131,443,134.54</u>	<u>\$ 1,091,883,420.31</u>
Operating Expenses		
Instruction	\$ 563,551,656.97	\$ 549,382,917.59
Research	192,625,427.94	177,901,322.14
Public Service	27,256,352.77	28,662,160.86
Academic Support	213,922,631.92	181,138,343.69
Student Services	75,094,595.41	65,291,927.62
Institutional Support	59,653,552.43	49,009,354.51
Operation & Maintenance of Plant	149,229,697.89	118,490,020.03
Scholarships & Fellowships	90,830,741.66	72,740,704.54
Auxiliary	192,970,504.20	172,551,054.24
Depreciation/Amortization	145,244,095.82	137,871,259.50
Total Operating Expenses [Schedule IV-1]	<u>\$ 1,710,379,257.01</u>	<u>\$ 1,553,039,064.72</u>
Total Operating Income [Loss]	<u>\$ (578,936,122.47)</u>	<u>\$ (461,155,644.41)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 354,269,822.74	\$ 315,123,702.40
Federal Revenue Non-Operating	43,054,755.52	43,584,742.21
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	140,103,734.60	81,511,530.75
Investment Income	79,240,204.01	(26,795,447.34)
Investing Activities Expense	(3,467,817.11)	(3,288,644.03)
Interest Expense	(523,256.51)	(100,249.76)
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	(3,378,315.03)	2,110,312.67
Settlement of Claims	(5,824.02)	(614,485.35)
Other Nonoperating Revenues	5,521,191.46	4,615,469.99
Other Nonoperating [Expenses]	(19,030,170.69)	(9,487,881.08)
Total Nonoperating Revenues [Expenses]	<u>\$ 595,784,324.97</u>	<u>\$ 406,659,050.46</u>
Income [Loss] Before Other Revenues and Transfers	<u>\$ 16,848,202.50</u>	<u>\$ (54,496,593.95)</u>

UNAUDITED

EXHIBIT IV  
 TEXAS A&M UNIVERSITY  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u>                    </u>	<u>                    </u>
Other Revenues and Transfers		
Capital Contributions	\$ 8,013,079.56	\$ 29,955,714.06
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments	15,812.00	508,966.21
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	11,416,794.41	4,828,363.00
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	230,796,652.73	201,220,429.35
Nonmandatory Transfers From Members/Agencies-Cap Assets	399,241,941.87	265,775,427.09
Transfers Out		
Transfers to Other State Agencies	52,880.75	(7,862,416.27)
Mandatory Transfers to Other Members	(126,315,566.55)	(94,278,662.29)
Nonmandatory Transfers to Other Members	(102,488,804.81)	(87,317,891.35)
Nonmandatory Transfers to Members/Agencies - Cap Assets	(18,766,076.66)	(573,591.66)
Legislative Transfers - In	2,505,336.00	
Legislative Transfers - Out	(2,725,659.00)	(2,725,946.00)
Legislative Appropriations Lapsed		(4,594.63)
	<u>                    </u>	<u>                    </u>
Total Other Revenues and Transfers	\$ 401,746,390.30	\$ 309,525,797.51
	<u>                    </u>	<u>                    </u>
Change In Net Position	\$ 418,594,592.80	\$ 255,029,203.56
	<u>                    </u>	<u>                    </u>
Net Position, Beginning of Year Restatement	\$ 4,096,122,871.73	\$ 3,841,093,668.17
	<u>                    </u>	<u>                    </u>
Net Position, Beginning of Year, Restated	\$ 4,096,122,871.73	\$ 3,841,093,668.17
	<u>                    </u>	<u>                    </u>
Net Position, End of Year	\$ 4,514,717,464.53	\$ 4,096,122,871.73
	<u>                    </u>	<u>                    </u>

UNAUDITED

SCHEDULE IV-1  
 TEXAS A&M UNIVERSITY  
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX  
 FOR THE YEAR ENDED AUGUST 31, 2016

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$ 2,183.46	\$ 114,742.15	\$ 18,301.37	\$ 505.00
Salaries & Wages	388,221,954.39	97,889,339.49	12,541,729.35	108,477,558.74	34,859,210.12
Payroll Related Costs	94,487,597.39	17,970,418.06	2,298,140.22	23,901,761.79	9,022,812.63
Payroll Related Costs-TRS Pension					
Professional Fees & Services	25,121,919.61	18,471,437.04	2,424,560.99	26,754,085.32	5,452,456.44
Travel	7,750,701.31	7,618,204.26	745,886.12	5,540,149.45	1,809,123.27
Materials & Supplies	19,745,008.91	16,017,236.79	1,798,063.15	28,329,336.43	4,426,297.68
Communication & Utilities	3,331,379.41	942,660.44	236,172.34	2,411,580.76	658,442.39
Repairs & Maintenance	5,408,908.46	3,788,575.29	744,067.14	3,728,471.29	2,587,933.91
Rentals & Leases	3,887,470.33	2,941,236.72	2,445,625.18	2,848,910.22	2,871,218.48
Printing & Reproduction	555,698.36	667,241.97	330,970.48	1,684,302.88	631,125.60
Federal Pass-Through		1,335,006.88			
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					(9,665.82)
Interest	3,889.70	6,490.06	669.50	5,393.09	1,990.94
Scholarships	2,118,215.13	7,984,731.55	181,499.79	525,995.06	315.00
Claims & Losses					
Net Change in OPEB Obligation					
Other Operating Expenses	12,918,913.97	16,990,665.93	3,394,226.36	9,696,785.52	12,782,829.77
Total Operating Expenses	\$ 563,551,656.97	\$ 192,625,427.94	\$ 27,256,352.77	\$ 213,922,631.92	\$ 75,094,595.41

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$ 21,973.76	\$	\$ 1,496,501.70	\$	\$ 1,654,207.44	\$ 1,656,401.43
24,332,338.59	11,526,171.43	4,852,798.36	62,882,810.00		745,583,910.47	698,714,641.13
8,332,253.01	2,883,868.32	297,371.63	12,229,814.09		171,424,037.14	152,525,245.62
17,915,213.30	3,297,887.97	124,922.69	19,935,322.98		119,497,806.34	102,702,518.29
379,223.66	89,010.59	292,476.52	6,978,022.98		31,202,798.16	27,116,460.50
1,753,538.20	4,397,504.48	225,828.42	13,816,604.83		90,509,418.89	86,809,748.50
277,496.87	40,372,637.81	8,865.68	17,350,027.12		65,589,262.82	67,440,822.85
1,131,317.11	70,581,781.38	47,067.72	23,129,691.55		111,147,813.85	74,823,570.21
2,529,372.82	1,901,153.56	143,701.56	10,549,364.22		30,118,053.09	27,589,355.46
108,183.04	6,228.03	3,600.47	784,867.26		4,772,218.09	4,494,986.50
					1,335,006.88	1,406,843.63
						233,509.52
				145,244,095.82	145,244,095.82	137,871,259.50
					(9,665.82)	(13,390.00)
6,406.27	6,384.79	14.97	20,107.81		51,347.13	16,149.32
8,577.10		82,938,908.55	4,064,611.54		97,822,853.72	79,766,339.12
<u>2,879,632.46</u>	<u>14,145,095.77</u>	<u>1,895,185.09</u>	<u>19,732,758.12</u>		<u>94,436,092.99</u>	<u>89,884,603.14</u>
<u>\$ 59,653,552.43</u>	<u>\$ 149,229,697.89</u>	<u>\$ 90,830,741.66</u>	<u>\$ 192,970,504.20</u>	<u>\$ 145,244,095.82</u>	<u>\$ 1,710,379,257.01</u>	<u>\$ 1,553,039,064.72</u>

[Exhibit IV]

UNAUDITED

EXHIBIT V  
TEXAS A&M UNIVERSITY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 485,041,974.08	\$ 426,539,327.69
Proceeds Received From Customers	150,517,321.80	125,683,081.79
Proceeds From Grants and Contracts	230,701,436.25	249,142,970.08
Proceeds From Auxiliary Enterprises	199,535,467.64	178,907,163.03
Proceeds From Loan Programs	3,464,863.61	3,399,464.23
Proceeds From Other Operating Revenues	59,572,394.48	63,376,969.38
Payments to Suppliers for Goods and Services	(528,976,778.39)	(489,966,824.64)
Payments to Employees	(914,842,177.17)	(854,412,616.87)
Payments for Loans Provided	(4,862,288.23)	(1,718,726.46)
Payments for Other Operating Expenses	(100,250,641.64)	(70,597,904.70)
Net Cash Provided [Used] By Operating Activities	<u>\$ (420,098,427.57)</u>	<u>\$ (369,647,096.47)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 348,200,966.47	\$ 309,601,011.96
Proceeds From Gifts	145,137,165.09	165,029,985.39
Proceeds From Endowments	15,812.00	508,966.21
Proceeds From Transfers From Other Funds	11,130,691.27	4,957,000.93
Proceeds From Other Grant Receipts	66,602,175.50	20,479,008.65
Proceeds From Other Noncapital Financing Activities	75,507,449.03	7,844,642.62
Payments of Interest	(477,626.80)	(29,895.09)
Payments for Transfers to Other Funds		(7,862,416.27)
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(4,605,716.40)	(56,137,350.10)
Other Noncapital Transfers From/To System	115,793,034.41	115,218,933.31
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 757,303,950.57</u>	<u>\$ 559,609,887.61</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 492,767.53	\$ 6,415,687.55
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	(98,740,326.67)	(107,304,899.00)
Payments of Principal On Debt		
Payments for Capital Leases		
Payments of Interest On Debt Issuance	(45,629.71)	(70,354.67)
Payments for Interfund Receivables	(2,197,343.49)	(45,824.07)
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]	38,341,007.32	21,384,217.98
Intrasystem Transfers for Capital Debt [Mandatory]	(129,041,225.55)	(97,004,608.29)
Intrasystem Transfers for Construction Proceeds [Non-Mand]	(44,269,826.04)	(14,109,649.96)
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (235,460,576.61)</u>	<u>\$ (190,735,430.46)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	(54,301,805.71)	(110,550,699.43)
Proceeds From Interest and Investment Income	28,767,913.27	14,406,059.73
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ (25,533,892.44)</u>	<u>\$ (96,144,639.70)</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ 76,211,053.95</u>	<u>\$ (96,917,279.02)</u>
Cash and Cash Equivalents, Beginning of Year Restatement	<u>\$ 34,354,510.01</u>	<u>\$ 131,271,789.03</u>
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 34,354,510.01</u>	<u>\$ 131,271,789.03</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 110,565,563.96</u>	<u>\$ 34,354,510.01</u>



UNAUDITED

EXHIBIT V  
TEXAS A&M UNIVERSITY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(578,936,122.47)	(461,155,644.41)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	145,244,095.82	137,871,259.50
Bad Debt Expense	930,943.98	666,473.35
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	1,166,789.78	(8,834,509.92)
[Increase] Decrease In Due From Other Funds	(817,194.85)	323,917.10
[Increase] Decrease In Due From System Members	654,893.45	(17,586,907.15)
[Increase] Decrease In Inventories	(219,747.07)	111,599.60
[Increase] Decrease In Prepaid Expenses	(3,591,827.56)	(2,055,870.87)
[Increase] Decrease In Loans and Contracts	(1,827,974.45)	(1,135,163.23)
[Increase] Decrease In Other Assets	6,052,221.78	(38,767.12)
Increase [Decrease] In Payables	10,400,643.65	105,195.08
Increase [Decrease] In Due to Other Agencies/Funds	112,745.64	(325,812.05)
Increase [Decrease] In Due to System Members	10,668,939.40	(119,883.75)
Increase [Decrease] In Unearned Revenue	(4,730,381.73)	(20,756,274.98)
Increase [Decrease] In Deposits	1,038,362.01	933,214.52
Increase [Decrease] In Employees' Compensable Leave	(244,816.95)	(3,649,922.14)
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	\$ 158,837,694.90	\$ 91,508,547.94
Net Cash Provided [Used] By Operating Activities	\$ (420,098,427.57)	\$ (369,647,096.47)
Non-Cash Transactions		
Donation of Capital Assets	\$ 8,013,079.56	\$ 29,955,714.06
Net Change In Fair Value of Investments	34,136,735.02	(103,037,083.46)
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	377,097,550.18	267,312,148.10



UNAUDITED

SCHEDULE THREE  
 TEXAS A&M UNIVERSITY  
 SCHEDULE OF CASH & CASH EQUIVALENTS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Petty Cash Department Working Fund	\$ 149,050.00
Temporary Working Fund	<u>2,208.00</u>
Total Cash On Hand	<u>\$ 151,258.00</u>
Cash In State Treasury	
Fund 0242	<u>\$ 13,202,653.93</u>
Total Cash In State Treasury	<u>\$ 13,202,653.93</u>
Reimbursements Due From State Treasury	\$ 2,571,663.92
Assets Held By System Offices-Current	<u>64,257,732.43</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 80,183,308.28</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>\$ 8,967,382.58</u>
Assets Held By System Offices-Current	<u>\$ 21,154,622.60</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 30,382,255.68</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 110,565,563.96</u></u>

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SCHEDULE N-2  
 TEXAS A&M UNIVERSITY  
 NOTE 2 - CAPITAL ASSETS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	BALANCE 9-1-15	ADJUSTMENTS	COMPLETED CIP
<b>Non-Depreciable/Non-Amortizable Assets</b>			
Land and Land Improvements	\$ 30,012,332.27	\$	\$
Construction In Progress	102,136,323.58		(428,823,712.20)
Other Tangible Capital Assets	42,992,169.49		10,000.00
Land Use Rights	47,322.00		
<b>Total Non-Depreciable/Non-Amortizable Assets</b>	<b>\$ 175,188,147.34</b>	<b>\$</b>	<b>\$ (428,813,712.20)</b>
<b>Depreciable Assets</b>			
Buildings	\$ 2,213,330,944.45	\$	\$ 121,260,260.67
Infrastructure	458,237,781.48		29,738,320.86
Facilities and Other Improvements	440,995,284.32		256,759,135.07
Furniture and Equipment	304,599,434.30		20,632,339.24
Vehicles, Boats and Aircraft	47,073,041.09		423,656.36
Other Capital Assets	97,707,027.17		
<b>Total Depreciable Assets at Historical Cost</b>	<b>\$ 3,561,943,512.81</b>	<b>\$</b>	<b>\$ 428,813,712.20</b>
<b>Less Accumulated Depreciation for</b>			
Buildings	\$ (1,188,610,376.48)	\$	\$
Infrastructure	(235,003,244.60)		
Facilities and Other Improvements	(148,405,562.45)		
Furniture and Equipment	(223,207,542.58)		
Vehicles, Boats and Aircraft	(34,842,173.39)		
Other Capital Assets	(68,061,581.73)		
<b>Total Accumulated Depreciation</b>	<b>\$ (1,898,130,481.23)</b>	<b>\$</b>	<b>\$</b>
<b>Depreciable Assets, Net</b>	<b>\$ 1,663,813,031.58</b>	<b>\$</b>	<b>\$ 428,813,712.20</b>
<b>Amortizable Assets - Intangible</b>			
Land Use Rights	\$ 255,457.00	\$	\$
Computer Software	38,027,112.02		
<b>Total Intangible Assets at Historical Cost</b>	<b>\$ 38,282,569.02</b>	<b>\$</b>	<b>\$</b>
<b>Less Accumulated Amortization for</b>			
Land Use Rights	\$ (140,501.46)	\$	\$
Computer Software	(37,567,771.57)		
<b>Total Accumulated Amortization</b>	<b>\$ (37,708,273.03)</b>	<b>\$</b>	<b>\$</b>
<b>Amortizable Assets, Net</b>	<b>\$ 574,295.99</b>	<b>\$</b>	<b>\$</b>
<b>Capital Assets, Net</b>	<b>\$ 1,839,575,474.91</b>	<b>\$</b>	<b>\$</b>

INC-INTERAGENCY TRANSACTIONS	DEC-INTERAGENCY TRANSACTIONS	ADDITIONS	DELETIONS	BALANCE 8-31-16
\$ 392,250,529.66	\$ (1,604,774.32)	\$ 62,540,627.82 6,762,513.93	\$ (412,005.00)	\$ 28,407,557.95 128,103,768.86 49,352,678.42 47,322.00
<u>\$ 392,250,529.66</u>	<u>\$ (1,604,774.32)</u>	<u>\$ 69,303,141.75</u>	<u>\$ (412,005.00)</u>	<u>\$ 205,911,327.23</u>
\$ 3,782,448.30 74,210.00 649,321.38 1,315,102.58 11,633.34 1,056,361.98	\$ (18,853,135.02) (40,682,608.00) (149,981.79) (2,159,019.51) (1,475,026.09)	\$ 4,236,732.77 182,824.11 1,293,330.26 26,970,355.88 3,209,526.77 3,875,673.91	\$ (8,571,172.67) (282,370.13) (468,036.10) (27,214,071.92) (891,834.20) (570,212.47)	\$ 2,315,186,078.50 447,268,158.32 699,079,053.14 324,144,140.57 48,350,997.27 102,068,850.59
<u>\$ 6,889,077.58</u>	<u>\$ (63,319,770.41)</u>	<u>\$ 39,768,443.70</u>	<u>\$ (37,997,697.49)</u>	<u>\$ 3,936,097,278.39</u>
\$ (295,111.15) (4,281.34) (49,826.67) (707,625.26) (10,382.82) (1,056,361.98)	\$ 14,697,636.87 28,445,456.46 12,026.10 1,928,897.22 1,074,451.42	\$ (80,222,983.36) (16,481,051.51) (16,460,693.04) (23,338,756.58) (3,019,176.85) (4,155,112.13)	\$ 5,577,352.75 (282,370.13) 97,335.50 13,579,549.12 787,002.15 225,988.13	\$ (1,248,853,481.37) (223,043,120.99) (164,806,720.56) (231,745,478.08) (36,010,279.49) (73,047,067.71)
<u>\$ (2,123,589.22)</u>	<u>\$ 46,158,468.07</u>	<u>\$ (143,677,773.47)</u>	<u>\$ 20,267,227.65</u>	<u>\$ (1,977,506,148.20)</u>
<u>\$ 4,765,488.36</u>	<u>\$ (17,161,302.34)</u>	<u>\$ (103,909,329.77)</u>	<u>\$ (17,730,469.84)</u>	<u>\$ 1,958,591,130.19</u>
\$ 4,769,836.81	\$ (13,169.28)	\$ 3,132,993.92	\$ (287,275.00)	\$ 255,457.00 45,629,498.47
<u>\$ 4,769,836.81</u>	<u>\$ (13,169.28)</u>	<u>\$ 3,132,993.92</u>	<u>\$ (287,275.00)</u>	<u>\$ 45,884,955.47</u>
\$ (2,543,912.96)	\$ 13,169.28	\$ (25,545.72) (1,540,776.63)	\$ 287,275.00	\$ (166,047.18) (41,352,016.88)
<u>\$ (2,543,912.96)</u>	<u>\$ 13,169.28</u>	<u>\$ (1,566,322.35)</u>	<u>\$ 287,275.00</u>	<u>\$ (41,518,064.06)</u>
<u>\$ 2,225,923.85</u>	<u>\$</u>	<u>\$ 1,566,671.57</u>	<u>\$</u>	<u>\$ 4,366,891.41</u>
<u>\$ 399,241,941.87</u>	<u>\$ (18,766,076.66)</u>	<u>\$ (33,039,516.45)</u>	<u>\$ (18,142,474.84)</u>	<u>\$ 2,168,869,348.83</u>





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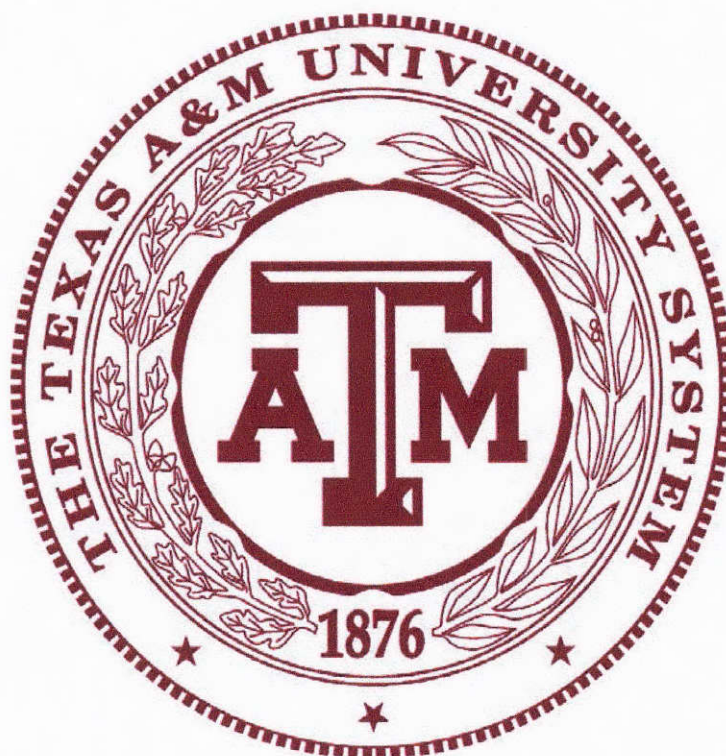
# ANNUAL FINANCIAL REPORT

of

Texas A&M University at Galveston

*For the Year Ended August 31, 2016*

*With Comparative Totals for the Year Ended August 31, 2015*



**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 2015</u>	<u>FALL 2016</u>
Texas Resident	1,903	1,821
Out-of-State	392	349
Foreign	29	20
Total Students	<u>2,324</u>	<u>2,190</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, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u>                    </u>	<u>                    </u>
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 7,197,636.26	\$ 7,696,792.13
Investments		
Derivative Instruments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	1,489,041.22	1,183,500.63
Investments		
Legislative Appropriations	1,558,446.96	1,340,675.61
Receivables, Net [Note 24]		
Federal	1,191,501.29	1,706,661.52
Other Intergovernmental		
Interest and Dividends		
Gifts		62,685.00
Self-Insured Health and Dental		
Student	2,493,884.16	1,167,831.39
Investment Trades		
Accounts	1,859,623.33	753,813.92
Other		
Due From Other Agencies	488,381.83	489,176.62
Due From Other Members	156,556.12	577,956.96
Due From Other Funds	938,807.90	1,612,455.65
Consumable Inventories		
Merchandise Inventories	500,792.89	511,127.27
Loans and Contracts	300,363.01	194,610.69
Interfund Receivable [Note 12]		
Other Current Assets	<u>1,616,978.00</u>	<u>1,286,941.50</u>
Total Current Assets	<u>\$ 19,792,012.97</u>	<u>\$ 18,584,228.89</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 6,649,417.55	\$ 4,144,885.30
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts	160,250.61	305,466.76
Assets Held By System Office	51,107,253.83	47,321,143.40
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	2,074,641.72	2,074,641.72
Construction In Progress	4,567,305.06	3,211,137.45
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	130,015,142.91	130,015,142.91
Infrastructure	11,741,981.02	11,741,981.02
Facilities and Other Improvements	3,928,713.32	3,928,713.32
Furniture and Equipment	9,148,441.75	8,657,210.44
Vehicles, Boats, and Aircraft	2,623,355.40	2,556,426.04
Other Capital Assets	1,560,095.99	1,554,880.36
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	503,274.58	413,274.58
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(77,632,930.76)	(71,238,528.55)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 146,472,428.34</u>	<u>\$ 144,711,860.11</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>\$ 166,264,441.31</u>	<u>\$ 163,296,089.00</u>

UNAUDITED

EXHIBIT III  
TEXAS A&M UNIVERSITY AT GALVESTON  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u>          </u>	<u>          </u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 3,879,902.62	\$ 5,518,563.02
Payroll	1,650,753.85	2,009,052.80
Investment Trades		
Self-Insured Health and Dental		
Student	168,638.90	107,529.85
Other	218,119.57	218,054.17
Interfund Payable [Note 12]		
Due to Other Agencies	2,151.57	
Due to Other Funds	938,807.90	1,612,455.65
Due to Other Members	1,461,470.23	193,876.38
Funds Held for Investment		
Unearned Revenue	9,288,459.64	7,061,430.01
Employees' Compensable Leave	106,446.88	194,838.05
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations	19,902.88	20,370.34
Liabilities Payable From Restricted Assets		
Funds Held for Others	1,671,619.84	162,948.90
Other Current Liabilities	2,062,268.17	1,852,962.83
Total Current Liabilities	<u>\$ 21,468,542.05</u>	<u>\$ 18,952,082.00</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$ 1,190,585.86	\$ 1,194,481.59
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	25,734.58	19,356.70
Other Non-Current Liabilities		
Total Non-Current Liabilities	<u>\$ 1,216,320.44</u>	<u>\$ 1,213,838.29</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 22,684,862.49</u>	<u>\$ 20,165,920.29</u>
Net Position		
Net Investment In Capital Assets	\$ 88,555,506.35	\$ 92,940,364.65
Restricted for		
Debt Service		
Capital Projects	88,079.92	116,750.22
Education	2,420,467.17	2,331,330.56
Endowment and Permanent Funds		
Nonexpendable	2,545,478.11	2,427,492.49
Expendable	850,766.14	881,774.46
Unrestricted	49,119,281.13	44,432,456.33
Total Net Position [Exhibit IV]	<u>\$ 143,579,578.82</u>	<u>\$ 143,130,168.71</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 166,264,441.31</u>	<u>\$ 163,296,089.00</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, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$ 25,770,656.40	\$ 24,642,566.92
Discounts and Allowances	(3,957,320.51)	(3,830,006.03)
Professional Fees		
Auxiliary Enterprises	8,396,710.20	8,918,621.94
Discounts and Allowances	(947,161.61)	(1,075,298.12)
Other Sales of Goods and Services	3,031,756.55	2,741,012.67
Discounts and Allowances		
Interest Revenue	10,441.85	16,602.63
Federal Revenue - Operating	2,820,483.57	3,033,003.16
Federal Pass Through Revenue	212,296.93	559,869.62
State Grant Revenue	34,216.44	150,920.23
State Pass Through Revenue	1,436,513.27	1,072,502.66
Other Grants and Contracts - Operating	3,448,027.63	2,318,474.94
Other Operating Revenue	436,757.95	182,244.71
Total Operating Revenues	<u>\$ 40,693,378.67</u>	<u>\$ 38,730,515.33</u>
Operating Expenses		
Instruction	\$ 17,037,475.10	\$ 19,315,774.66
Research	7,563,628.33	6,003,684.63
Public Service	1,493,090.70	1,248,603.27
Academic Support	4,781,735.26	4,204,928.74
Student Services	3,306,620.37	3,380,186.83
Institutional Support	6,950,267.88	6,581,790.66
Operation & Maintenance of Plant	6,196,654.93	5,522,731.95
Scholarships & Fellowships	1,837,208.60	1,835,448.20
Auxiliary	6,473,182.74	5,353,962.35
Depreciation/Amortization	6,583,752.39	6,482,911.42
Total Operating Expenses [Schedule IV-1]	<u>\$ 62,223,616.30</u>	<u>\$ 59,930,022.71</u>
Total Operating Income [Loss]	<u>\$ (21,530,237.63)</u>	<u>\$ (21,199,507.38)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 21,724,840.07	\$ 19,486,976.64
Federal Revenue Non-Operating	1,969,554.67	2,232,505.37
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	1,614,351.42	927,684.17
Investment Income	2,441,274.69	(472,649.85)
Investing Activities Expense	(102,140.12)	(115,295.12)
Interest Expense	(1,532.63)	(1,975.13)
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	(11,089.88)	6,688.20
Settlement of Claims		
Other Nonoperating Revenues	5,266.14	39,262.54
Other Nonoperating [Expenses]	(15,217.88)	(57,437.01)
Total Nonoperating Revenues [Expenses]	<u>\$ 27,625,306.48</u>	<u>\$ 22,045,759.81</u>
Income [Loss] Before Other Revenues and Transfers	<u>\$ 6,095,068.85</u>	<u>\$ 846,252.43</u>

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EXHIBIT IV  
 TEXAS A&M UNIVERSITY AT GALVESTON  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Other Revenues and Transfers		
Capital Contributions	\$	\$ 1,625.00
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments	94,300.00	283,000.00
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	194,737.00	184,034.00
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	1,932,313.77	1,615,094.52
Nonmandatory Transfers From Members/Agencies-Cap Assets	47,936.91	871,991.38
Transfers Out		
Transfers to Other State Agencies	(745.87)	(350,255.57)
Mandatory Transfers to Other Members	(2,157,000.99)	(2,161,132.41)
Nonmandatory Transfers to Other Members	(1,402,969.56)	(596.00)
Nonmandatory Transfers to Members/Agencies - Cap Assets		
Legislative Transfers - In	124,740.00	
Legislative Transfers - Out	(4,478,970.00)	(3,768,895.87)
Legislative Appropriations Lapsed		(142,361.21)
Total Other Revenues and Transfers	<u>\$ (5,645,658.74)</u>	<u>\$ (3,467,496.16)</u>
Change In Net Position	<u>\$ 449,410.11</u>	<u>\$ (2,621,243.73)</u>
Net Position, Beginning of Year Restatement	<u>\$ 143,130,168.71</u>	<u>\$ 145,751,412.44</u>
Net Position, Beginning of Year, Restated	<u>\$ 143,130,168.71</u>	<u>\$ 145,751,412.44</u>
Net Position, End of Year	<u>\$ 143,579,578.82</u>	<u>\$ 143,130,168.71</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, 2016

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$ 678.00	\$	\$
Salaries & Wages	10,733,036.64	3,036,928.85	441,938.09	2,225,875.59	1,611,547.30
Payroll Related Costs	2,956,018.46	639,555.31	97,229.09	547,107.83	394,294.95
Payroll Related Costs-TRS Pension					
Professional Fees & Services	1,911,406.62	317,768.57	114,129.11	546,327.07	296,071.47
Travel	297,901.03	459,763.98	39,029.54	98,425.12	130,594.61
Materials & Supplies	568,821.93	919,700.97	103,037.06	1,027,668.17	278,085.24
Communication & Utilities	11,078.20	20,860.44	9,218.62	21,660.65	15,368.87
Repairs & Maintenance	37,368.89	190,960.91	90,311.90	17,383.77	68,562.37
Rentals & Leases	60,495.11	128,502.94	203,650.72	24,174.00	16,592.04
Printing & Reproduction	73,764.30	6,630.81	12,919.95	22,728.39	79,517.49
Federal Pass-Through		23,419.08			
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					(80.76)
Interest	271.83	486.94	48.57	200.21	495.15
Scholarships	2,489.75	210,722.32		5,247.00	
Claims & Losses					
Net Change in OPEB Obligation					
Other Operating Expenses	384,822.34	1,608,327.21	380,900.05	244,937.46	415,571.64
Total Operating Expenses	\$ 17,037,475.10	\$ 7,563,628.33	\$ 1,493,090.70	\$ 4,781,735.26	\$ 3,306,620.37

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$	\$	\$	\$	\$	\$
			786,898.81		787,576.81	885,443.88
3,280,013.94	773,164.65	42,061.96	710,898.00		22,855,465.02	22,342,245.00
927,953.46	186,228.17	935.29	170,125.66		5,919,448.22	5,418,631.23
1,682,153.91	1,725,774.25	32,231.25	1,030,884.89		7,656,747.14	5,488,393.71
59,849.71	28,092.35	3,253.36	8,085.42		1,124,995.12	1,042,359.00
183,753.68	413,212.86		1,382,272.40		4,876,552.31	4,425,130.40
58,968.92	1,148,879.45		716,655.79		2,002,690.94	2,550,941.91
69,095.02	1,463,642.83		366,609.74		2,303,935.43	3,834,628.52
10,088.81	2,785.00		906,799.42		1,353,088.04	1,347,415.49
41,665.93	11,159.32		14,105.26		262,491.45	214,241.90
					23,419.08	47,089.65
				6,583,752.39	6,583,752.39	6,482,911.42
					(80.76)	198.52
200.69	(228.38)	14.03	195.21		1,684.25	2,016.24
		1,725,116.97			1,943,576.04	1,937,606.02
636,523.81	443,944.43	33,595.74	379,652.14		4,528,274.82	3,910,769.82
<u>\$ 6,950,267.88</u>	<u>\$ 6,196,654.93</u>	<u>\$ 1,837,208.60</u>	<u>\$ 6,473,182.74</u>	<u>\$ 6,583,752.39</u>	<u>\$ 62,223,616.30</u>	<u>\$ 59,930,022.71</u>

[Exhibit IV]



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EXHIBIT V  
TEXAS A&M UNIVERSITY AT GALVESTON  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 22,465,174.00	\$ 19,651,411.73
Proceeds Received From Customers	3,031,012.61	2,728,527.11
Proceeds From Grants and Contracts	9,107,694.72	7,129,621.92
Proceeds From Auxiliary Enterprises	7,032,599.66	7,905,969.84
Proceeds From Loan Programs	56,257.12	23,977.67
Proceeds From Other Operating Revenues	638,317.79	193,744.13
Payments to Suppliers for Goods and Services	(26,616,481.97)	(22,753,997.69)
Payments to Employees	(29,225,499.09)	(26,954,098.63)
Payments for Loans Provided		
Payments for Other Operating Expenses	(2,167,000.62)	(1,020,196.07)
<b>Net Cash Provided [Used] By Operating Activities</b>	<b>\$ (15,677,925.78)</b>	<b>\$ (13,095,039.99)</b>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 21,631,808.72	\$ 19,321,267.34
Proceeds From Gifts	677,036.42	864,999.17
Proceeds From Endowments	94,300.00	283,000.00
Proceeds From Transfers From Other Funds	194,737.00	184,034.00
Proceeds From Other Grant Receipts	1,969,554.67	2,232,505.37
Proceeds From Other Noncapital Financing Activities	1,876,503.02	39,211.06
Payments of Interest		
Payments for Transfers to Other Funds	(745.87)	(350,255.57)
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(3,831.90)	(68,060.32)
Other Noncapital Transfers From/To System	1,045,915.21	1,397,456.47
Transfers Between Fund Groups		
<b>Net Cash Provided [Used] By Noncapital Financing Activities</b>	<b>\$ 27,485,277.27</b>	<b>\$ 23,904,157.52</b>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 3,365.00	\$ 8,725.00
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	(2,172,850.88)	(3,303,131.06)
Payments of Principal On Debt		
Payments for Capital Leases		(25,309.99)
Payments of Interest On Debt Issuance	(1,532.63)	(1,975.13)
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]	38,191.42	1,700,328.46
Intrasystem Transfers for Capital Debt [Mandatory]	(5,922,541.99)	(5,930,028.28)
Intrasystem Transfers for Construction Proceeds [Non-Mand]		132,042.05
<b>Net Cash Provided [Used] By Capital and Related Financing Act.</b>	<b>\$ (8,049,458.66)</b>	<b>\$ (7,419,348.95)</b>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	(4,864,102.45)	(4,993,454.01)
Proceeds From Interest and Investment Income	912,594.34	706,325.88
Payments to Acquire Investments		
<b>Net Cash Provided [Used] By Investing Activities</b>	<b>\$ (3,951,508.11)</b>	<b>\$ (4,287,128.13)</b>
<b>Net Increase [Decrease] In Cash and Cash Equivalents</b>	<b>\$ (193,615.28)</b>	<b>\$ (897,359.55)</b>
Cash and Cash Equivalents, Beginning of Year Restatement	\$ 8,880,292.76	\$ 9,777,652.31
Cash and Cash Equivalents, Beginning of Year, As Restated	\$ 8,880,292.76	\$ 9,777,652.31
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 8,686,677.48</u>	<u>\$ 8,880,292.76</u>

UNAUDITED

EXHIBIT V  
 TEXAS A&M UNIVERSITY AT GALVESTON  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	<u>CURRENT YEAR TOTAL</u>	<u>PRIOR YEAR TOTAL</u>
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(21,530,237.63)	(21,199,507.38)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	6,583,752.39	6,482,911.42
Bad Debt Expense	(3,136.75)	38,778.96
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	231,889.39	(507,723.86)
[Increase] Decrease In Due From Other Funds	794.79	(221,691.18)
[Increase] Decrease In Due From System Members	383,209.42	75,254.39
[Increase] Decrease In Inventories	10,334.38	(38,544.35)
[Increase] Decrease In Prepaid Expenses	(330,036.50)	(293,247.66)
[Increase] Decrease In Loans and Contracts	40,021.12	8,034.15
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	(1,947,105.38)	2,511,038.86
Increase [Decrease] In Due to Other Agencies/Funds	2,151.57	
Increase [Decrease] In Due to System Members	37,593.85	164,682.14
Increase [Decrease] In Unearned Revenue	725,825.13	(627,172.57)
Increase [Decrease] In Deposits	209,305.34	213,939.80
Increase [Decrease] In Employees' Compensable Leave	(92,286.90)	298,207.29
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>\$ 5,852,311.85</u>	<u>\$ 8,104,467.39</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (15,677,925.78)</u>	<u>\$ (13,095,039.99)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$	\$ 1,625.00
Net Change In Fair Value of Investments	1,121,715.00	(2,799,873.16)
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	36,847.03	878,679.58



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SCHEDULE THREE  
 TEXAS A&M UNIVERSITY AT GALVESTON  
 SCHEDULE OF CASH & CASH EQUIVALENTS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	<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	\$ 2,351,462.90
Total Cash In State Treasury	<u>\$ 2,351,462.90</u>
Reimbursements Due From State Treasury	\$ 10,828.19
Assets Held By System Offices-Current	<u>4,834,345.17</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 7,197,636.26</u>
Restricted	
Cash On Hand	
Cash In Bank	\$ 1,155,998.99
Assets Held By System Offices-Current	<u>\$ 333,042.23</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 1,489,041.22</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 8,686,677.48</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, 2016

	BALANCE 9-1-15	ADJUSTMENTS	COMPLETED CIP
<b>Non-Depreciable/Non-Amortizable Assets</b>			
Land and Land Improvements	\$ 2,074,641.72	\$	\$
Construction In Progress	3,211,137.45		
Other Tangible Capital Assets	25,485.36		
<b>Total Non-Depreciable/Non-Amortizable Assets</b>	<b>\$ 5,311,264.53</b>	<b>\$</b>	<b>\$</b>
<b>Depreciable Assets</b>			
Buildings	\$ 130,015,142.91	\$	\$
Infrastructure	11,741,981.02		
Facilities and Other Improvements	3,928,713.32		
Furniture and Equipment	8,657,210.44		
Vehicles, Boats and Aircraft	2,556,426.04		
Other Capital Assets	1,554,880.36		
<b>Total Depreciable Assets at Historical Cost</b>	<b>\$ 158,454,354.09</b>	<b>\$</b>	<b>\$</b>
<b>Less Accumulated Depreciation for</b>			
Buildings	\$ (52,185,476.79)	\$	\$
Infrastructure	(6,614,873.73)		
Facilities and Other Improvements	(3,008,069.94)		
Furniture and Equipment	(5,940,627.47)		
Vehicles, Boats and Aircraft	(1,884,507.63)		
Other Capital Assets	(1,293,473.41)		
<b>Total Accumulated Depreciation</b>	<b>\$ (70,927,028.97)</b>	<b>\$</b>	<b>\$</b>
<b>Depreciable Assets, Net</b>	<b>\$ 87,527,325.12</b>	<b>\$</b>	<b>\$</b>
<b>Amortizable Assets - Intangible</b>			
Computer Software	\$ 413,274.58	\$	\$
<b>Total Intangible Assets at Historical Cost</b>	<b>\$ 413,274.58</b>	<b>\$</b>	<b>\$</b>
<b>Less Accumulated Amortization for</b>			
Computer Software	\$ (311,499.58)	\$	\$
<b>Total Accumulated Amortization</b>	<b>\$ (311,499.58)</b>	<b>\$</b>	<b>\$</b>
<b>Amortizable Assets, Net</b>	<b>\$ 101,775.00</b>	<b>\$</b>	<b>\$</b>
<b>Capital Assets, Net</b>	<b>\$ 92,940,364.65</b>	<b>\$</b>	<b>\$</b>

INC-INTERAGENCY TRANSACTIONS	DEC-INTERAGENCY TRANSACTIONS	ADDITIONS	DELETIONS	BALANCE 8-31-16
\$	\$	\$ 1,356,167.61	\$	\$ 2,074,641.72 4,567,305.06 25,485.36
\$	\$	\$ 1,356,167.61	\$	\$ 6,667,432.14
\$	\$	\$	\$	\$ 130,015,142.91 11,741,981.02 3,928,713.32 9,148,441.75 2,623,355.40 1,560,095.99
25,046.61 28,962.96		624,274.67 95,292.40 13,463.36	(158,089.97) (57,326.00) (8,247.73)	
\$ 54,009.57	\$	\$ 733,030.43	\$ (223,663.70)	\$ 159,017,730.39
\$	\$	\$ (5,225,708.08) (327,795.84) (105,026.40) (620,348.06) (229,195.90) (40,513.85)	\$ 138,096.84 57,326.00	\$ (57,411,184.87) (6,942,669.57) (3,113,096.34) (6,423,641.51) (2,061,687.37) (1,333,987.26)
\$ (6,072.66)	\$	\$ (6,548,588.13)	\$ 195,422.84	\$ (77,286,266.92)
\$ 47,936.91	\$	\$ (5,815,557.70)	\$ (28,240.86)	\$ 81,731,463.47
\$	\$	\$ 90,000.00	\$	\$ 503,274.58
\$	\$	\$ 90,000.00	\$	\$ 503,274.58
\$	\$	\$ (35,164.26)	\$	\$ (346,663.84)
\$	\$	\$ (35,164.26)	\$	\$ (346,663.84)
\$	\$	\$ 54,835.74	\$	\$ 156,610.74
\$ 47,936.91	\$	\$ (4,404,554.35)	\$ (28,240.86)	\$ 88,555,506.35







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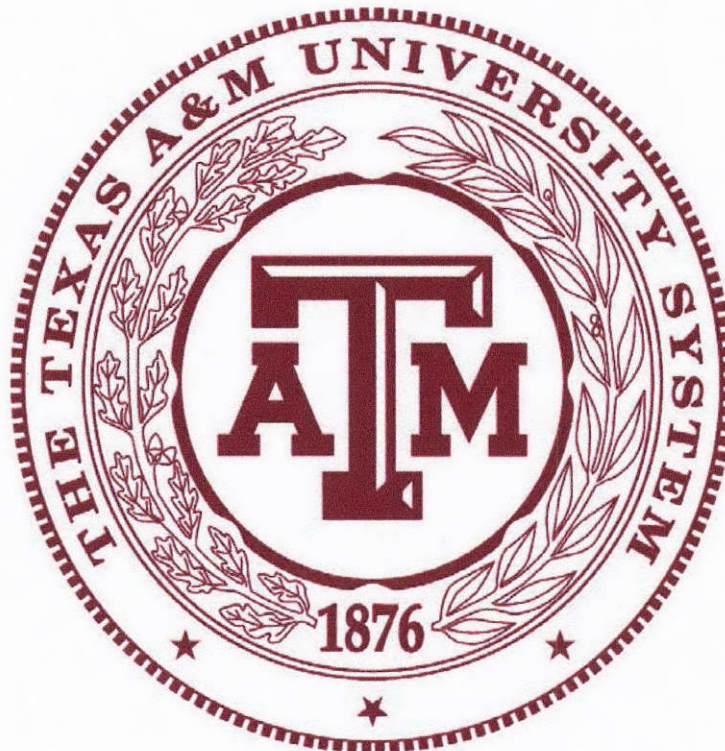
# ANNUAL FINANCIAL REPORT

of

Texas A&M Health Science Center

*For the Year Ended August 31, 2016*

*With Comparative Totals for the Year Ended August 31, 2015*



**Paul E. Ogden, M.D., Interim Senior Vice President & Chief Operating Officer**  
**Barry C. Nelson, Ph.D., Associate Vice President, Finance & Administration**

UNAUDITED

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 2015</u>	<u>FALL 2016</u>
Texas Resident	2,251	2,338
Out-of-State	169	190
Foreign	171	161
Total Students	<u>2,591</u>	<u>2,689</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	2,467	Not Required
2015-16	2,591	Not Required
2016-17	2,689	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, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 21,301,305.26	\$ 12,541,579.50
Investments		
Derivative Instruments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	31,179.10	16,047.01
Investments		20,867.00
Legislative Appropriations	13,559,842.65	8,375,700.48
Receivables, Net [Note 24]		
Federal	2,528,083.75	2,068,085.37
Other Intergovernmental		
Interest and Dividends		
Gifts	5,000,000.00	
Self-Insured Health and Dental		
Student	372,599.55	420,794.47
Investment Trades		
Accounts	6,748,746.93	8,976,420.06
Other	312.66	12,421.30
Due From Other Agencies	5,194,175.66	3,670,617.70
Due From Other Members	55,948,677.35	71,871,291.08
Due From Other Funds	5,585,184.04	12,064,237.20
Consumable Inventories	620,722.19	568,972.84
Merchandise Inventories		
Loans and Contracts	367,608.87	445,060.23
Interfund Receivable [Note 12]		
Other Current Assets	1,110,142.42	1,003,657.45
Total Current Assets	<u>\$ 118,368,580.43</u>	<u>\$ 122,055,751.69</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 61,463,647.86	\$ 67,193,434.42
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other	4,259,169.84	3,539,647.14
Gifts Receivable		5,000,000.00
Loans and Contracts		
Assets Held By System Office	113,112,489.16	110,054,611.83
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	27,126,304.16	27,126,304.16
Construction In Progress	122,099,149.36	100,187,776.29
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	258,887,925.27	258,887,925.27
Infrastructure	18,575,661.11	18,575,661.11
Facilities and Other Improvements	6,444,750.68	6,444,750.68
Furniture and Equipment	61,997,507.06	57,237,743.71
Vehicles, Boats, and Aircraft	1,068,228.84	990,579.45
Other Capital Assets	24,678,095.66	24,640,836.56
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	477,617.00	477,617.00
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(182,278,260.00)	(165,216,726.58)
Assets Held In Trust		
Other Non-Current Assets	2,727,398.41	814,761.91
Total Non-Current Assets	<u>\$ 520,882,701.75</u>	<u>\$ 516,197,940.29</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>\$ 639,251,282.18</u>	<u>\$ 638,253,691.98</u>

UNAUDITED

EXHIBIT III  
TEXAS A&M HEALTH SCIENCE CENTER  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
<b>Liabilities and Deferred Inflows</b>		
Current Liabilities		
Payables		
Accounts	\$ 11,587,708.53	\$ 22,285,523.76
Payroll	11,602,241.20	10,785,772.77
Investment Trades		
Self-Insured Health and Dental		
Student	86,377.63	36,598.21
Other	5,411.19	21,558.31
Interfund Payable [Note 12]		
Due to Other Agencies	418,764.30	420,280.60
Due to Other Funds	5,585,184.04	12,064,237.20
Due to Other Members	10,852,213.54	659,948.52
Funds Held for Investment		
Unearned Revenue	13,778,284.26	12,389,921.24
Employees' Compensable Leave	945,593.37	812,506.34
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations	35,851.07	274,518.18
Liabilities Payable From Restricted Assets		
Funds Held for Others	623,860.75	49,271.79
Other Current Liabilities	409,469.64	439,139.34
<b>Total Current Liabilities</b>	<b>\$ 55,930,959.52</b>	<b>\$ 60,239,276.26</b>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$ 9,491,680.18	\$ 9,985,407.23
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	4,752,383.72
Capital Lease Obligations		35,851.07
Other Non-Current Liabilities	40,000,000.00	40,000,000.00
<b>Total Non-Current Liabilities</b>	<b>\$ 49,647,185.88</b>	<b>\$ 54,773,642.02</b>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
<b>Total Deferred Inflows of Resources</b>	<b>\$</b>	<b>\$</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>\$ 105,578,145.40</b>	<b>\$ 115,012,918.28</b>
Net Position		
Net Investment In Capital Assets	\$ 305,024,477.75	\$ 297,806,389.72
Restricted for		
Debt Service		
Capital Projects	23,386,503.21	282,037.43
Education	22,969,145.75	22,179,128.50
Endowment and Permanent Funds		
Nonexpendable	39,477,639.51	39,472,462.28
Expendable	20,341,826.13	20,863,554.74
Unrestricted	122,473,544.43	142,637,201.03
<b>Total Net Position [Exhibit IV]</b>	<b>\$ 533,673,136.78</b>	<b>\$ 523,240,773.70</b>
<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<b>\$ 639,251,282.18</b>	<b>\$ 638,253,691.98</b>

UNAUDITED

EXHIBIT IV  
 TEXAS A&M HEALTH SCIENCE CENTER  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$ 38,529,210.14	\$ 36,655,669.48
Discounts and Allowances	(3,295,285.31)	(2,581,871.11)
Professional Fees	736,620.01	453,345.17
Auxiliary Enterprises	1,391,169.33	1,155,119.17
Discounts and Allowances	(20,769.80)	(5,195.63)
Other Sales of Goods and Services	40,158,525.91	44,785,058.83
Discounts and Allowances	(5,974,786.16)	(5,380,800.98)
Interest Revenue	66,797.50	74,885.10
Federal Revenue - Operating	29,206,942.94	27,930,227.13
Federal Pass Through Revenue	21,231,157.36	50,687,125.81
State Grant Revenue	101,907.86	19,076.16
State Pass Through Revenue	6,785,110.00	5,031,259.57
Other Grants and Contracts - Operating	14,606,266.42	11,519,545.98
Other Operating Revenue	204,791.79	181,858.81
Total Operating Revenues	<u>\$ 143,727,657.99</u>	<u>\$ 170,525,303.49</u>
Operating Expenses		
Instruction	\$ 109,822,435.58	\$ 107,474,834.64
Research	78,363,078.08	72,580,106.46
Public Service	10,791,431.48	8,987,825.44
Academic Support	29,956,409.68	29,654,463.74
Student Services	4,966,143.28	5,032,835.22
Institutional Support	12,315,390.43	15,917,678.39
Operation & Maintenance of Plant	22,457,690.12	25,172,258.41
Scholarships & Fellowships	2,784,161.32	2,396,315.89
Auxiliary	2,491,169.00	2,443,171.55
Depreciation/Amortization	18,392,269.25	18,070,066.54
Total Operating Expenses [Schedule IV-1]	<u>\$ 292,340,178.22</u>	<u>\$ 287,729,556.28</u>
Total Operating Income [Loss]	<u>\$ (148,612,520.23)</u>	<u>\$ (117,204,252.79)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 151,583,355.89	\$ 135,799,573.07
Federal Revenue Non-Operating	251,242.00	247,635.00
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	3,907,967.74	10,337,918.13
Investment Income	8,430,384.40	132,665.98
Investing Activities Expense	(270,368.69)	(307,562.39)
Interest Expense	(10,359.01)	(27,758.25)
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	(36,786.72)	(4,000.87)
Settlement of Claims		
Other Nonoperating Revenues	6,940,739.12	35,047,966.99
Other Nonoperating [Expenses]	(2,531,558.93)	(31,795,044.10)
Total Nonoperating Revenues [Expenses]	<u>\$ 168,264,615.80</u>	<u>\$ 149,431,393.56</u>
Income [Loss] Before Other Revenues and Transfers	<u>\$ 19,652,095.57</u>	<u>\$ 32,227,140.77</u>

UNAUDITED

EXHIBIT IV  
 TEXAS A&M HEALTH SCIENCE CENTER  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Other Revenues and Transfers		
Capital Contributions	\$ 281,867.73	\$ 9,799.21
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments	6,377.23	1,394,560.64
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	33,872.00	28,356.00
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	10,536,584.37	16,073,059.60
Nonmandatory Transfers From Members/Agencies-Cap Assets		205,062.14
Transfers Out		
Transfers to Other State Agencies	(830,943.21)	(1,919,614.71)
Mandatory Transfers to Other Members	(620,197.70)	(1,199,129.15)
Nonmandatory Transfers to Other Members	(10,210,123.33)	(1,305,223.98)
Nonmandatory Transfers to Members/Agencies - Cap Assets	(173,370.08)	(165,625.00)
Legislative Transfers - In	44,599.00	
Legislative Transfers - Out	(8,288,397.50)	(8,275,707.50)
Legislative Appropriations Lapsed	(1.00)	
Total Other Revenues and Transfers	<u>\$ (9,219,732.49)</u>	<u>\$ 4,845,537.25</u>
Change In Net Position	<u>\$ 10,432,363.08</u>	<u>\$ 37,072,678.02</u>
Net Position, Beginning of Year	\$ 523,240,773.70	\$ 486,168,095.68
Restatement		
Net Position, Beginning of Year, Restated	<u>\$ 523,240,773.70</u>	<u>\$ 486,168,095.68</u>
Net Position, End of Year	<u>\$ 533,673,136.78</u>	<u>\$ 523,240,773.70</u>

UNAUDITED

SCHEDULE IV-1  
 TEXAS A&M HEALTH SCIENCE CENTER  
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX  
 FOR THE YEAR ENDED AUGUST 31, 2016

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$ 73,532.44	\$	\$ 1,180.00	\$ 1,165.45	\$ 25,750.00
Salaries & Wages	58,643,049.57	32,577,158.63	5,658,795.12	18,996,786.43	2,112,982.92
Payroll Related Costs	14,582,134.56	7,795,738.93	1,359,743.33	4,935,786.10	540,288.42
Payroll Related Costs-TRS Pension					
Professional Fees & Services	23,764,844.12	6,284,321.91	1,028,111.34	3,709,203.13	1,525,726.16
Travel	841,740.18	1,186,034.84	220,171.42	322,055.67	94,057.21
Materials & Supplies	7,200,027.05	14,290,079.44	615,314.46	623,008.69	60,660.76
Communication & Utilities	179,693.29	528,446.54	113,966.11	101,999.68	451.54
Repairs & Maintenance	913,212.49	1,784,580.18	182,007.60	132,080.11	4,623.12
Rentals & Leases	1,215,998.19	1,803,832.80	449,019.33	184,919.16	82,462.75
Printing & Reproduction	148,597.97	251,670.68	75,049.25	71,678.45	54,109.20
Federal Pass-Through		2,587,617.92	284,687.00		
State Pass-Through		1,163,510.88	1,530.32		
Depreciation & Amortization					
Bad Debt Expense					(2,139.70)
Interest	1,618.02	3,005.84	430.22	271.18	17.95
Scholarships	116,023.24	908,648.24	7,901.17	817.00	5,242.00
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses	2,141,964.46	7,198,431.25	793,524.81	876,638.63	461,910.95
Total Operating Expenses	\$ 109,822,435.58	\$ 78,363,078.08	\$ 10,791,431.48	\$ 29,956,409.68	\$ 4,966,143.28



INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$	\$	\$	\$	\$	\$
6,063,376.43	2,565,020.84	33,779.11	136,719.72		238,347.61	269,834.75
1,563,331.45	640,496.13	177.33	198,065.63		126,849,014.68	124,137,125.74
			56,772.03		31,474,468.28	29,579,396.48
3,274,048.97	3,786,928.44	38,977.89	1,607,312.21		45,019,474.17	39,484,126.55
114,115.05	62,708.34	5,317.10	1,910.81		2,848,110.62	2,566,019.12
525,156.83	623,382.96	4,120.65	251,426.52		24,193,177.36	26,434,679.19
196,072.58	7,044,675.21	6.35	35,361.87		8,200,673.17	7,624,142.51
128,862.31	4,758,128.71		97,938.99		8,001,433.51	14,309,295.01
61,631.85	1,373,915.31	2,804.00	54,336.43		5,228,919.82	4,974,299.71
22,237.90	1,827.39	294.64	9,623.57		635,089.05	539,231.91
					2,872,304.92	3,362,246.21
					1,165,041.20	860,511.07
				18,392,269.25	18,392,269.25	18,070,066.54
					(2,139.70)	(35,046.51)
88.34	71.79		10.38		5,513.72	21,349.94
		2,652,024.11	25,386.22		3,716,041.98	3,197,741.59
366,468.72	1,600,535.00	46,660.14	16,304.62		13,502,438.58	12,334,536.47
<u>\$ 12,315,390.43</u>	<u>\$ 22,457,690.12</u>	<u>\$ 2,784,161.32</u>	<u>\$ 2,491,169.00</u>	<u>\$ 18,392,269.25</u>	<u>\$ 292,340,178.22</u>	<u>\$ 287,729,556.28</u>

[Exhibit IV]

UNAUDITED

EXHIBIT V  
TEXAS A&M HEALTH SCIENCE CENTER  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 35,552,741.16	\$ 30,401,470.35
Proceeds Received From Customers	35,815,103.62	38,804,240.82
Proceeds From Grants and Contracts	81,433,934.62	73,850,580.32
Proceeds From Auxiliary Enterprises	1,370,399.53	1,149,923.54
Proceeds From Loan Programs	525,603.01	638,948.58
Proceeds From Other Operating Revenues	179,248.84	76,956.69
Payments to Suppliers for Goods and Services	(106,381,530.29)	(109,679,204.78)
Payments to Employees	(157,867,654.55)	(151,212,913.20)
Payments for Loans Provided	(1,082,587.00)	(844,439.00)
Payments for Other Operating Expenses	(6,443,859.79)	(7,052,865.79)
<b>Net Cash Provided [Used] By Operating Activities</b>	<b>\$ (116,898,600.85)</b>	<b>\$ (123,867,302.47)</b>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 146,443,811.72	\$ 136,978,507.88
Proceeds From Gifts	3,907,967.74	5,464,918.13
Proceeds From Endowments	6,377.23	1,394,560.64
Proceeds From Transfers From Other Funds	33,872.00	572,342.72
Proceeds From Other Grant Receipts	251,242.00	247,635.00
Proceeds From Other Noncapital Financing Activities	47,722,868.10	60,362,613.77
Payments of Interest		
Payments for Transfers to Other Funds	(2,246,306.18)	(1,919,614.71)
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(49,841,819.18)	(62,045,536.04)
Other Noncapital Transfers From/To System	1,963,942.88	6,130,808.02
Transfers Between Fund Groups		
<b>Net Cash Provided [Used] By Noncapital Financing Activities</b>	<b>\$ 148,241,956.31</b>	<b>\$ 147,186,235.41</b>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 31,405.00	\$ 60,321.18
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	(28,101,610.28)	(78,686,242.53)
Payments of Principal On Debt		
Payments for Capital Leases	(274,518.18)	(300,572.91)
Payments of Interest On Debt Issuance	(10,359.01)	(27,758.25)
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]	3,863,255.12	5,975,816.99
Intrasystem Transfers for Capital Debt [Mandatory]	(8,908,595.20)	(9,474,836.65)
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
<b>Net Cash Provided [Used] By Capital and Related Financing Act.</b>	<b>\$ (33,400,422.55)</b>	<b>\$ (82,453,272.17)</b>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	6,890,406.19	22,675,355.36
Proceeds From Interest and Investment Income	3,941,518.75	3,665,974.45
Payments to Acquire Investments		
<b>Net Cash Provided [Used] By Investing Activities</b>	<b>\$ 10,831,924.94</b>	<b>\$ 26,341,329.81</b>
<b>Net Increase [Decrease] In Cash and Cash Equivalents</b>	<b>\$ 8,774,857.85</b>	<b>\$ (32,793,009.42)</b>
Cash and Cash Equivalents, Beginning of Year	\$ 12,557,626.51	\$ 45,350,635.93
Restatement		
Cash and Cash Equivalents, Beginning of Year, As Restated	\$ 12,557,626.51	\$ 45,350,635.93
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 21,332,484.36</u>	<u>\$ 12,557,626.51</u>

UNAUDITED

EXHIBIT V  
 TEXAS A&M HEALTH SCIENCE CENTER  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	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]	(148,612,520.23)	(117,204,252.79)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	18,392,269.25	18,070,066.54
Bad Debt Expense	550,594.59	395,437.44
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	1,864,452.20	(6,886,266.04)
[Increase] Decrease In Due From Other Funds	(108,194.99)	(1,291,783.43)
[Increase] Decrease In Due From System Members	19,921,876.77	(26,189,122.66)
[Increase] Decrease In Inventories	(51,749.35)	9,733.84
[Increase] Decrease In Prepaid Expenses	(106,484.97)	12,446.68
[Increase] Decrease In Loans and Contracts	(639,931.64)	(296,043.00)
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	(9,847,714.50)	9,812,033.90
Increase [Decrease] In Due to Other Agencies/Funds	(1,516.30)	69,552.98
Increase [Decrease] In Due to System Members	692,265.02	(428,988.43)
Increase [Decrease] In Unearned Revenue	1,388,363.02	(1,543,015.78)
Increase [Decrease] In Deposits	20,330.30	(12,397.91)
Increase [Decrease] In Employees' Compensable Leave	(360,640.02)	1,615,296.19
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>\$ 31,713,919.38</u>	<u>\$ (6,663,049.68)</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (116,898,600.85)</u>	<u>\$ (123,867,302.47)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$ 281,867.73	\$ 9,799.21
Net Change in Fair Value of Investments	2,086,306.97	(11,337,165.90)
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	(37,494.05)	239,625.69



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SCHEDULE THREE  
 TEXAS A&M HEALTH SCIENCE CENTER  
 SCHEDULE OF CASH & CASH EQUIVALENTS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Petty Cash Department Working Fund	\$ 17,209.84
Total Cash On Hand	<u>\$ 17,209.84</u>
Cash In State Treasury	
Fund 0289	\$ 12,163,661.27
Fund 0818	<u>4,995,840.60</u>
Total Cash In State Treasury	<u>\$ 17,159,501.87</u>
Reimbursements Due From State Treasury	\$ 1,398,081.95
Assets Held By System Offices-Current	<u>2,726,511.60</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 21,301,305.26</u>
Restricted	
Cash On Hand	
Temporary Working Fund	\$ 23,930.00
Total Restricted Cash On Hand	<u>\$ 23,930.00</u>
Cash In Bank	<u>\$ 1,001.32</u>
Assets Held By System Offices-Current	<u>\$ 6,247.78</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 31,179.10</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 21,332,484.36</u></u>

UNAUDITED

SCHEDULE N-2  
 TEXAS A&M HEALTH SCIENCE CENTER  
 NOTE 2 - CAPITAL ASSETS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	BALANCE 9-1-15	ADJUSTMENTS	COMPLETED CIP
<b>Non-Depreciable/Non-Amortizable Assets</b>			
Land and Land Improvements	\$ 27,126,304.16	\$	\$
Construction In Progress	100,187,776.29		
Other Tangible Capital Assets	243,017.34		
<b>Total Non-Depreciable/Non-Amortizable Assets</b>	<b>\$ 127,557,097.79</b>	<b>\$</b>	<b>\$</b>
<b>Depreciable Assets</b>			
Buildings	\$ 258,887,925.27	\$	\$
Infrastructure	18,575,661.11		
Facilities and Other Improvements	6,444,750.68		
Furniture and Equipment	57,237,743.71		
Vehicles, Boats and Aircraft	990,579.45		
Other Capital Assets	24,640,836.56		
<b>Total Depreciable Assets at Historical Cost</b>	<b>\$ 366,777,496.78</b>	<b>\$</b>	<b>\$</b>
<b>Less Accumulated Depreciation for</b>			
Buildings	\$ (97,685,350.36)	\$	\$
Infrastructure	(4,601,357.36)		
Facilities and Other Improvements	(2,112,723.12)		
Furniture and Equipment	(36,659,667.24)		
Vehicles, Boats and Aircraft	(864,668.85)		
Other Capital Assets	(22,936,525.04)		
<b>Total Accumulated Depreciation</b>	<b>\$ (164,860,291.97)</b>	<b>\$</b>	<b>\$</b>
<b>Depreciable Assets, Net</b>	<b>\$ 201,917,204.81</b>	<b>\$</b>	<b>\$</b>
<b>Amortizable Assets - Intangible</b>			
Computer Software	\$ 477,617.00	\$	\$
<b>Total Intangible Assets at Historical Cost</b>	<b>\$ 477,617.00</b>	<b>\$</b>	<b>\$</b>
<b>Less Accumulated Amortization for</b>			
Computer Software	\$ (356,434.61)	\$	\$
<b>Total Accumulated Amortization</b>	<b>\$ (356,434.61)</b>	<b>\$</b>	<b>\$</b>
<b>Amortizable Assets, Net</b>	<b>\$ 121,182.39</b>	<b>\$</b>	<b>\$</b>
<b>Capital Assets, Net</b>	<b>\$ 329,595,484.99</b>	<b>\$</b>	<b>\$</b>

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-16</u>
\$	\$	\$ 21,911,373.07	\$	\$ 27,126,304.16 122,099,149.36 243,017.34
\$	\$	\$ 21,911,373.07	\$	\$ 149,468,470.86
\$	\$	\$	\$	\$ 258,887,925.27 18,575,661.11 6,444,750.68 61,997,507.06 1,068,228.84 24,678,095.66
13,175.66	(252,151.12)	6,369,292.96 77,649.39 37,662.59	(1,370,554.15)  (403.49)	
\$ 13,175.66	\$ (252,151.12)	\$ 6,484,604.94	\$ (1,370,957.64)	\$ 371,652,168.62
\$	\$	\$ (12,045,988.48) (795,375.84) (362,776.23) (4,841,146.22) (50,691.60) (205,404.08)	\$   1,264,726.96  403.49	\$ (109,731,338.84) (5,396,733.20) (2,475,499.35) (40,170,481.12) (915,360.45) (23,141,525.63)
\$ (13,175.66)	\$ 78,781.04	\$ (18,301,382.45)	\$ 1,265,130.45	\$ (181,830,938.59)
\$	\$ (173,370.08)	\$ (11,816,777.51)	\$ (105,827.19)	\$ 189,821,230.03
\$	\$	\$	\$	\$ 477,617.00
\$	\$	\$	\$	\$ 477,617.00
\$	\$	\$ (90,886.80)	\$	\$ (447,321.41)
\$	\$	\$ (90,886.80)	\$	\$ (447,321.41)
\$	\$	\$ (90,886.80)	\$	\$ 30,295.59
\$	\$ (173,370.08)	\$ 10,003,708.76	\$ (105,827.19)	\$ 339,319,996.48







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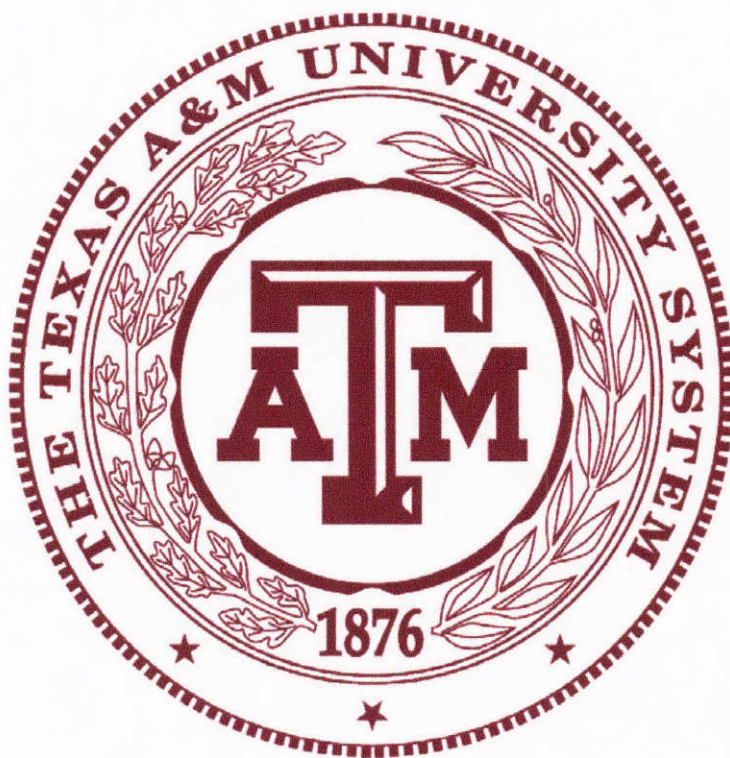
# ANNUAL FINANCIAL REPORT

of

Prairie View A&M University

*For the Year Ended August 31, 2016*

*With Comparative Totals for the Year Ended August 31, 2015*



**Dr. George C. Wright, 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 2015</u>	<u>FALL 2016</u>
Texas Resident	7,540	8,074
Out-of-State	504	516
Foreign	224	276
Total Students	<u>8,268</u>	<u>8,866</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	8,866	113,841

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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, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u>          </u>	<u>          </u>
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 48,227,219.04	\$ 54,147,161.69
Investments		
Derivative Instruments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	7,156,902.09	2,195,891.26
Investments		
Legislative Appropriations	6,476,770.11	5,345,855.86
Receivables, Net [Note 24]		
Federal	5,531,645.64	7,225,615.35
Other Intergovernmental		
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student	1,597,351.14	1,913,015.26
Investment Trades		
Accounts	1,503,813.68	1,130,637.24
Other	1,892,000.00	1,457,000.00
Due From Other Agencies	635,171.79	420,488.64
Due From Other Members	47,978,798.60	30,921,178.43
Due From Other Funds	6,100,633.31	6,708,661.13
Consumable Inventories		
Merchandise Inventories		
Loans and Contracts	25,269.30	17,676.77
Interfund Receivable [Note 12]		
Other Current Assets	<u>13,779,676.49</u>	<u>11,232,773.03</u>
Total Current Assets	<u>\$ 140,905,251.19</u>	<u>\$ 122,715,954.66</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 84,824,348.06	\$ 81,398,598.70
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts	151,931.26	201,579.76
Assets Held By System Office	130,156,219.09	138,991,958.92
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	6,797,055.35	6,788,820.35
Construction In Progress	27,158,832.93	18,075,573.86
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	403,620,432.16	372,095,625.00
Infrastructure	14,467,335.33	13,402,949.76
Facilities and Other Improvements	33,510,246.27	32,658,042.23
Furniture and Equipment	34,646,528.05	30,608,225.72
Vehicles, Boats, and Aircraft	2,931,353.35	3,122,878.33
Other Capital Assets	9,005,445.60	8,873,177.32
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	1,620,767.40	2,328,123.21
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(236,259,549.85)	(223,542,114.56)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 513,105,017.00</u>	<u>\$ 485,477,510.60</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>\$ 654,010,268.19</u>	<u>\$ 608,193,465.26</u>

UNAUDITED

EXHIBIT III  
PRAIRIE VIEW A&M UNIVERSITY  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED AUGUST 31, 2016

	<u>CURRENT YEAR TOTAL</u>	<u>PRIOR YEAR TOTAL</u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 5,789,918.54	\$ 3,397,920.70
Payroll	5,751,057.73	4,837,858.17
Investment Trades		
Self-Insured Health and Dental		
Student	251,161.94	100,796.83
Other	571,526.08	491,723.55
Interfund Payable [Note 12]		513,308.07
Due to Other Agencies	608,753.23	807,916.92
Due to Other Funds	6,100,633.31	6,708,661.13
Due to Other Members	8,501,081.68	14,658,878.94
Funds Held for Investment		
Unearned Revenue	36,419,563.19	33,242,720.24
Employees' Compensable Leave	483,416.52	529,363.62
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations		
Liabilities Payable From Restricted Assets		
Funds Held for Others	8,181,205.21	7,991,859.54
Other Current Liabilities	59,148.49	53,966.14
Total Current Liabilities	<u>\$ 72,717,465.92</u>	<u>\$ 73,334,973.85</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$ 4,362,899.27	\$ 4,075,610.28
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		
Other Non-Current Liabilities	70,000.00	40,000.00
Total Non-Current Liabilities	<u>\$ 4,432,899.27</u>	<u>\$ 4,115,610.28</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 77,150,365.19</u>	<u>\$ 77,450,584.13</u>
Net Position		
Net Investment In Capital Assets	\$ 297,972,518.59	\$ 264,885,373.22
Restricted for		
Debt Service		
Capital Projects	9,607,243.70	20,728,945.27
Education	18,869,848.55	16,388,018.14
Endowment and Permanent Funds		
Nonexpendable	54,018,771.56	52,537,541.18
Expendable	15,818,414.34	16,472,295.91
Unrestricted	180,573,106.26	159,730,707.41
Total Net Position [Exhibit IV]	<u>\$ 576,859,903.00</u>	<u>\$ 530,742,881.13</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 654,010,268.19</u>	<u>\$ 608,193,465.26</u>

UNAUDITED

EXHIBIT IV  
 PRAIRIE VIEW A&M UNIVERSITY  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u>          </u>	<u>          </u>
Operating Revenues		
Tuition and Fees	\$ 79,641,255.53	\$ 78,778,923.05
Discounts and Allowances	(38,032,616.91)	(33,675,226.56)
Professional Fees	40,795.39	6,028.76
Auxiliary Enterprises	19,153,169.00	16,734,332.99
Discounts and Allowances	(4,808,164.43)	(4,016,689.52)
Other Sales of Goods and Services	1,823,456.66	3,036,997.28
Discounts and Allowances		
Interest Revenue		
Federal Revenue - Operating	15,655,486.14	12,924,969.48
Federal Pass Through Revenue	114,766.46	315,468.25
State Grant Revenue		
State Pass Through Revenue	10,262,991.34	9,399,871.44
Other Grants and Contracts - Operating	509,177.64	717,212.81
Other Operating Revenue	3,730,956.22	3,806,036.69
	<u>          </u>	<u>          </u>
Total Operating Revenues	\$ 88,091,273.04	\$ 88,027,924.67
Operating Expenses		
Instruction	\$ 43,270,308.39	\$ 41,428,778.01
Research	12,499,549.76	11,831,979.42
Public Service	9,206,734.68	8,313,039.87
Academic Support	21,554,366.02	22,017,125.24
Student Services	14,412,993.38	12,319,782.64
Institutional Support	17,011,377.66	17,457,876.59
Operation & Maintenance of Plant	17,194,023.75	15,836,155.99
Scholarships & Fellowships	16,528,703.28	18,379,855.86
Auxiliary	27,625,605.53	23,087,489.71
Depreciation/Amortization	14,743,502.60	13,300,338.54
	<u>          </u>	<u>          </u>
Total Operating Expenses [Schedule IV-1]	\$ 194,047,165.05	\$ 183,972,421.87
Total Operating Income [Loss]	\$ (105,955,892.01)	\$ (95,944,497.20)
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 57,430,831.36	\$ 52,312,968.03
Federal Revenue Non-Operating	32,457,825.01	30,410,968.15
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	2,467,171.10	3,004,826.74
Investment Income	8,003,591.04	(3,258,295.70)
Investing Activities Expense	(382,997.74)	(376,290.99)
Interest Expense	(7,359.51)	(27,533.58)
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	109,692.23	77,545.43
Other Nonoperating [Expenses]	(2,095,501.70)	(1,585,151.03)
	<u>          </u>	<u>          </u>
Total Nonoperating Revenues [Expenses]	\$ 98,034,462.05	\$ 80,559,037.05
Income [Loss] Before Other Revenues and Transfers	\$ (7,921,429.96)	\$ (15,385,460.15)

UNAUDITED

EXHIBIT IV  
 PRAIRIE VIEW A&M UNIVERSITY  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Other Revenues and Transfers		
Capital Contributions	\$	\$
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments	435,158.01	364,522.54
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	258,183.00	209,478.00
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	39,411,549.39	37,948,833.26
Nonmandatory Transfers From Members/Agencies-Cap Assets	32,637,916.79	29,256,796.62
Transfers Out		
Transfers to Other State Agencies	(73,880.00)	(884,803.95)
Mandatory Transfers to Other Members	(7,433,228.21)	(3,746,018.94)
Nonmandatory Transfers to Other Members	(5,367,849.76)	(12,437,613.25)
Nonmandatory Transfers to Members/Agencies - Cap Assets		
Legislative Transfers - In	339,949.00	
Legislative Transfers - Out	(6,166,237.00)	(6,176,173.96)
Legislative Appropriations Lapsed	(3,109.39)	(350,929.17)
Total Other Revenues and Transfers	<u>\$ 54,038,451.83</u>	<u>\$ 44,184,091.15</u>
Change In Net Position	<u>\$ 46,117,021.87</u>	<u>\$ 28,798,631.00</u>
Net Position, Beginning of Year	<u>\$ 530,742,881.13</u>	<u>\$ 501,944,250.13</u>
Restatement		
Net Position, Beginning of Year, Restated	<u>\$ 530,742,881.13</u>	<u>\$ 501,944,250.13</u>
Net Position, End of Year	<u>\$ 576,859,903.00</u>	<u>\$ 530,742,881.13</u>



UNAUDITED

SCHEDULE IV-1  
 PRAIRIE VIEW A&M UNIVERSITY  
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX  
 FOR THE YEAR ENDED AUGUST 31, 2016

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$	\$ 610.50	\$
Salaries & Wages	31,288,929.94	7,745,020.21	5,275,452.69	9,301,120.21	5,801,811.82
Payroll Related Costs	8,773,736.44	1,727,476.87	1,312,817.22	2,152,927.14	1,524,619.82
Payroll Related Costs-TRS Pension					
Professional Fees & Services	213,543.42	137,361.00	466,470.91	3,956,916.35	1,440,244.59
Travel	460,236.69	294,155.05	443,649.73	627,703.92	478,348.27
Materials & Supplies	1,515,657.79	1,145,656.31	672,801.27	3,602,426.19	1,226,606.64
Communication & Utilities	212,724.58	387,443.58	162,544.19	141,115.80	187,695.68
Repairs & Maintenance	145,529.03	274,351.14	148,778.25	193,778.54	1,804,724.65
Rentals & Leases	240,843.68	82,340.75	109,768.16	183,085.29	550,178.17
Printing & Reproduction	62,553.21	51,358.11	35,387.34	27,382.28	160,061.51
Federal Pass-Through		156,634.51	22,982.18	100,930.43	
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					(43,703.00)
Interest	310.38	20.13	81.56	1,679.70	332.64
Scholarships	75,971.43	47,007.72	3,890.55	379,270.75	339,575.54
Claims & Losses					
Net Change in OPEB Obligation					
Other Operating Expenses	280,271.80	450,724.38	552,110.63	885,418.92	942,497.05
Total Operating Expenses	\$ 43,270,308.39	\$ 12,499,549.76	\$ 9,206,734.68	\$ 21,554,366.02	\$ 14,412,993.38

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$	\$	\$	\$	\$ 610.50	\$
8,735,507.48	1,205,190.36	1,473,077.53	5,583,724.29		76,409,834.53	72,925,563.50
3,059,923.00	317,296.58	15,588.64	1,498,762.08		20,383,147.79	19,152,916.51
1,408,591.27	6,961,830.19		3,463,208.36		18,048,166.09	24,940,891.88
238,099.10	15,352.66	2,233.60	1,103,963.42		3,663,742.44	3,267,324.58
445,939.23	751,661.30	2,217.70	1,785,052.63		11,148,019.06	10,040,845.37
59,538.64	4,383,177.16		807,856.72		6,342,096.35	7,321,059.83
615,587.14	3,466,524.06		2,688,426.84		9,337,699.65	5,428,937.65
102,591.04	13,346.80		944,076.09		2,226,229.98	1,961,774.11
295,272.27	1,571.34		82,827.73		716,413.79	451,734.03
					280,547.12	229,007.36
				14,743,502.60	14,743,502.60	13,300,338.54
384.83	23.80		192.01		(43,703.00)	13,865.11
2,347.22		14,922,596.53	1,121,495.58		3,025.05	983.89
2,333.12					16,892,155.32	18,530,510.84
					2,333.12	
2,045,263.32	78,049.50	112,989.28	8,546,019.78		13,893,344.66	6,406,668.67
<u>\$ 17,011,377.66</u>	<u>\$ 17,194,023.75</u>	<u>\$ 16,528,703.28</u>	<u>\$ 27,625,605.53</u>	<u>\$ 14,743,502.60</u>	<u>\$ 194,047,165.05</u>	<u>\$ 183,972,421.87</u>

[Exhibit IV]

UNAUDITED

EXHIBIT V  
PRAIRIE VIEW A&M UNIVERSITY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 45,148,172.18	\$ 45,953,748.21
Proceeds Received From Customers	1,018,912.94	3,155,648.25
Proceeds From Grants and Contracts	25,009,535.84	22,297,005.70
Proceeds From Auxiliary Enterprises	14,260,847.17	14,098,921.41
Proceeds From Loan Programs		
Proceeds From Other Operating Revenues	3,736,138.57	3,785,764.35
Payments to Suppliers for Goods and Services	(63,413,825.27)	(60,437,552.92)
Payments to Employees	(95,638,440.87)	(90,886,181.22)
Payments for Loans Provided	36,110.47	(30,942.20)
Payments for Other Operating Expenses	(19,345,779.05)	(21,099,910.90)
Net Cash Provided [Used] By Operating Activities	<u>\$ (89,188,328.02)</u>	<u>\$ (83,163,499.32)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 56,625,983.63	\$ 49,974,448.20
Proceeds From Gifts	2,467,171.10	3,036,274.82
Proceeds From Endowments	435,158.01	364,522.54
Proceeds From Transfers From Other Funds	258,183.00	209,478.00
Proceeds From Other Grant Receipts	32,457,825.01	31,393,886.22
Proceeds From Other Noncapital Financing Activities	3,581,926.84	98,430.96
Payments of Interest		
Payments for Transfers to Other Funds	(73,880.00)	(884,803.95)
Payments for Grant Disbursements		(4,535,909.24)
Payments for Other Noncapital Financing Uses		20,295,493.52
Other Noncapital Transfers From/To System	17,763,622.57	
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 113,515,990.16</u>	<u>\$ 99,951,821.07</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	(17,290,354.98)	(10,580,976.67)
Payments of Principal On Debt		
Payments for Capital Leases		
Payments of Interest On Debt Issuance	(7,359.51)	(27,533.58)
Payments for Interfund Receivables	(513,308.07)	(622,991.21)
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]	2,007,282.23	1,268,997.70
Intrasystem Transfers for Capital Debt [Mandatory]	(13,599,465.21)	(9,922,192.90)
Intrasystem Transfers for Construction Proceeds [Non-Mand]	(8,981,002.19)	(1,965,285.32)
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (38,317,177.73)</u>	<u>\$ (21,849,981.98)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	9,628,731.55	(18,030,424.36)
Proceeds From Interest and Investment Income	3,401,852.22	2,897,674.33
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ 13,030,583.77</u>	<u>\$ (15,132,750.03)</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ (958,931.82)</u>	<u>\$ (20,194,410.26)</u>
Cash and Cash Equivalents, Beginning of Year Restatement	<u>\$ 56,343,052.95</u>	<u>\$ 76,537,463.21</u>
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 56,343,052.95</u>	<u>\$ 76,537,463.21</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 55,384,121.13</u>	<u>\$ 56,343,052.95</u>

UNAUDITED

EXHIBIT V  
PRAIRIE VIEW A&M UNIVERSITY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(105,955,892.01)	(95,944,497.20)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	14,743,502.60	13,300,338.54
Bad Debt Expense	1,008,156.99	469,951.40
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	(3,141,858.12)	(9,609.29)
[Increase] Decrease In Due From Other Funds	(214,683.15)	(280,862.08)
[Increase] Decrease In Due From System Members	241,235.69	913,094.94
[Increase] Decrease In Inventories		
[Increase] Decrease In Prepaid Expenses	(2,170,743.49)	(2,340,392.70)
[Increase] Decrease In Loans and Contracts	36,110.47	(20,164.28)
[Increase] Decrease In Other Assets	(376,159.97)	(897,787.93)
Increase [Decrease] In Payables	3,415,007.54	933,878.47
Increase [Decrease] In Due to Other Agencies/Funds	(199,163.69)	238,954.08
Increase [Decrease] In Due to System Members	2,791.93	(710,819.89)
Increase [Decrease] In Unearned Revenue	3,176,842.95	247,132.30
Increase [Decrease] In Deposits	5,182.35	(20,272.34)
Increase [Decrease] In Employees' Compensable Leave	241,341.89	957,556.66
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities		
Total Adjustments	\$ 16,767,563.99	\$ 12,780,997.88
Net Cash Provided [Used] By Operating Activities	\$ (89,188,328.02)	\$ (83,163,499.32)
Non-Cash Transactions		
Donation of Capital Assets	\$	\$
Net Change In Fair Value of Investments	2,666,769.43	(12,262,064.72)
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	32,699,127.05	29,256,796.62



UNAUDITED

SCHEDULE THREE  
 PRAIRIE VIEW A&M UNIVERSITY  
 SCHEDULE OF CASH & CASH EQUIVALENTS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Cashiers Account	\$ 10,000.00
Petty Cash Department Working Fund	<u>21,440.00</u>
Total Cash On Hand	<u>\$ 31,440.00</u>
Cash In Bank	\$ 404,735.10
Cash In State Treasury	
Fund 0245	22,292,040.32
Fund 5029	<u>8,843,677.10</u>
Total Cash In State Treasury	<u>\$ 31,135,717.42</u>
Reimbursements Due From State Treasury	\$ 4,118,005.25
Assets Held By System Offices-Current	<u>12,537,321.27</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 48,227,219.04</u>
Restricted	
Assets Held By System Offices-Current	<u>\$ 7,156,902.09</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 7,156,902.09</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 55,384,121.13</u></u>

UNAUDITED

SCHEDULE N-2  
 PRAIRIE VIEW A&M UNIVERSITY  
 NOTE 2 - CAPITAL ASSETS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	BALANCE 9-1-15	ADJUSTMENTS	COMPLETED CIP
<b>Non-Depreciable/Non-Amortizable Assets</b>			
Land and Land Improvements	\$ 6,788,820.35	\$	\$
Construction In Progress	18,075,573.86		(35,437,916.79)
Other Tangible Capital Assets	474,072.00		
<b>Total Non-Depreciable/Non-Amortizable Assets</b>	<b>\$ 25,338,466.21</b>	<b>\$</b>	<b>\$ (35,437,916.79)</b>
<b>Depreciable Assets</b>			
Buildings	\$ 372,095,625.00	\$	\$ 33,521,327.18
Infrastructure	13,402,949.76		1,064,385.57
Facilities and Other Improvements	32,658,042.23		852,204.04
Furniture and Equipment	30,608,225.72		
Vehicles, Boats and Aircraft	3,122,878.33		
Other Capital Assets	8,873,177.32		
<b>Total Depreciable Assets at Historical Cost</b>	<b>\$ 460,760,898.36</b>	<b>\$</b>	<b>\$ 35,437,916.79</b>
<b>Less Accumulated Depreciation for</b>			
Buildings	\$ (156,456,099.80)	\$	\$
Infrastructure	(3,773,108.72)		
Facilities and Other Improvements	(30,417,986.10)		
Furniture and Equipment	(22,066,197.23)		
Vehicles, Boats and Aircraft	(2,363,466.37)		
Other Capital Assets	(6,137,133.13)		
<b>Total Accumulated Depreciation</b>	<b>\$ (221,213,991.35)</b>	<b>\$</b>	<b>\$</b>
<b>Depreciable Assets, Net</b>	<b>\$ 239,546,907.01</b>	<b>\$</b>	<b>\$ 35,437,916.79</b>
<b>Amortizable Assets - Intangible</b>			
Computer Software	\$ 2,328,123.21	\$	\$
<b>Total Intangible Assets at Historical Cost</b>	<b>\$ 2,328,123.21</b>	<b>\$</b>	<b>\$</b>
<b>Less Accumulated Amortization for</b>			
Computer Software	\$ (2,328,123.21)	\$	\$
<b>Total Accumulated Amortization</b>	<b>\$ (2,328,123.21)</b>	<b>\$</b>	<b>\$</b>
<b>Amortizable Assets, Net</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Capital Assets, Net</b>	<b>\$ 264,885,373.22</b>	<b>\$</b>	<b>\$</b>

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-16</u>
\$ 32,637,916.79	\$	\$ 8,235.00 11,883,259.07	\$	\$ 6,797,055.35 27,158,832.93 474,072.00
<u>\$ 32,637,916.79</u>	<u>\$</u>	<u>\$ 11,891,494.07</u>	<u>\$</u>	<u>\$ 34,429,960.28</u>
\$	\$	\$	\$ (1,996,520.02)	\$ 403,620,432.16 14,467,335.33 33,510,246.27
		5,074,830.86 191,761.77 132,268.28	(1,036,528.53) (383,286.75)	34,646,528.05 2,931,353.35 9,005,445.60
<u>\$</u>	<u>\$</u>	<u>\$ 5,398,860.91</u>	<u>\$ (3,416,335.30)</u>	<u>\$ 498,181,340.76</u>
\$	\$	\$ (10,955,094.90) (499,697.35) (236,919.30) (2,377,993.27) (252,973.85) (420,823.93)	\$ 1,498.20   936,694.15 380,519.15	\$ (167,409,696.50) (4,272,806.07) (30,654,905.40) (23,507,496.35) (2,235,921.07) (6,557,957.06)
<u>\$</u>	<u>\$</u>	<u>\$ (14,743,502.60)</u>	<u>\$ 1,318,711.50</u>	<u>\$ (234,638,782.45)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (9,344,641.69)</u>	<u>\$ (2,097,623.80)</u>	<u>\$ 263,542,558.31</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (707,355.81)</u>	<u>\$ 1,620,767.40</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (707,355.81)</u>	<u>\$ 1,620,767.40</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 707,355.81</u>	<u>\$ (1,620,767.40)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 707,355.81</u>	<u>\$ (1,620,767.40)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>\$ 32,637,916.79</u>	<u>\$</u>	<u>\$ 2,546,852.38</u>	<u>\$ (2,097,623.80)</u>	<u>\$ 297,972,518.59</u>







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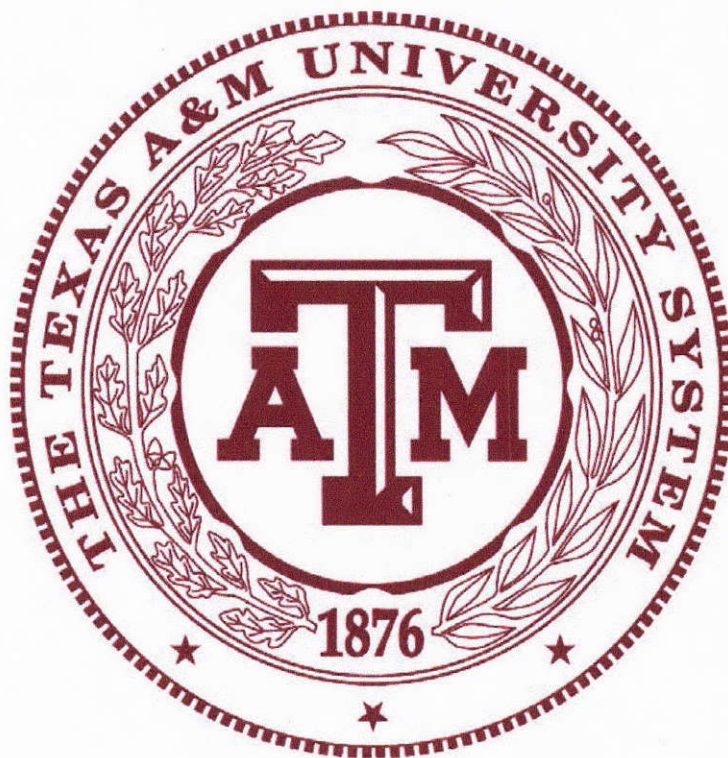
# ANNUAL FINANCIAL REPORT

of

Tarleton State University

*For the Year Ended August 31, 2016*

*With Comparative Totals for the Year Ended August 31, 2015*



**F. Dominic Dottavio, Ph.D.**  
President

**Tye V. Minckler, Ed.D., CMA, CFP**  
Vice President for Finance & Administration

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

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TARLETON STATE UNIVERSITY

STUDENT ENROLLMENT DATA

CURRENT YEAR

<u>TYPE OF STUDENT</u>	<u>NUMBER OF STUDENTS BY SEMESTER</u>	
	<u>FALL 2015</u>	<u>FALL 2016</u>
Texas Resident	12,021	12,776
Out-of-State	230	226
Foreign	82	55
Total Students	<u>12,333</u>	<u>13,057</u>

<u>FISCAL YEAR</u>	<u>HISTORICAL (Fall Semester)</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

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TARLETON STATE UNIVERSITY

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EXHIBIT III  
TARLETON STATE UNIVERSITY  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 27,848,737.30	\$ 23,672,234.50
Investments		
Derivative Instruments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	1,154,616.44	867,043.30
Investments		
Legislative Appropriations	2,210,712.97	2,469,511.97
Receivables, Net [Note 24]		
Federal	3,450,732.87	10,517,641.49
Other Intergovernmental		
Interest and Dividends		
Gifts	58,333.00	65,145.65
Self-Insured Health and Dental		
Student	986,992.46	2,113,060.78
Investment Trades		
Accounts	998,589.14	297,856.84
Other	699,700.77	33,759.79
Due From Other Agencies	602,735.64	820,370.89
Due From Other Members	6,154,876.27	6,955,017.50
Due From Other Funds		
Consumable Inventories	327,433.57	308,635.64
Merchandise Inventories		6,704.76
Loans and Contracts	327,966.12	802,298.29
Interfund Receivable [Note 12]		
Other Current Assets	15,766,757.14	7,185,314.93
Total Current Assets	<u>\$ 60,588,183.69</u>	<u>\$ 56,114,596.33</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 32,985,179.18	\$ 32,167,155.70
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable	58,333.00	116,667.00
Loans and Contracts		
Assets Held By System Office	102,984,878.85	100,093,862.13
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	4,799,836.72	4,616,922.05
Construction In Progress	26,889,825.60	18,696,817.04
Other Tangible Capital Assets	1,423,800.63	1,423,800.63
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	217,815,052.63	214,261,178.21
Infrastructure	24,065,159.50	23,958,763.00
Facilities and Other Improvements	21,891,177.04	17,576,147.97
Furniture and Equipment	25,305,517.49	23,276,671.33
Vehicles, Boats, and Aircraft	1,591,542.09	1,603,570.09
Other Capital Assets	8,933,734.93	9,039,548.73
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	674,186.29	674,186.29
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(155,019,476.24)	(142,737,410.78)
Assets Held In Trust		
Other Non-Current Assets	5,019,060.75	5,019,060.75
Total Non-Current Assets	<u>\$ 319,417,808.46</u>	<u>\$ 309,786,940.14</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>\$ 380,005,992.15</u>	<u>\$ 365,901,536.47</u>

UNAUDITED

EXHIBIT III  
 TARLETON STATE UNIVERSITY  
 STATEMENT OF NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	<u>CURRENT YEAR TOTAL</u>	<u>PRIOR YEAR TOTAL</u>
<b>Liabilities and Deferred Inflows</b>		
<b>Current Liabilities</b>		
Payables		
Accounts	\$ 10,053,016.06	\$ 3,184,920.59
Payroll	5,701,699.29	4,799,184.90
Investment Trades		
Self-Insured Health and Dental		
Student	234,983.66	213,476.94
Other	268,378.99	211,959.33
Interfund Payable [Note 12]		
Due to Other Agencies		
Due to Other Funds		
Due to Other Members	5,710,238.67	372,262.45
Funds Held for Investment		
Unearned Revenue	44,149,781.16	38,226,064.37
Employees' Compensable Leave	467,445.11	451,297.87
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations		
Liabilities Payable From Restricted Assets		
Funds Held for Others	3,135,601.56	2,329,243.11
Other Current Liabilities	1,106,801.25	1,580,643.79
<b>Total Current Liabilities</b>	<u>\$ 70,827,945.75</u>	<u>\$ 51,369,053.35</u>
<b>Non-Current Liabilities</b>		
Interfund Payable [Note 12]	\$	\$
Employees' Compensable Leave	3,256,270.68	3,049,240.32
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		3,763,509.59
Capital Lease Obligations		
Other Non-Current Liabilities	100,000.00	110,000.00
<b>Total Non-Current Liabilities</b>	<u>\$ 3,356,270.68</u>	<u>\$ 6,922,749.91</u>
<b>Deferred Inflows of Resources [Note 28]</b>		
Pension	\$	\$
<b>Total Deferred Inflows of Resources</b>	<u>\$</u>	<u>\$</u>
<b>Total Liabilities and Deferred Inflows</b>	<u>\$ 74,184,216.43</u>	<u>\$ 58,291,803.26</u>
<b>Net Position</b>		
Net Investment In Capital Assets	\$ 178,370,356.68	\$ 172,390,194.56
Restricted for		
Debt Service		
Capital Projects	5,045,987.67	6,429,724.04
Education	19,892,565.65	20,367,644.46
Endowment and Permanent Funds		
Nonexpendable	22,857,763.47	22,342,750.64
Expendable	10,427,602.40	10,670,967.58
Unrestricted	69,227,499.85	75,408,451.93
<b>Total Net Position [Exhibit IV]</b>	<u>\$ 305,821,775.72</u>	<u>\$ 307,609,733.21</u>
<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<u>\$ 380,005,992.15</u>	<u>\$ 365,901,536.47</u>

UNAUDITED

EXHIBIT IV  
TARLETON STATE UNIVERSITY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$ 89,989,836.55	\$ 83,022,004.46
Discounts and Allowances	(17,463,935.83)	(17,844,236.04)
Professional Fees		
Auxiliary Enterprises	28,650,931.17	26,593,812.21
Discounts and Allowances	(4,650,144.91)	(4,995,620.02)
Other Sales of Goods and Services	2,839,494.74	2,854,267.32
Discounts and Allowances		
Interest Revenue	591.35	3,544.58
Federal Revenue - Operating	4,903,759.05	7,985,205.60
Federal Pass Through Revenue	1,205,298.33	1,209,666.62
State Grant Revenue	138,601.19	25,000.00
State Pass Through Revenue	7,657,492.04	6,914,204.81
Other Grants and Contracts - Operating	1,128,129.26	556,413.57
Other Operating Revenue	557,059.26	514,449.05
Total Operating Revenues	<u>\$ 114,957,112.20</u>	<u>\$ 106,838,712.16</u>
Operating Expenses		
Instruction	\$ 59,295,934.07	\$ 55,956,943.64
Research	8,263,265.89	8,411,792.42
Public Service	2,333,493.46	2,193,255.26
Academic Support	12,185,776.55	11,061,123.84
Student Services	10,392,362.26	8,244,367.03
Institutional Support	13,059,869.57	10,092,461.23
Operation & Maintenance of Plant	15,365,154.08	15,429,501.06
Scholarships & Fellowships	13,483,416.17	14,331,596.46
Auxiliary	31,513,668.17	28,584,273.60
Depreciation/Amortization	12,603,483.13	12,024,661.35
Total Operating Expenses [Schedule IV-1]	<u>\$ 178,496,423.35</u>	<u>\$ 166,329,975.89</u>
Total Operating Income [Loss]	<u>\$ (63,539,311.15)</u>	<u>\$ (59,491,263.73)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 47,106,999.50	\$ 43,190,223.62
Federal Revenue Non-Operating	18,520,810.55	17,865,527.73
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	1,502,655.07	1,442,788.59
Investment Income	5,311,388.10	(1,260,367.61)
Investing Activities Expense	(249,043.39)	(251,926.87)
Interest Expense		
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	(1,482.56)	2,046.19
Settlement of Claims	(1,021.75)	
Other Nonoperating Revenues	458,685.69	26,742.49
Other Nonoperating [Expenses]	(1,111,477.91)	(2,428,509.89)
Total Nonoperating Revenues [Expenses]	<u>\$ 71,537,513.30</u>	<u>\$ 58,586,524.25</u>
Income [Loss] Before Other Revenues and Transfers	<u>\$ 7,998,202.15</u>	<u>\$ (904,739.48)</u>



UNAUDITED

EXHIBIT IV  
 TARLETON STATE UNIVERSITY  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Other Revenues and Transfers		
Capital Contributions	\$ 22,354.40	\$ 480,160.41
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments	479,357.80	1,165,701.24
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	237,813.00	206,019.00
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	6,386,396.41	5,413,632.58
Nonmandatory Transfers From Members/Agencies-Cap Assets		7,253,956.12
Transfers Out		
Transfers to Other State Agencies	344,546.67	(1,181,164.39)
Mandatory Transfers to Other Members	(5,986,103.18)	(5,812,644.13)
Nonmandatory Transfers to Other Members	(6,657,639.74)	
Nonmandatory Transfers to Members/Agencies - Cap Assets		
Legislative Transfers - In	313,127.00	
Legislative Transfers - Out	(4,926,012.00)	(4,921,235.00)
Legislative Appropriations Lapsed		
Total Other Revenues and Transfers	<u>\$ (9,786,159.64)</u>	<u>\$ 2,604,425.83</u>
Change In Net Position	<u>\$ (1,787,957.49)</u>	<u>\$ 1,699,686.35</u>
Net Position, Beginning of Year Restatement	<u>\$ 307,609,733.21</u>	<u>\$ 305,910,046.86</u>
Net Position, Beginning of Year, Restated	<u>\$ 307,609,733.21</u>	<u>\$ 305,910,046.86</u>
Net Position, End of Year	<u><u>\$ 305,821,775.72</u></u>	<u><u>\$ 307,609,733.21</u></u>

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SCHEDULE IV-1  
 TARLETON STATE UNIVERSITY  
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX  
 FOR THE YEAR ENDED AUGUST 31, 2016

	<u>INSTRUCTION</u>	<u>RESEARCH</u>	<u>PUBLIC SERVICE</u>	<u>ACADEMIC SUPPORT</u>	<u>STUDENT SERVICES</u>
Natural Classification					
Cost of Goods Sold	\$ 203.19	\$	\$ 9,021.04	\$ 122,526.86	\$ 2,171.45
Salaries & Wages	40,730,996.75	4,625,978.05	960,495.82	6,303,102.94	5,189,256.17
Payroll Related Costs	10,268,329.08	1,198,391.63	175,357.86	1,782,669.13	1,410,245.18
Payroll Related Costs-TRS Pension					
Professional Fees & Services	1,671,191.17	673,554.82	292,078.46	369,089.96	772,259.62
Travel	1,622,986.50	258,124.05	102,925.03	358,439.66	546,011.78
Materials & Supplies	2,525,949.25	545,401.04	210,285.31	1,105,679.58	987,649.33
Communication & Utilities	169,691.29	56,531.35	19,541.35	1,259,804.32	115,513.66
Repairs & Maintenance	637,667.60	514,853.53	22,577.99	265,927.43	101,401.46
Rentals & Leases	871,832.23	45,942.71	310,031.36	161,830.57	371,373.36
Printing & Reproduction	41,044.60	1,048.97	20,227.56	56,854.50	180,672.88
Federal Pass-Through		89,791.41			
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					12,539.84
Interest	5.07				17.08
Scholarships	38,343.00	3,047.00	36,500.00	19,548.04	
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses	717,694.34	250,601.33	174,451.68	380,303.56	703,250.45
<b>Total Operating Expenses</b>	<b>\$ 59,295,934.07</b>	<b>\$ 8,263,265.89</b>	<b>\$ 2,333,493.46</b>	<b>\$ 12,185,776.55</b>	<b>\$ 10,392,362.26</b>

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$	\$	\$	\$	\$	\$
5,758,997.20	944,568.60	91,672.74	35,740.20	6,231,710.61	169,662.74	169,771.57
3,106,715.01	749,415.54	1,293.20		1,662,269.28	70,836,778.88	65,482,132.10
					20,354,685.91	18,379,182.50
1,417,690.17	9,734,968.60	1,586.81	12,300,115.12		27,232,534.73	22,791,397.44
177,784.77	24,450.73		492,720.16		3,583,442.68	3,343,773.64
497,937.05	882,147.67		1,750,069.57		8,505,118.80	6,895,718.93
171,182.13	2,100,707.53		1,566,857.60		5,459,829.23	6,023,338.86
102,508.60	72,053.98		181,449.43		1,898,440.02	2,077,284.49
195,286.45	782,105.50		4,739,182.27		7,477,584.45	8,186,675.21
102,744.02	2,868.72		78,948.73		484,409.98	605,495.82
					89,791.41	57,148.38
				12,603,483.13	12,603,483.13	12,024,661.35
					12,539.84	(27,522.62)
4.95					27.10	154.94
		13,256,863.42	1,333,024.67		14,687,326.13	15,527,174.99
<u>1,529,019.22</u>	<u>71,867.21</u>	<u>132,000.00</u>	<u>1,141,580.53</u>		<u>5,100,768.32</u>	<u>4,793,588.29</u>
<u>\$ 13,059,869.57</u>	<u>\$ 15,365,154.08</u>	<u>\$ 13,483,416.17</u>	<u>\$ 31,513,668.17</u>	<u>\$ 12,603,483.13</u>	<u>\$ 178,496,423.35</u>	<u>\$ 166,329,975.89</u>

[Exhibit IV]

UNAUDITED

EXHIBIT V  
TARLETON STATE UNIVERSITY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 73,802,937.44	\$ 70,756,752.83
Proceeds Received From Customers	3,652,134.99	2,127,855.48
Proceeds From Grants and Contracts	13,516,742.19	23,134,490.23
Proceeds From Auxiliary Enterprises	23,613,477.73	21,602,155.09
Proceeds From Loan Programs	437,642.37	51,669.24
Proceeds From Other Operating Revenues	75,068.14	635,622.73
Payments to Suppliers for Goods and Services	(54,212,530.92)	(56,980,279.56)
Payments to Employees	(90,065,772.80)	(83,177,588.50)
Payments for Loans Provided		
Payments for Other Operating Expenses	(23,169,506.33)	(16,384,677.22)
<b>Net Cash Provided [Used] By Operating Activities</b>	<b>\$ (52,349,807.19)</b>	<b>\$ (38,233,999.68)</b>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 47,678,925.50	\$ 44,340,045.21
Proceeds From Gifts	1,567,801.72	1,274,418.91
Proceeds From Endowments	479,357.80	1,165,701.24
Proceeds From Transfers From Other Funds	582,359.67	206,019.00
Proceeds From Other Grant Receipts	25,910,338.55	17,436,728.70
Proceeds From Other Noncapital Financing Activities	5,799,564.32	3,977,993.67
Payments of Interest		
Payments for Transfers to Other Funds		(1,181,164.39)
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(2,070,993.42)	(791,278.88)
Other Noncapital Transfers From/To System	808,756.67	1,651,911.79
Transfers Between Fund Groups		
<b>Net Cash Provided [Used] By Noncapital Financing Activities</b>	<b>\$ 80,756,110.81</b>	<b>\$ 68,080,375.25</b>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 8,805.00	\$ 2,046.19
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	(19,462,418.24)	(15,516,536.45)
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]	5,534,430.86	4,795,779.79
Intrasystem Transfers for Capital Debt [Mandatory]	(10,912,115.18)	(10,733,879.13)
Intrasystem Transfers for Construction Proceeds [Non-Mand]	(464,234.63)	331,872.92
<b>Net Cash Provided [Used] By Capital and Related Financing Act.</b>	<b>\$ (25,295,532.19)</b>	<b>\$ (21,120,716.68)</b>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	(785,654.80)	(4,264,222.11)
Proceeds From Interest and Investment Income	2,138,959.31	2,267,854.87
Payments to Acquire Investments		
<b>Net Cash Provided [Used] By Investing Activities</b>	<b>\$ 1,353,304.51</b>	<b>\$ (1,996,367.24)</b>
<b>Net Increase [Decrease] In Cash and Cash Equivalents</b>	<b>\$ 4,464,075.94</b>	<b>\$ 6,729,291.65</b>
Cash and Cash Equivalents, Beginning of Year Restatement	\$ 24,539,277.80	\$ 17,809,986.15
Cash and Cash Equivalents, Beginning of Year, As Restated	\$ 24,539,277.80	\$ 17,809,986.15
<b>Cash and Cash Equivalents, End of Year [Sch Three]</b>	<b>\$ 29,003,353.74</b>	<b>\$ 24,539,277.80</b>

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EXHIBIT V  
 TARLETON STATE UNIVERSITY  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(63,539,311.15)	(59,491,263.73)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	12,603,483.13	12,024,661.35
Bad Debt Expense	381,826.09	407,121.35
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	(2,078,381.22)	7,263,655.56
[Increase] Decrease In Due From Other Funds	217,635.25	(89,590.03)
[Increase] Decrease In Due From System Members	(34,289.63)	57,326.42
[Increase] Decrease In Inventories	(12,093.17)	26,096.68
[Increase] Decrease In Prepaid Expenses	(8,300,416.21)	(864,589.31)
[Increase] Decrease In Loans and Contracts	422,992.40	7,297.51
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	6,694,909.12	(2,235,122.59)
Increase [Decrease] In Due to Other Agencies/Funds		
Increase [Decrease] In Due to System Members	22,210.85	(29,351.21)
Increase [Decrease] In Unearned Revenue	1,606,303.25	4,354,696.92
Increase [Decrease] In Deposits	(437,853.50)	163,559.80
Increase [Decrease] In Employees' Compensable Leave	223,177.60	51,501.60
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)	120,000.00
Total Adjustments	\$ 11,189,503.96	\$ 21,257,264.05
Net Cash Provided [Used] By Operating Activities	\$ (52,349,807.19)	\$ (38,233,999.68)
Non-Cash Transactions		
Donation of Capital Assets	\$ 22,354.40	\$ 480,160.41
Net Change In Fair Value of Investments	1,964,604.52	(8,231,379.64)
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	(1,482.56)	7,256,002.31



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SCHEDULE THREE  
 TARLETON STATE UNIVERSITY  
 SCHEDULE OF CASH & CASH EQUIVALENTS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Cashiers Account	\$ 10,000.00
Petty Cash Department Working Fund	<u>1,707.00</u>
Total Cash On Hand	<u>\$ 11,707.00</u>
Cash In Bank	\$ 895,730.16
Cash In State Treasury	
Fund 0243	<u>1,826,541.10</u>
Total Cash In State Treasury	<u>\$ 1,826,541.10</u>
Reimbursements Due From State Treasury	\$ 2,043,732.99
Assets Held By System Offices-Current	<u>23,071,026.05</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 27,848,737.30</u>
Restricted	
Assets Held By System Offices-Current	<u>\$ 1,154,616.44</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 1,154,616.44</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 29,003,353.74</u></u>

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SCHEDULE N-2  
 TARLETON STATE UNIVERSITY  
 NOTE 2 - CAPITAL ASSETS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	BALANCE 9-1-15	ADJUSTMENTS	COMPLETED CIP
<b>Non-Depreciable/Non-Amortizable Assets</b>			
Land and Land Improvements	\$ 4,616,922.05	\$	\$
Construction In Progress	18,696,817.04		(9,032,556.32)
Other Tangible Capital Assets	1,423,800.63		
<b>Total Non-Depreciable/Non-Amortizable Assets</b>	<b>\$ 24,737,539.72</b>	<b>\$</b>	<b>\$ (9,032,556.32)</b>
<b>Depreciable Assets</b>			
Buildings	\$ 214,261,178.21	\$	\$ 4,611,130.75
Infrastructure	23,958,763.00		106,396.50
Facilities and Other Improvements	17,576,147.97		4,315,029.07
Furniture and Equipment	23,276,671.33		
Vehicles, Boats and Aircraft	1,603,570.09		
Other Capital Assets	9,039,548.73		
<b>Total Depreciable Assets at Historical Cost</b>	<b>\$ 289,715,879.33</b>	<b>\$</b>	<b>\$ 9,032,556.32</b>
<b>Less Accumulated Depreciation for</b>			
Buildings	\$ (103,972,946.09)	\$	\$
Infrastructure	(5,936,709.89)		
Facilities and Other Improvements	(7,595,314.38)		
Furniture and Equipment	(16,186,019.31)		
Vehicles Boats and Aircraft	(1,293,481.83)		
Other Capital Assets	(7,078,752.99)		
<b>Total Accumulated Depreciation</b>	<b>\$ (142,063,224.49)</b>	<b>\$</b>	<b>\$</b>
<b>Depreciable Assets, Net</b>	<b>\$ 147,652,654.84</b>	<b>\$</b>	<b>\$ 9,032,556.32</b>
<b>Amortizable Assets - Intangible</b>			
Computer Software	\$ 674,186.29	\$	\$
<b>Total Intangible Assets at Historical Cost</b>	<b>\$ 674,186.29</b>	<b>\$</b>	<b>\$</b>
<b>Less Accumulated Amortization for</b>			
Computer Software	\$ (674,186.29)	\$	\$
<b>Total Accumulated Amortization</b>	<b>\$ (674,186.29)</b>	<b>\$</b>	<b>\$</b>
<b>Amortizable Assets, Net</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Capital Assets, Net</b>	<b>\$ 172,390,194.56</b>	<b>\$</b>	<b>\$</b>



INC-INTERAGENCY TRANSACTIONS	DEC-INTERAGENCY TRANSACTIONS	ADDITIONS	DELETIONS	BALANCE 8-31-16
\$	\$	\$ 182,914.67 17,225,564.88	\$	\$ 4,799,836.72 26,889,825.60 1,423,800.63
\$	\$	\$ 17,408,479.55	\$	\$ 33,113,462.95
\$	\$	\$	\$ (1,057,256.33)	\$ 217,815,052.63 24,065,159.50 21,891,177.04 25,305,517.49 1,591,542.09 8,933,734.93
\$	\$	\$ 2,098,478.86 144,230.73	\$ (69,632.70) (12,028.00) (250,044.53)	
\$	\$	\$ 2,242,709.59	\$ (1,388,961.56)	\$ 299,602,183.68
\$	\$	\$ (8,270,604.69) (995,950.84) (806,837.37) (2,105,886.29) (91,886.84) (332,317.10)	\$ 59,345.14 12,028.00 250,044.53	\$ (112,243,550.78) (6,932,660.73) (8,402,151.75) (18,232,560.46) (1,373,340.67) (7,161,025.56)
\$	\$	\$ (12,603,483.13)	\$ 321,417.67	\$ (154,345,289.95)
\$	\$	\$ (10,360,773.54)	\$ (1,067,543.89)	\$ 145,256,893.73
\$	\$	\$	\$	\$ 674,186.29
\$	\$	\$	\$	\$ 674,186.29
\$	\$	\$	\$	\$ (674,186.29)
\$	\$	\$	\$	\$ (674,186.29)
\$	\$	\$	\$	\$
\$	\$	\$ 7,047,706.01	\$ (1,067,543.89)	\$ 178,370,356.68





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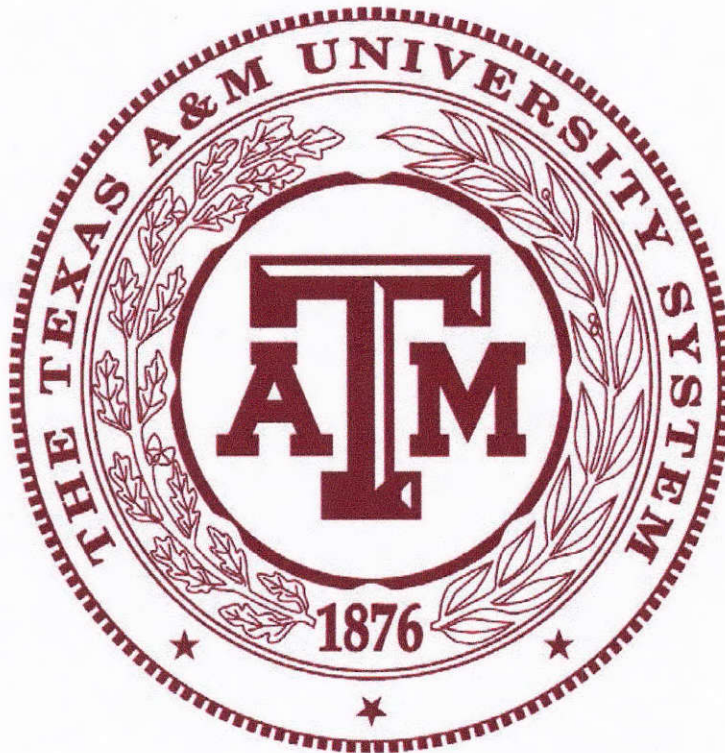
# ANNUAL FINANCIAL REPORT

of

Texas A&M International University

*For the Year Ended August 31, 2016*

*With Comparative Totals for the Year Ended August 31, 2015*



**Dr. Pablo Arenaz, Interim 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 2015</u>	<u>FALL 2016</u>
Texas Resident	6,877	7,107
Out-of-State	76	180
Foreign	239	200
Total Students	<u>7,192</u>	<u>7,487</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, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 14,129,871.98	\$ 10,197,604.78
Investments		
Derivative Instruments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	578,210.39	588,313.15
Investments		
Legislative Appropriations	9,041,889.97	7,476,823.07
Receivables, Net [Note 24]		
Federal	1,567,699.37	1,520,046.86
Other Intergovernmental		
Interest and Dividends		
Gifts	797,500.00	1,767,244.50
Self-Insured Health and Dental		
Student	1,982,915.26	2,624,432.09
Investment Trades		
Accounts	300.00	
Other	241,936.13	258,635.20
Due From Other Agencies	83,362.31	115,893.59
Due From Other Members	1,252,181.39	3,999,503.19
Due From Other Funds		
Consumable Inventories	16,050.73	20,541.75
Merchandise Inventories		
Loans and Contracts	1,272,488.60	1,392,164.92
Interfund Receivable [Note 12]		
Other Current Assets	55,900.83	1,083,115.68
Total Current Assets	<u>\$ 31,020,306.96</u>	<u>\$ 31,044,318.78</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 57,167,424.07	\$ 56,107,505.53
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable	259,637.18	688,435.33
Loans and Contracts		
Assets Held By System Office	49,344,939.56	45,419,748.97
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	2,660,893.20	
Other Tangible Capital Assets		
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	178,068,652.68	178,068,652.68
Infrastructure	19,620,830.55	19,620,830.55
Facilities and Other Improvements	15,309,776.94	15,309,776.94
Furniture and Equipment	15,892,205.05	14,933,461.34
Vehicles, Boats, and Aircraft	188,388.56	149,042.56
Other Capital Assets	8,399,180.31	8,022,840.43
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	1,280,300.28	1,291,864.14
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(140,801,970.89)	(132,169,163.62)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 214,890,304.99</u>	<u>\$ 214,943,042.35</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>\$ 245,910,611.95</u>	<u>\$ 245,987,361.13</u>

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EXHIBIT III  
TEXAS A&M INTERNATIONAL UNIVERSITY  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 924,367.33	\$ 2,425,419.09
Payroll	2,629,974.24	1,776,741.45
Investment Trades		
Self-Insured Health and Dental		
Student	300,305.01	374,483.56
Other	33,380.81	29,028.25
Interfund Payable [Note 12]		
Due to Other Agencies		
Due to Other Funds		
Due to Other Members	6,215,370.22	
Funds Held for Investment		
Unearned Revenue	5,902,582.67	6,820,618.35
Employees' Compensable Leave	182,433.33	230,668.21
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations		
Liabilities Payable From Restricted Assets		
Funds Held for Others	499,532.10	507,126.34
Other Current Liabilities	635,458.53	534,164.26
Total Current Liabilities	<u>\$ 17,323,404.24</u>	<u>\$ 12,698,249.51</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$ 2,024,477.30	\$ 2,027,719.65
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	75,764.52	
Capital Lease Obligations		
Other Non-Current Liabilities	4,393.75	3,644.81
Total Non-Current Liabilities	<u>\$ 2,104,635.57</u>	<u>\$ 2,031,364.46</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 19,428,039.81</u>	<u>\$ 14,729,613.97</u>
Net Position		
Net Investment In Capital Assets	\$ 108,118,304.18	\$ 112,727,352.52
Restricted for		
Debt Service		
Capital Projects	1,121,482.12	1,112,111.19
Education	16,947,023.37	16,663,414.93
Endowment and Permanent Funds		
Nonexpendable	39,453,691.73	38,972,454.58
Expendable	6,132,430.42	6,568,399.95
Unrestricted	54,709,640.32	55,214,013.99
Total Net Position [Exhibit IV]	<u>\$ 226,482,572.14</u>	<u>\$ 231,257,747.16</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 245,910,611.95</u>	<u>\$ 245,987,361.13</u>



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EXHIBIT IV  
 TEXAS A&M INTERNATIONAL UNIVERSITY  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$ 48,070,392.08	\$ 45,255,350.60
Discounts and Allowances	(24,260,271.74)	(22,340,847.70)
Professional Fees		
Auxiliary Enterprises	3,478,452.87	4,030,024.11
Discounts and Allowances	(1,345,516.82)	(1,444,153.00)
Other Sales of Goods and Services	1,474,130.88	2,326,375.53
Discounts and Allowances		
Interest Revenue		4,968.09
Federal Revenue - Operating	10,318,010.23	8,741,768.77
Federal Pass Through Revenue	366,200.61	428,359.77
State Grant Revenue		
State Pass Through Revenue	10,187,111.07	8,898,940.51
Other Grants and Contracts - Operating	42,204.91	385,913.43
Other Operating Revenue	515,264.92	270,029.94
	<u>\$ 48,845,979.01</u>	<u>\$ 46,556,730.05</u>
Total Operating Revenues		
Operating Expenses		
Instruction	\$ 29,279,055.80	\$ 25,318,426.78
Research	3,267,801.50	2,850,057.91
Public Service	3,289,483.60	2,688,831.50
Academic Support	21,218,503.16	18,532,222.40
Student Services	8,275,891.85	8,355,080.39
Institutional Support	7,262,744.05	7,739,617.38
Operation & Maintenance of Plant	8,596,113.75	8,175,281.90
Scholarships & Fellowships	9,835,588.98	9,888,495.53
Auxiliary	7,674,393.80	7,414,512.48
Depreciation/Amortization	8,659,620.27	8,787,559.27
	<u>\$ 107,359,196.76</u>	<u>\$ 99,750,085.54</u>
Total Operating Expenses [Schedule IV-1]		
Total Operating Income [Loss]	<u>\$ (58,513,217.75)</u>	<u>\$ (53,193,355.49)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 36,821,383.68	\$ 34,029,270.80
Federal Revenue Non-Operating	17,800,937.85	17,524,680.82
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	3,723,027.69	5,637,484.89
Investment Income	3,257,106.19	(1,603,593.66)
Investing Activities Expense	(144,337.48)	(130,364.28)
Interest Expense		
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets		
Settlement of Claims		
Other Nonoperating Revenues	730,023.79	234,251.67
Other Nonoperating [Expenses]	(11,563.86)	
	<u>\$ 62,176,577.86</u>	<u>\$ 55,691,730.24</u>
Total Nonoperating Revenues [Expenses]		
Income [Loss] Before Other Revenues and Transfers	<u>\$ 3,663,360.11</u>	<u>\$ 2,498,374.75</u>

UNAUDITED

EXHIBIT IV  
 TEXAS A&M INTERNATIONAL UNIVERSITY  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Other Revenues and Transfers		
Capital Contributions	\$ 10,000.00	\$
Capital Appropriations [Higher Education Fund]	4,473,273.00	3,796,436.00
Additions to Permanent and Term Endowments	242,734.45	2,062,128.75
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	181,119.00	189,865.00
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	1,641,750.13	5,598,868.21
Nonmandatory Transfers From Members/Agencies-Cap Assets		
Transfers Out		
Transfers to Other State Agencies		(409,919.82)
Mandatory Transfers to Other Members	(1,687,287.71)	(1,540,177.10)
Nonmandatory Transfers to Other Members	(6,720,700.00)	(50,120.68)
Nonmandatory Transfers to Members/Agencies - Cap Assets		
Legislative Transfers - In	56,924.00	
Legislative Transfers - Out	(6,635,944.09)	(8,053,481.01)
Legislative Appropriations Lapsed	(403.91)	(166,882.99)
Total Other Revenues and Transfers	<u>\$ (8,438,535.13)</u>	<u>\$ 1,426,716.36</u>
Change In Net Position	<u>\$ (4,775,175.02)</u>	<u>\$ 3,925,091.11</u>
Net Position, Beginning of Year Restatement	<u>\$ 231,257,747.16</u>	<u>\$ 227,332,656.05</u>
Net Position, Beginning of Year, Restated	<u>\$ 231,257,747.16</u>	<u>\$ 227,332,656.05</u>
Net Position, End of Year	<u><u>\$ 226,482,572.14</u></u>	<u><u>\$ 231,257,747.16</u></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, 2016

	<u>INSTRUCTION</u>	<u>RESEARCH</u>	<u>PUBLIC SERVICE</u>	<u>ACADEMIC SUPPORT</u>	<u>STUDENT SERVICES</u>
Natural Classification					
Cost of Goods Sold	\$	\$	\$ 177.48	\$ 1,747.47	\$ 6,677.02
Salaries & Wages	21,013,654.26	1,875,856.51	1,817,384.10	9,236,789.38	4,629,106.98
Payroll Related Costs	5,334,065.19	308,939.30	414,004.10	2,183,586.25	1,343,754.11
Payroll Related Costs-TRS Pension					
Professional Fees & Services	230,321.35	119,569.79	431,615.51	2,587,331.27	172,717.47
Travel	563,239.17	129,903.76	38,570.84	258,957.93	342,473.56
Materials & Supplies	843,189.29	439,169.72	230,258.62	2,747,537.44	406,736.24
Communication & Utilities	189,219.02	3,574.52	12,707.40	48,815.49	28,693.72
Repairs & Maintenance	471,515.90	8,259.58	21,257.13	973,382.41	58,392.48
Rentals & Leases	55,370.63	8,046.65	7,904.93	339,175.08	25,071.86
Printing & Reproduction	245.00	3,052.00	124.40	603.80	21,986.85
Federal Pass-Through		16,712.20			
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					
Interest	65	12.40		6.02	
Scholarships	72,952.94	187,582.84	32,500.00	47,182.04	461,280.00
Claims & Losses	25,895.04				
Net Change In OPEB Obligation					
Other Operating Expenses	479,387.36	167,122.23	282,979.09	2,793,388.58	779,001.56
Total Operating Expenses	<u>\$ 29,279,055.80</u>	<u>\$ 3,267,801.50</u>	<u>\$ 3,289,483.60</u>	<u>\$ 21,218,503.16</u>	<u>\$ 8,275,891.85</u>

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$	\$	\$	\$	\$	\$
4,231,840.15	1,464,085.84	266,508.50	1,827.90		10,429.87	10,212.65
1,514,167.13	400,324.68	5,332.67	1,915,062.24		46,450,287.96	43,667,407.33
			509,896.79		12,014,070.22	10,940,636.26
704,959.72	4,080,117.41	15,570.29	2,424,465.25		10,766,668.06	8,558,966.99
80,696.02	31,696.20	45,694.91	517,409.46		2,008,641.85	2,161,673.30
141,216.94	122,151.70	17,554.96	455,748.73		5,403,563.64	5,454,410.60
88,191.81	1,861,899.47	40.22	11,283.76		2,244,425.41	2,401,959.30
93,331.18	56,185.21		54,552.49		1,736,876.38	1,530,950.86
7,311.56	1,909.34		197,743.30		642,533.35	553,118.21
			10,003.01		36,015.06	17,635.20
					16,712.20	
				8,659,620.27	8,659,620.27	8,787,559.27
44.73			62.55		126.35	124.38
5,399.76		9,464,596.85	188,555.85		10,460,050.28	10,077,324.43
					25,895.04	
395,585.05	577,743.90	20,290.58	1,387,782.47		6,883,280.82	5,588,106.76
<u>\$ 7,262,744.05</u>	<u>\$ 8,596,113.75</u>	<u>\$ 9,835,588.98</u>	<u>\$ 7,674,393.80</u>	<u>\$ 8,659,620.27</u>	<u>\$ 107,359,196.76</u>	<u>\$ 99,750,085.54</u>

[Exhibit IV]

UNAUDITED

EXHIBIT V  
TEXAS A&M INTERNATIONAL UNIVERSITY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 23,477,246.46	\$ 24,167,871.59
Proceeds Received From Customers	1,530,956.52	1,394,449.24
Proceeds From Grants and Contracts	20,881,256.32	18,673,704.64
Proceeds From Auxiliary Enterprises	2,127,357.89	2,633,905.23
Proceeds From Loan Programs	304,010.63	8,462.86
Proceeds From Other Operating Revenues	313,297.50	288,729.80
Payments to Suppliers for Goods and Services	(29,880,474.65)	(26,185,512.26)
Payments to Employees	(57,662,602.62)	(54,245,977.17)
Payments for Loans Provided	(141,713.69)	(116,459.58)
Payments for Other Operating Expenses	(10,502,657.52)	(10,077,324.43)
Net Cash Provided [Used] By Operating Activities	<u>\$ (49,553,323.16)</u>	<u>\$ (43,458,150.08)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 35,312,836.87	\$ 31,890,263.50
Proceeds From Gifts	5,121,570.34	4,963,431.24
Proceeds From Endowments	242,734.45	2,062,128.75
Proceeds From Transfers From Other Funds	181,119.00	189,865.00
Proceeds From Other Grant Receipts	17,800,937.85	17,529,680.82
Proceeds From Other Noncapital Financing Activities	730,023.79	306,047.03
Payments of Interest		(409,919.82)
Payments for Transfers to Other Funds		(409,919.82)
Payments for Grant Disbursements		(409,919.82)
Payments for Other Noncapital Financing Uses	(17,710.52)	
Other Noncapital Transfers From/To System	1,131,050.13	1,600,868.21
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 60,502,561.91</u>	<u>\$ 58,132,364.73</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	4,473,273.00	3,796,436.00
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	(4,052,135.79)	(1,227,245.00)
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]	2,747,360.70	211,930.41
Intrasystem Transfers for Capital Debt [Mandatory]	(8,323,231.80)	(9,593,658.11)
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (5,154,733.89)</u>	<u>\$ (6,812,536.70)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	(3,362,089.60)	(9,198,236.15)
Proceeds From Interest and Investment Income	1,489,749.18	1,184,811.65
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ (1,872,340.42)</u>	<u>\$ (8,013,424.50)</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ 3,922,164.44</u>	<u>\$ (151,746.55)</u>
Cash and Cash Equivalents, Beginning of Year Restatement	<u>\$ 10,785,917.93</u>	<u>\$ 10,937,664.48</u>
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 10,785,917.93</u>	<u>\$ 10,937,664.48</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 14,708,082.37</u>	<u>\$ 10,785,917.93</u>

UNAUDITED

EXHIBIT V  
TEXAS A&M INTERNATIONAL UNIVERSITY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(58,513,217.75)	(53,193,355.49)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	8,659,620.27	8,787,559.27
Bad Debt Expense	142,905.11	606,262.51
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	467,358.28	(1,018,312.91)
[Increase] Decrease In Due From Other Funds	32,531.28	(29,814.14)
[Increase] Decrease In Due From System Members	(38.90)	3,496.81
[Increase] Decrease In Inventories	4,491.02	487.12
[Increase] Decrease In Prepaid Expenses	(20,113.55)	136,689.57
[Increase] Decrease In Loans and Contracts	119,676.32	155,219.58
[Increase] Decrease In Other Assets	1,047,328.40	(1,062,755.64)
Increase [Decrease] In Payables	(631,764.16)	(590,112.37)
Increase [Decrease] In Due to Other Agencies/Funds		
Increase [Decrease] In Due to System Members	5,370.22	
Increase [Decrease] In Unearned Revenue	(918,035.68)	2,469,487.50
Increase [Decrease] In Deposits	102,043.21	(69,089.56)
Increase [Decrease] In Employees' Compensable Leave	(51,477.23)	346,087.67
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities		
Total Adjustments	\$ 8,959,894.59	\$ 9,735,205.41
Net Cash Provided [Used] By Operating Activities	\$ (49,553,323.16)	\$ (43,458,150.08)
Non-Cash Transactions		
Donation of Capital Assets	\$ 10,000.00	\$
Net Change In Fair Value of Investments	1,252,680.79	(4,640,688.42)
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other		



UNAUDITED

SCHEDULE THREE  
 TEXAS A&M INTERNATIONAL UNIVERSITY  
 SCHEDULE OF CASH & CASH EQUIVALENTS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Cashiers Account	\$ 2,600.00
Petty Cash Department Working Fund	<u>1,350.00</u>
Total Cash On Hand	<u>\$ 3,950.00</u>
Cash In State Treasury	
Fund 0231	<u>\$ 10,259,738.95</u>
Total Cash In State Treasury	<u>\$ 10,259,738.95</u>
Reimbursements Due From State Treasury	\$ 444.74
Assets Held By System Offices-Current	<u>3,865,738.29</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 14,129,871.98</u>
Restricted	
Assets Held By System Offices-Current	<u>\$ 578,210.39</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 578,210.39</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 14,708,082.37</u></u>



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SCHEDULE N-2  
 TEXAS A&M INTERNATIONAL UNIVERSITY  
 NOTE 2 - CAPITAL ASSETS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	BALANCE 9-1-15	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 7,500,047.50	\$	\$
Construction In Progress			
Total Non-Depreciable/Non-Amortizable Assets	<u>\$ 7,500,047.50</u>	<u>\$</u>	<u>\$</u>
Depreciable Assets			
Buildings	\$ 178,068,652.68	\$	\$
Infrastructure	19,620,830.55		
Facilities and Other Improvements	15,309,776.94		
Furniture and Equipment	14,933,461.34		
Vehicles, Boats and Aircraft	149,042.56		
Other Capital Assets	8,022,840.43		
Total Depreciable Assets at Historical Cost	<u>\$ 236,104,604.50</u>	<u>\$</u>	<u>\$</u>
Less Accumulated Depreciation for			
Buildings	\$ (96,988,706.85)	\$	\$
Infrastructure	(10,170,997.57)		
Facilities and Other Improvements	(7,819,152.66)		
Furniture and Equipment	(10,464,783.02)		
Vehicles, Boats and Aircraft	(70,271.90)		
Other Capital Assets	(5,374,951.34)		
Total Accumulated Depreciation	<u>\$ (130,888,863.34)</u>	<u>\$</u>	<u>\$</u>
Depreciable Assets, Net	<u>\$ 105,215,741.16</u>	<u>\$</u>	<u>\$</u>
Amortizable Assets - Intangible			
Computer Software	\$ 1,291,864.14	\$	\$
Total Intangible Assets at Historical Cost	<u>\$ 1,291,864.14</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>\$ 11,563.86</u>	<u>\$</u>	<u>\$</u>
Capital Assets, Net	<u><u>\$ 112,727,352.52</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-16</u>
\$	\$	\$ 2,660,893.20	\$	\$ 7,500,047.50 2,660,893.20
\$	\$	\$ 2,660,893.20	\$	\$ 10,160,940.70
\$	\$	\$	\$	\$ 178,068,652.68 19,620,830.55 15,309,776.94 985,556.71 (26,813.00) 15,892,205.05 39,346.00 188,388.56 376,339.88 8,399,180.31
\$	\$	\$ 1,401,242.59	\$ (26,813.00)	\$ 237,479,034.09
\$	\$	\$ (5,471,756.59) (822,575.19) (754,651.06) (1,243,124.74) (32,006.80) (335,505.89)	\$ 26,813.00	\$ (102,460,463.44) (10,993,572.76) (8,573,803.72) (11,681,094.76) (102,278.70) (5,710,457.23)
\$	\$	\$ (8,659,620.27)	\$ 26,813.00	\$ (139,521,670.61)
\$	\$	\$ (7,258,377.68)	\$	\$ 97,957,363.48
\$	\$	\$	\$ (11,563.86)	\$ 1,280,300.28
\$	\$	\$	\$ (11,563.86)	\$ 1,280,300.28
\$	\$	\$	\$	\$ (1,280,300.28)
\$	\$	\$	\$	\$ (1,280,300.28)
\$	\$	\$	\$ (11,563.86)	\$
\$	\$	\$ (4,597,484.48)	\$ (11,563.86)	\$ 108,118,304.18





UNAUDITED

# ANNUAL FINANCIAL REPORT

of

Texas A&M University – Central Texas

*For the Year Ended August 31, 2016*

*With Comparative Totals for the Year Ended August 31, 2015*



**Marc A. Nigliazzo, President**

**Gaylene Nunn, Vice President for Finance & Administration**

UNAUDITED

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 2015</u>	<u>FALL 2016</u>
Texas Resident	2,240	2,379
Out-of-State	209	231
Foreign	17	4
Total Students	<u>2,466</u>	<u>2,614</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	2,614	20,445

UNAUDITED

TEXAS A&M UNIVERSITY - CENTRAL TEXAS

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EXHIBIT III  
TEXAS A&M UNIVERSITY-CENTRAL TEXAS  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 8,177,809.40	\$ 6,363,926.63
Investments		
Derivative Instruments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	683,074.25	890,586.37
Investments		
Legislative Appropriations	2,107,568.10	1,404,967.52
Receivables, Net [Note 24]		
Federal	1,851,303.23	2,297,024.00
Other Intergovernmental		
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student	2,902,562.71	2,035,810.99
Investment Trades		
Accounts		
Other	552.99	552.99
Due From Other Agencies	15,519.00	2,072.07
Due From Other Members	1,948,585.81	1,765,677.71
Due From Other Funds		
Consumable Inventories		
Merchandise Inventories		
Loans and Contracts	9,772.43	4,224.16
Interfund Receivable [Note 12]		
Other Current Assets	893,238.55	685,438.79
Total Current Assets	<u>\$ 18,589,986.47</u>	<u>\$ 15,450,281.23</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 957,836.13	\$ 967,074.06
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts	39,321.59	35,790.70
Assets Held By System Office	10,969,181.97	10,529,162.20
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	866,505.00
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	54,072,381.06	51,065,440.62
Infrastructure	7,787,081.61	7,739,648.61
Facilities and Other Improvements	5,317,112.85	5,039,699.06
Furniture and Equipment	3,599,565.44	3,084,841.91
Vehicles, Boats, and Aircraft	195,397.87	135,540.41
Other Capital Assets	2,124,502.62	1,802,712.26
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	2,748,876.25	2,641,343.25
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(16,099,272.37)	(11,455,317.25)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 74,401,160.02</u>	<u>\$ 74,192,440.83</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>\$ 92,991,146.49</u>	<u>\$ 89,642,722.06</u>



UNAUDITED

EXHIBIT III  
 TEXAS A&M UNIVERSITY-CENTRAL TEXAS  
 STATEMENT OF NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u>          </u>	<u>          </u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 2,323,981.19	\$ 1,494,491.62
Payroll	1,389,079.45	1,221,891.82
Investment Trades		
Self-Insured Health and Dental		
Student	509,612.93	560,465.13
Other	74.76	104.21
Interfund Payable [Note 12]		
Due to Other Agencies		
Due to Other Funds		
Due to Other Members		
Funds Held for Investment		
Unearned Revenue	6,528,910.01	5,487,843.28
Employees' Compensable Leave	52,132.72	22,675.14
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations		
Liabilities Payable From Restricted Assets		
Funds Held for Others	17,664.69	1,761.58
Other Current Liabilities	<u>77,854.08</u>	<u>84,778.60</u>
Total Current Liabilities	<u>\$ 10,899,309.83</u>	<u>\$ 8,874,011.38</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$ 665,893.52	\$ 609,936.27
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		
Other Non-Current Liabilities	<u>130,000.00</u>	<u>80,000.00</u>
Total Non-Current Liabilities	<u>\$ 795,893.52</u>	<u>\$ 689,936.27</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>\$ 11,695,203.35</u>	<u>\$ 9,563,947.65</u>
Net Position		
Net Investment In Capital Assets	\$ 62,434,820.33	\$ 62,660,413.87
Restricted for		
Debt Service		
Capital Projects	3,462,019.68	
Education	864,725.99	857,060.03
Endowment and Permanent Funds		
Nonexpendable	865,682.99	865,382.99
Expendable	88,271.40	97,676.05
Unrestricted	<u>13,580,422.75</u>	<u>15,598,241.47</u>
Total Net Position [Exhibit IV]	<u>\$ 81,295,943.14</u>	<u>\$ 80,078,774.41</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 92,991,146.49</u>	<u>\$ 89,642,722.06</u>

UNAUDITED

EXHIBIT IV  
 TEXAS A&M UNIVERSITY-CENTRAL TEXAS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$ 14,080,332.27	\$ 14,328,986.74
Discounts and Allowances	(3,183,632.89)	(3,999,976.61)
Professional Fees		
Auxiliary Enterprises	128,445.61	61,521.85
Discounts and Allowances		
Other Sales of Goods and Services	184,151.78	230,018.13
Discounts and Allowances		
Interest Revenue	5,656.81	
Federal Revenue - Operating	41,000.00	
Federal Pass Through Revenue		
State Grant Revenue		
State Pass Through Revenue	233,622.44	175,608.62
Other Grants and Contracts - Operating	89,779.50	102,985.00
Other Operating Revenue	59,204.92	35,890.33
Total Operating Revenues	<u>\$ 11,638,560.44</u>	<u>\$ 10,935,034.06</u>
Operating Expenses		
Instruction	\$ 10,794,758.00	\$ 9,852,100.47
Research	368,258.22	373,367.05
Public Service	2,986.07	2,596.98
Academic Support	5,311,447.34	5,309,032.20
Student Services	4,822,096.15	4,538,400.72
Institutional Support	3,413,670.46	3,346,820.80
Operation & Maintenance of Plant	2,070,025.27	2,150,793.13
Scholarships & Fellowships	4,165,317.82	4,644,513.14
Auxiliary	119,568.64	142,557.56
Depreciation/Amortization	4,692,691.12	4,545,594.41
Total Operating Expenses [Schedule IV-1]	<u>\$ 35,760,819.09</u>	<u>\$ 34,905,776.46</u>
Total Operating Income [Loss]	<u>\$ (24,122,258.65)</u>	<u>\$ (23,970,742.40)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 17,340,488.20	\$ 15,146,074.43
Federal Revenue Non-Operating	4,511,350.00	6,544,438.00
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	380,810.75	365,087.65
Investment Income	511,560.58	(93,957.75)
Investing Activities Expense	(26,675.79)	(75,538.00)
Interest Expense		
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	17,450.00	5,748.14
Settlement of Claims		
Other Nonoperating Revenues	5,130.00	5,621.20
Other Nonoperating [Expenses]	(627,747.27)	(33,652.60)
Total Nonoperating Revenues [Expenses]	<u>\$ 22,112,366.47</u>	<u>\$ 21,863,821.07</u>
Income [Loss] Before Other Revenues and Transfers	<u>\$ (2,009,892.18)</u>	<u>\$ (2,106,921.33)</u>

UNAUDITED

EXHIBIT IV  
 TEXAS A&M UNIVERSITY-CENTRAL TEXAS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Other Revenues and Transfers		
Capital Contributions	\$ 4,665.50	\$ 719,126.75
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments	300.00	300.00
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	15,259.00	10,903.00
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	1,037,521.07	535,015.41
Nonmandatory Transfers From Members/Agencies-Cap Assets	3,805,450.72	
Transfers Out		
Transfers to Other State Agencies		(102,700.09)
Mandatory Transfers to Other Members		
Nonmandatory Transfers to Other Members	(9,776.38)	(3,964.06)
Nonmandatory Transfers to Members/Agencies - Cap Assets		
Legislative Transfers - In	20,091.00	
Legislative Transfers - Out	(1,646,450.00)	(1,649,050.00)
Legislative Appropriations Lapsed		
Total Other Revenues and Transfers	<u>\$ 3,227,060.91</u>	<u>\$ (490,368.99)</u>
Change In Net Position	<u>\$ 1,217,168.73</u>	<u>\$ (2,597,290.32)</u>
Net Position, Beginning of Year	\$ 80,078,774.41	\$ 82,676,064.73
Restatement		
Net Position, Beginning of Year, Restated	<u>\$ 80,078,774.41</u>	<u>\$ 82,676,064.73</u>
Net Position, End of Year	<u>\$ 81,295,943.14</u>	<u>\$ 80,078,774.41</u>

UNAUDITED

SCHEDULE IV-1  
 TEXAS A&M UNIVERSITY-CENTRAL TEXAS  
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX  
 FOR THE YEAR ENDED AUGUST 31, 2016

	<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	8,503,502.43	267,404.64	1,000.00	3,106,497.47	2,294,795.36
Payroll Related Costs	1,755,687.52	11,442.30	147.50	669,663.32	591,958.24
Payroll Related Costs-TRS Pension					
Professional Fees & Services	127,917.81	47,540.34		212,219.40	712,507.05
Travel	142,559.54	22,730.48		127,324.51	134,939.41
Materials & Supplies	113,190.37	9,165.38	662.27	299,849.36	133,682.48
Communication & Utilities	22,788.06	330.00		561,369.84	208,443.52
Repairs & Maintenance	4,946.05			24,414.59	2,815.56
Rentals & Leases	14,672.73	832.00		140,362.01	485,461.18
Printing & Reproduction	3,397.59	993.50		10,432.34	47,402.04
Federal Pass-Through					
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					2,910.26
Interest	9.71				131.65
Scholarships	1,750.00				2,500.00
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses	<u>104,336.19</u>	<u>7,819.58</u>	<u>1,176.30</u>	<u>159,314.50</u>	<u>204,549.40</u>
Total Operating Expenses	<u>\$ 10,794,758.00</u>	<u>\$ 368,258.22</u>	<u>\$ 2,986.07</u>	<u>\$ 5,311,447.34</u>	<u>\$ 4,822,096.15</u>

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$ 2,019,766.44	\$ 350,107.45	\$	\$ 85,046.98	\$	\$ 16,628,120.77	\$ 15,367,855.69
617,218.41	109,234.57	5,574.91	16,166.82		3,777,093.59	3,591,668.86
106,605.35	346,959.21	38,282.49	152.50		1,592,184.15	1,368,065.41
83,507.65	11,877.91				522,939.50	457,731.88
88,153.64	53,198.09		3,203.58		701,105.17	1,384,559.18
139,594.67	458,818.35	4,106.00	3,781.84		1,399,232.28	1,063,037.32
81,680.28	367,480.38		463.74		481,800.60	511,108.15
24,698.82	1,001.39	7,185.63			674,213.76	882,573.23
28,435.38	2,414.23	2.06	1,741.90		94,819.04	78,334.25
				4,692,691.12	4,692,691.12	4,545,594.41
					2,910.26	22,851.63
192.92					334.28	133.67
		4,102,298.20	8,860.00		4,115,408.20	4,610,771.66
223,816.90	368,933.69	7,868.53	151.28		1,077,966.37	1,021,491.12
<u>\$ 3,413,670.46</u>	<u>\$ 2,070,025.27</u>	<u>\$ 4,165,317.82</u>	<u>\$ 119,568.64</u>	<u>\$ 4,692,691.12</u>	<u>\$ 35,760,819.09</u>	<u>\$ 34,905,776.46</u>

[Exhibit IV]

UNAUDITED

EXHIBIT V  
TEXAS A&M UNIVERSITY-CENTRAL TEXAS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 11,567,227.25	\$ 11,704,884.31
Proceeds Received From Customers	522,252.20	830,358.93
Proceeds From Grants and Contracts	366,214.01	276,521.55
Proceeds From Auxiliary Enterprises	118,953.52	61,521.85
Proceeds From Loan Programs	6,776.81	13,570.35
Proceeds From Other Operating Revenues	58,810.40	63,430.13
Payments to Suppliers for Goods and Services	(6,797,605.22)	(5,447,279.90)
Payments to Employees	(20,152,206.61)	(18,746,244.18)
Payments for Loans Provided	(11,989.42)	
Payments for Other Operating Expenses	(4,124,418.26)	(4,777,217.16)
Net Cash Provided [Used] By Operating Activities	<u>\$ (18,445,985.32)</u>	<u>\$ (16,020,454.12)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 16,657,978.62	\$ 14,879,180.87
Proceeds From Gifts	380,810.75	365,087.65
Proceeds From Endowments	300.00	300.00
Proceeds From Transfers From Other Funds		10,903.00
Proceeds From Other Grant Receipts	4,957,070.77	4,247,414.00
Proceeds From Other Noncapital Financing Activities	21,033.11	6,350.19
Payments of Interest		
Payments for Transfers to Other Funds		(102,700.09)
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(1,583.19)	
Other Noncapital Transfers From/To System	27,744.69	31,051.35
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 22,043,354.75</u>	<u>\$ 19,437,586.97</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 17,450.00	\$ 13,050.00
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	(1,233,145.44)	(730,705.38)
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]	817,043.71	147,076.53
Intrasystem Transfers for Capital Debt [Mandatory]	(1,646,450.00)	(1,649,050.00)
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (2,045,101.73)</u>	<u>\$ (2,219,628.85)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	(160,525.95)	(142,325.75)
Proceeds From Interest and Investment Income	214,628.90	122,820.43
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ 54,102.95</u>	<u>\$ (19,505.32)</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ 1,606,370.65</u>	<u>\$ 1,177,998.68</u>
Cash and Cash Equivalents, Beginning of Year Restatement	\$ 7,254,513.00	\$ 6,076,514.32
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 7,254,513.00</u>	<u>\$ 6,076,514.32</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 8,860,883.65</u>	<u>\$ 7,254,513.00</u>

UNAUDITED

EXHIBIT V  
 TEXAS A&M UNIVERSITY-CENTRAL TEXAS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	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]	(24,122,258.65)	(23,970,742.40)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	4,692,691.12	4,545,594.41
Bad Debt Expense	122,451.45	620,673.65
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	(986,292.91)	(715,440.69)
[Increase] Decrease In Due From Other Funds	1,812.07	(2,072.07)
[Increase] Decrease In Due From System Members	48.19	18,290.90
[Increase] Decrease In Inventories		
[Increase] Decrease In Prepaid Expenses	(192,815.92)	(393,673.70)
[Increase] Decrease In Loans and Contracts	(11,989.42)	7,022.55
[Increase] Decrease In Other Assets	(14,983.84)	(28,092.27)
Increase [Decrease] In Payables	945,795.55	1,917,337.71
Increase [Decrease] In Due to Other Agencies/Funds		
Increase [Decrease] In Due to System Members		
Increase [Decrease] In Unearned Revenue	1,041,066.73	1,852,076.86
Increase [Decrease] In Deposits	(6,924.52)	34,087.60
Increase [Decrease] In Employees' Compensable Leave	85,414.83	94,483.33
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>\$ 5,676,273.33</u>	<u>\$ 7,950,288.28</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (18,445,985.32)</u>	<u>\$ (16,020,454.12)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$ 4,665.50	\$ 719,126.75
Net Change In Fair Value of Investments	207,710.57	(630,827.01)
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	3,822,900.72	5,748.14





UNAUDITED

SCHEDULE THREE  
 TEXAS A&M UNIVERSITY-CENTRAL TEXAS  
 SCHEDULE OF CASH & CASH EQUIVALENTS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	<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	\$ 3,873.51
Cash In State Treasury	
Fund 0291	<u>3,986,446.45</u>
Total Cash In State Treasury	<u>\$ 3,986,446.45</u>
Reimbursements Due From State Treasury	\$ 533,056.18
Assets Held By System Offices-Current	<u>3,652,833.26</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 8,177,809.40</u>
Restricted	
Assets Held By System Offices-Current	<u>\$ 683,074.25</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 683,074.25</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 8,860,883.65</u></u>

UNAUDITED

SCHEDULE N-2  
 TEXAS A&M UNIVERSITY-CENTRAL TEXAS  
 NOTE 2 - CAPITAL ASSETS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	BALANCE 9-1-15	ADJUSTMENTS	COMPLETED CIP
<b>Non-Depreciable/Non-Amortizable Assets</b>			
Land and Land Improvements	\$ 1,740,000.00	\$	\$
Construction In Progress			(3,805,450.72)
Other Tangible Capital Assets	866,505.00		82,670.00
<b>Total Non-Depreciable/Non-Amortizable Assets</b>	<b>\$ 2,606,505.00</b>	<b>\$</b>	<b>\$ (3,722,780.72)</b>
<b>Depreciable Assets</b>			
Buildings	\$ 51,065,440.62	\$	\$ 2,800,842.03
Infrastructure	7,739,648.61		47,433.00
Facilities and Other Improvements	5,039,699.06		277,413.79
Furniture and Equipment	3,084,841.91		597,091.90
Vehicles, Boats and Aircraft	135,540.41		
Other Capital Assets	1,802,712.26		
<b>Total Depreciable Assets at Historical Cost</b>	<b>\$ 68,867,882.87</b>	<b>\$</b>	<b>\$ 3,722,780.72</b>
<b>Less Accumulated Depreciation for</b>			
Buildings	\$ (5,670,315.28)	\$	\$
Infrastructure	(1,308,400.20)		
Facilities and Other Improvements	(491,966.38)		
Furniture and Equipment	(1,601,985.95)		
Vehicles, Boats and Aircraft	(99,687.46)		
Other Capital Assets	(670,045.40)		
<b>Total Accumulated Depreciation</b>	<b>\$ (9,842,400.67)</b>	<b>\$</b>	<b>\$</b>
<b>Depreciable Assets, Net</b>	<b>\$ 59,025,482.20</b>	<b>\$</b>	<b>\$ 3,722,780.72</b>
<b>Amortizable Assets - Intangible</b>			
Computer Software	\$ 2,641,343.25	\$	\$
<b>Total Intangible Assets at Historical Cost</b>	<b>\$ 2,641,343.25</b>	<b>\$</b>	<b>\$</b>
<b>Less Accumulated Amortization for</b>			
Computer Software	\$ (1,612,916.58)	\$	\$
<b>Total Accumulated Amortization</b>	<b>\$ (1,612,916.58)</b>	<b>\$</b>	<b>\$</b>
<b>Amortizable Assets, Net</b>	<b>\$ 1,028,426.67</b>	<b>\$</b>	<b>\$</b>
<b>Capital Assets, Net</b>	<b>\$ 62,660,413.87</b>	<b>\$</b>	<b>\$</b>

INC-INTERAGENCY TRANSACTIONS	DEC-INTERAGENCY TRANSACTIONS	ADDITIONS	DELETIONS	BALANCE 8-31-16
\$ 3,805,450.72	\$	\$	\$	\$ 1,740,000.00
				949,175.00
\$ 3,805,450.72	\$	\$	\$	\$ 2,689,175.00
\$	\$	\$ 206,098.41	\$	\$ 54,072,381.06
		484,109.96	(566,478.33)	7,787,081.61
		108,593.46	(48,736.00)	5,317,112.85
		331,476.11	(9,685.75)	3,599,565.44
\$	\$	\$ 1,130,277.94	\$ (624,900.08)	\$ 73,096,041.45
\$	\$	\$ (2,666,177.95)	\$	\$ (8,336,493.23)
		(433,209.39)		(1,741,609.59)
		(292,398.57)		(784,364.95)
		(466,352.91)		(2,068,338.86)
		(20,891.46)	48,736.00	(71,842.92)
		(112,681.16)		(782,726.56)
\$	\$	\$ (3,991,711.44)	\$ 48,736.00	\$ (13,785,376.11)
\$	\$	\$ (2,861,433.50)	\$ (576,164.08)	\$ 59,310,665.34
\$	\$	\$ 107,533.00	\$	\$ 2,748,876.25
\$	\$	\$ 107,533.00	\$	\$ 2,748,876.25
\$	\$	\$ (700,979.68)	\$	\$ (2,313,896.26)
\$	\$	\$ (700,979.68)	\$	\$ (2,313,896.26)
\$	\$	\$ (593,446.68)	\$	\$ 434,979.99
\$ 3,805,450.72	\$	\$ (3,454,880.18)	\$ (576,164.08)	\$ 62,434,820.33





UNAUDITED

# ANNUAL FINANCIAL REPORT

of

Texas A&M University - Commerce

*For the Year Ended August 31, 2016*

*With Comparative Totals for the Year Ended August 31, 2015*



**Ray M. Keck, III, Ph.D., Interim President**  
**Alicia Currin, Vice President for Business & Administration**  
**Paula Hanson, Associate Vice President for Business &**  
**Administration/Comptroller**  
**Sarah Baker, Director of Accounting & Financial Reporting**

UNAUDITED

TEXAS A&M UNIVERSITY - COMMERCE

STUDENT ENROLLMENT DATA

CURRENT YEAR

<u>TYPE OF STUDENT</u>	<u>NUMBER OF STUDENTS BY SEMESTER</u>	
	<u>FALL 2015</u>	<u>FALL 2016</u>
Texas Resident	11,219	12,134
Out-of-State	229	570
Foreign	854	760
Total Students	<u>12,302</u>	<u>13,464</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	13,464	128,415

UNAUDITED

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, 2016

	<u>CURRENT YEAR TOTAL</u>	<u>PRIOR YEAR TOTAL</u>
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 18,239,920.44	\$ 29,711,782.44
Investments		
Derivative Instruments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	385,913.76	610,993.31
Investments		
Legislative Appropriations	8,642,005.05	8,371,996.85
Receivables, Net [Note 24]		
Federal	3,537,081.21	3,974,283.09
Other Intergovernmental		
Interest and Dividends		
Gifts	284,503.50	136,102.00
Self-Insured Health and Dental		
Student	2,498,364.32	1,909,321.89
Investment Trades		
Accounts	498,303.83	387,562.92
Other	184,565.24	328,126.57
Due From Other Agencies	739,053.63	453,466.96
Due From Other Members		
Due From Other Funds		
Consumable Inventories	424,470.80	390,004.78
Merchandise Inventories	80,790.35	30,316.40
Loans and Contracts	1,232,987.38	3,913,772.79
Interfund Receivable [Note 12]		
Other Current Assets	<u>7,962,313.69</u>	<u>6,975,207.98</u>
Total Current Assets	<u>\$ 44,710,273.20</u>	<u>\$ 57,192,937.98</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 24,439,504.97	\$ 20,727,782.11
Assets Held By System Office		
Investments [Note 3]	391,927.26	363,376.46
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts	215,183.81	471,472.51
Assets Held By System Office	127,483,297.17	108,643,414.56
Investments [Note 3]	105,537.00	117,750.00
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	5,083,894.16	4,395,380.66
Construction In Progress	3,233,822.71	4,072,789.45
Other Tangible Capital Assets	72,000.00	72,000.00
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	196,466,657.03	190,698,184.10
Infrastructure	8,785,110.68	8,785,110.68
Facilities and Other Improvements	13,498,342.90	11,345,701.93
Furniture and Equipment	15,540,987.17	15,630,809.06
Vehicles, Boats, and Aircraft	2,153,002.10	1,978,991.35
Other Capital Assets	3,830,124.65	3,635,212.31
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	18,745.00	18,745.00
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(128,123,936.80)	(119,529,751.70)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 273,194,199.81</u>	<u>\$ 251,426,968.48</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>\$ 317,904,473.01</u>	<u>\$ 308,619,906.46</u>

UNAUDITED

EXHIBIT III  
TEXAS A&M UNIVERSITY-COMMERCE  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 3,790,612.72	\$ 3,099,115.07
Payroll	5,510,905.97	4,294,084.99
Investment Trades		
Self-Insured Health and Dental		
Student	669,655.86	1,138,432.66
Other	15,224.56	115,724.72
Interfund Payable [Note 12]		
Due to Other Agencies	17,426.95	3,738.00
Due to Other Funds		
Due to Other Members	377,328.80	980,615.05
Funds Held for Investment		
Unearned Revenue	28,365,057.44	31,125,574.45
Employees' Compensable Leave	339,425.86	366,210.58
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations		
Liabilities Payable From Restricted Assets		
Funds Held for Others	3,180,687.37	2,771,733.75
Other Current Liabilities	297,788.67	328,284.83
Total Current Liabilities	<u>\$ 42,564,114.20</u>	<u>\$ 44,223,514.10</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$	\$
Employees' Compensable Leave	1,952,200.62	1,905,439.00
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	23,426,010.09	21,624,115.79
Capital Lease Obligations		
Other Non-Current Liabilities	336,938.53	497,063.30
Total Non-Current Liabilities	<u>\$ 25,715,149.24</u>	<u>\$ 24,026,618.09</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 68,279,263.44</u>	<u>\$ 68,250,132.19</u>
Net Position		
Net Investment In Capital Assets	\$ 120,558,749.60	\$ 121,103,172.84
Restricted for		
Debt Service		
Capital Projects		
Education	7,049,799.92	6,358,455.95
Endowment and Permanent Funds		
Nonexpendable	1,018,516.44	1,018,351.44
Expendable	445,285.75	459,728.18
Unrestricted	120,552,857.86	111,430,065.86
Total Net Position [Exhibit IV]	<u>\$ 249,625,209.57</u>	<u>\$ 240,369,774.27</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 317,904,473.01</u>	<u>\$ 308,619,906.46</u>

UNAUDITED

EXHIBIT IV  
TEXAS A&M UNIVERSITY-COMMERCE  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$ 90,625,990.85	\$ 83,568,426.55
Discounts and Allowances	(20,035,717.34)	(18,053,113.52)
Professional Fees	23,825.66	11,679.00
Auxiliary Enterprises	20,868,251.84	20,200,736.33
Discounts and Allowances	(4,231,749.19)	(3,976,044.06)
Other Sales of Goods and Services	4,473,661.17	2,789,249.04
Discounts and Allowances		
Interest Revenue	20,692.24	28,851.81
Federal Revenue - Operating	4,101,427.61	4,275,380.35
Federal Pass Through Revenue	374,400.11	315,700.02
State Grant Revenue		
State Pass Through Revenue	5,793,501.06	6,343,122.59
Other Grants and Contracts - Operating	689,056.14	498,729.83
Other Operating Revenue	1,823,689.29	1,227,360.88
Total Operating Revenues	<u>\$ 104,527,029.44</u>	<u>\$ 97,230,078.82</u>
Operating Expenses		
Instruction	\$ 56,641,048.80	\$ 56,141,948.31
Research	2,516,566.79	3,115,605.61
Public Service	2,823,090.79	2,374,933.74
Academic Support	11,232,980.91	9,858,712.09
Student Services	13,365,561.39	11,943,683.83
Institutional Support	14,066,484.50	12,652,719.00
Operation & Maintenance of Plant	14,670,648.55	12,860,186.95
Scholarships & Fellowships	19,137,813.63	17,240,241.69
Auxiliary	29,894,869.15	24,649,624.00
Depreciation/Amortization	9,221,345.15	8,946,406.17
Total Operating Expenses [Schedule IV-1]	<u>\$ 173,570,409.66</u>	<u>\$ 159,784,061.39</u>
Total Operating Income [Loss]	<u>\$ (69,043,380.22)</u>	<u>\$ (62,553,982.57)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 48,616,500.59	\$ 45,956,445.61
Federal Revenue Non-Operating	16,481,466.40	16,610,042.00
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	1,898,757.11	1,972,641.99
Investment Income	5,843,472.03	(699,169.20)
Investing Activities Expense	(302,197.26)	(285,540.19)
Interest Expense		
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	(18,341.65)	7,598.19
Settlement of Claims	(330,816.65)	
Other Nonoperating Revenues	66,102.22	146,526.67
Other Nonoperating [Expenses]	(604,336.68)	(259,655.34)
Total Nonoperating Revenues [Expenses]	<u>\$ 71,650,606.11</u>	<u>\$ 63,448,889.73</u>
Income [Loss] Before Other Revenues and Transfers	<u>\$ 2,607,225.89</u>	<u>\$ 894,907.16</u>

UNAUDITED

EXHIBIT IV  
 TEXAS A&M UNIVERSITY-COMMERCE  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Other Revenues and Transfers		
Capital Contributions	\$	\$ 60,000.00
Capital Appropriations [Higher Education Fund]	7,190,875.00	5,193,232.00
Additions to Permanent and Term Endowments		
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	133,561.00	124,705.00
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	1,273,915.18	112,526.89
Nonmandatory Transfers From Members/Agencies-Cap Assets	6,180,614.72	108,480.35
Transfers Out		
Transfers to Other State Agencies		(547,993.11)
Mandatory Transfers to Other Members	(5,747,274.53)	(7,498,172.33)
Nonmandatory Transfers to Other Members	(26,266.30)	
Nonmandatory Transfers to Members/Agencies - Cap Assets		
Legislative Transfers - In	175,859.00	
Legislative Transfers - Out	(2,533,074.66)	(2,558,068.46)
Legislative Appropriations Lapsed		
Total Other Revenues and Transfers	<u>\$ 6,648,209.41</u>	<u>\$ (5,005,289.66)</u>
Change In Net Position	<u>\$ 9,255,435.30</u>	<u>\$ (4,110,382.50)</u>
Net Position, Beginning of Year	<u>\$ 240,369,774.27</u>	<u>\$ 244,480,156.77</u>
Restatement		
Net Position, Beginning of Year, Restated	<u>\$ 240,369,774.27</u>	<u>\$ 244,480,156.77</u>
Net Position, End of Year	<u>\$ 249,625,209.57</u>	<u>\$ 240,369,774.27</u>

UNAUDITED

SCHEDULE IV-1  
 TEXAS A&M UNIVERSITY-COMMERCE  
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX  
 FOR THE YEAR ENDED AUGUST 31, 2016

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$ 2,978.29	\$	\$	\$ .53	\$ 741.37
Salaries & Wages	37,362,511.94	1,247,322.91	1,706,755.25	5,513,472.15	5,517,340.78
Payroll Related Costs	10,434,563.89	230,778.03	416,002.69	1,822,142.79	1,834,970.45
Payroll Related Costs-TRS Pension					
Professional Fees & Services	5,332,173.42	178,228.19	130,247.28	1,613,213.77	1,029,261.81
Travel	556,341.56	40,601.31	73,476.80	316,569.65	488,491.69
Materials & Supplies	1,453,009.85	211,266.49	218,652.79	1,139,699.78	909,603.19
Communication & Utilities	150,246.27	3,513.70	31,661.64	63,730.73	52,665.31
Repairs & Maintenance	345,087.80	4,166.62	2,418.35	216,627.36	123,720.78
Rentals & Leases	144,852.34	8,476.97	19,466.70	56,215.85	182,951.36
Printing & Reproduction	62,424.48	6,605.93	7,536.01	43,964.41	78,607.47
Federal Pass-Through		875.87			
State Pass-Through		169,449.47			
Depreciation & Amortization					
Bad Debt Expense					321,086.11
Interest	398.68		11.88	155.58	552.19
Scholarships	283,729.23	222,360.60	55,008.00	8,630.04	115,946.71
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses	512,731.05	192,920.70	161,853.40	438,558.27	2,709,622.17
Total Operating Expenses	\$ 56,641,048.80	\$ 2,516,566.79	\$ 2,823,090.79	\$ 11,232,980.91	\$ 13,365,561.39

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$ 5,169.65	\$	\$	\$ 15,648.89	\$	\$ 24,538.73	\$ 38,763.78
6,950,537.10	1,778,010.65	392,221.11	7,144,418.32		67,612,590.21	64,795,169.99
1,764,290.69	623,965.77	(971.72)	2,103,232.17		19,228,974.76	18,157,818.42
1,091,252.49	5,064,345.34		3,371,186.32		17,809,908.62	16,701,637.67
155,381.08	16,856.85	14,224.20	1,013,317.24		2,675,260.38	2,482,774.62
1,613,081.39	212,730.38	82.32	2,383,011.73		8,141,137.92	7,231,634.69
747,392.46	2,273,433.59		1,749,922.49		5,072,566.19	5,154,260.31
284,711.13	3,036,378.43		2,473,806.14		6,486,916.61	3,919,794.69
22,851.40	1,451,931.07		746,547.97		2,633,293.66	1,595,176.41
139,549.75	650.94	479.50	89,522.54		429,341.03	361,406.39
					875.87	
					169,449.47	268,167.21
				9,221,345.15	9,221,345.15	8,946,406.17
					321,086.11	(191,415.77)
1.96	657.58		470.58		2,248.45	878.02
2,000.00		18,712,544.37	1,291,395.63		20,691,614.58	19,249,411.65
1,290,265.40	211,687.95	19,233.85	7,512,389.13		13,049,261.92	11,072,177.14
<u>\$ 14,066,484.50</u>	<u>\$ 14,670,648.55</u>	<u>\$ 19,137,813.63</u>	<u>\$ 29,894,869.15</u>	<u>\$ 9,221,345.15</u>	<u>\$ 173,570,409.66</u>	<u>\$ 159,784,061.39</u>

[Exhibit IV]

UNAUDITED

EXHIBIT V  
TEXAS A&M UNIVERSITY-COMMERCE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 67,828,977.49	\$ 66,278,098.62
Proceeds Received From Customers	4,256,056.13	2,800,177.79
Proceeds From Grants and Contracts	11,466,051.61	10,342,973.76
Proceeds From Auxiliary Enterprises	16,343,863.69	15,208,438.27
Proceeds From Loan Programs	2,921,955.27	46,053.89
Proceeds From Other Operating Revenues	1,786,415.22	1,200,957.74
Payments to Suppliers for Goods and Services	(56,179,180.13)	(48,317,897.03)
Payments to Employees	(85,607,230.67)	(82,734,408.93)
Payments for Loans Provided	(418,072.55)	(1,442,423.83)
Payments for Other Operating Expenses	(21,624,258.15)	(19,386,769.54)
<b>Net Cash Provided [Used] By Operating Activities</b>	<b>\$ (59,225,422.09)</b>	<b>\$ (56,004,799.26)</b>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 50,369,994.67	\$ 47,802,727.16
Proceeds From Gifts	1,898,763.53	1,972,641.99
Proceeds From Endowments		
Proceeds From Transfers From Other Funds	133,561.00	124,705.00
Proceeds From Other Grant Receipts	16,481,466.40	16,610,042.00
Proceeds From Other Noncapital Financing Activities	1,498,539.40	1,997,645.09
Payments of Interest		
Payments for Transfers to Other Funds		(547,993.11)
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(538,405.65)	
Other Noncapital Transfers From/To System	647,648.88	112,526.89
Transfers Between Fund Groups		
<b>Net Cash Provided [Used] By Noncapital Financing Activities</b>	<b>\$ 70,491,568.23</b>	<b>\$ 68,072,295.02</b>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$	\$ 10,848.32
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts	4,900,393.52	5,324,313.12
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	(2,553,177.27)	(5,085,181.72)
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]	(8,280,349.19)	(10,056,240.79)
Intrasystem Transfers for Construction Proceeds [Non-Mand]	(3,286.25)	(669,772.68)
<b>Net Cash Provided [Used] By Capital and Related Financing Act.</b>	<b>\$ (5,936,419.19)</b>	<b>\$ (10,476,033.75)</b>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	(18,930,112.10)	410,771.39
Proceeds From Interest and Investment Income	1,919,781.40	1,900,910.90
Payments to Acquire Investments	(16,337.80)	
<b>Net Cash Provided [Used] By Investing Activities</b>	<b>\$ (17,026,668.50)</b>	<b>\$ 2,311,682.29</b>
<b>Net Increase [Decrease] In Cash and Cash Equivalents</b>	<b>\$ (11,696,941.55)</b>	<b>\$ 3,903,144.30</b>
Cash and Cash Equivalents, Beginning of Year Restatement	\$ 30,322,775.75	\$ 26,419,631.45
Cash and Cash Equivalents, Beginning of Year, As Restated	\$ 30,322,775.75	\$ 26,419,631.45
Cash and Cash Equivalents, End of Year [Sch Three]	<b>\$ 18,625,834.20</b>	<b>\$ 30,322,775.75</b>

UNAUDITED

EXHIBIT V  
TEXAS A&M UNIVERSITY-COMMERCE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(69,043,380.22)	(62,553,982.57)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	9,221,345.15	8,946,406.17
Bad Debt Expense	747,126.54	178,334.32
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	(524,939.68)	(1,413,649.77)
[Increase] Decrease In Due From Other Funds	(285,586.67)	(250,494.30)
[Increase] Decrease In Due From System Members		10,427.71
[Increase] Decrease In Inventories	(84,939.97)	27,444.93
[Increase] Decrease In Prepaid Expenses	(1,118,316.25)	262,100.19
[Increase] Decrease In Loans and Contracts	2,615,988.00	(1,361,350.89)
[Increase] Decrease In Other Assets	1,270.42	(401,516.36)
Increase [Decrease] In Payables	2,428,081.71	201,602.45
Increase [Decrease] In Due to Other Agencies/Funds	13,688.95	(295,999.55)
Increase [Decrease] In Due to System Members		
Increase [Decrease] In Unearned Revenue	(3,185,240.81)	10,705.59
Increase [Decrease] In Deposits	(30,496.16)	161,196.81
Increase [Decrease] In Employees' Compensable Leave	19,976.90	473,976.01
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>\$ 9,817,958.13</u>	<u>\$ 6,549,183.31</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (59,225,422.09)</u>	<u>\$ (56,004,799.26)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$	\$ 60,000.00
Net Change In Fair Value of Investments	2,891,931.66	(7,469,230.25)
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	6,162,273.07	116,078.54





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SCHEDULE THREE  
 TEXAS A&M UNIVERSITY-COMMERCE  
 SCHEDULE OF CASH & CASH EQUIVALENTS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Cashiers Account	\$ 5,000.00
Petty Cash Department Working Fund	<u>5,580.00</u>
Total Cash On Hand	<u>\$ 10,580.00</u>
Cash In Bank	\$ 44,100.13
Cash In State Treasury	
Fund 0257	6,337,242.39
Fund 0900	<u>1,153.12</u>
Total Cash In State Treasury	<u>\$ 6,338,395.51</u>
Reimbursements Due From State Treasury	\$ 237,546.56
Assets Held By System Offices-Current	<u>11,609,298.24</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 18,239,920.44</u>
Restricted	
Assets Held By System Offices-Current	<u>\$ 385,913.76</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 385,913.76</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 18,625,834.20</u></u>

UNAUDITED

SCHEDULE N-2  
 TEXAS A&M UNIVERSITY-COMMERCE  
 NOTE 2 - CAPITAL ASSETS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	BALANCE 9-1-15	ADJUSTMENTS	COMPLETED CIP
<b>Non-Depreciable/Non-Amortizable Assets</b>			
Land and Land Improvements	\$ 4,395,380.66	\$	\$
Construction In Progress	4,072,789.45		(8,177,906.55)
Other Tangible Capital Assets	72,000.00		
<b>Total Non-Depreciable/Non-Amortizable Assets</b>	<b>\$ 8,540,170.11</b>	<b>\$</b>	<b>\$ (8,177,906.55)</b>
<b>Depreciable Assets</b>			
Buildings	\$ 190,698,184.10	\$	\$ 5,691,941.85
Infrastructure	8,785,110.68		72,824.60
Facilities and Other Improvements	11,345,701.93		2,135,340.71
Furniture and Equipment	15,630,809.06		277,799.39
Vehicles, Boats and Aircraft	1,978,991.35		
Other Capital Assets	3,635,212.31		
<b>Total Depreciable Assets at Historical Cost</b>	<b>\$ 232,074,009.43</b>	<b>\$</b>	<b>\$ 8,177,906.55</b>
<b>Less Accumulated Depreciation for</b>			
Buildings	\$ (92,173,992.05)	\$	\$
Infrastructure	(6,929,778.66)		
Facilities and Other Improvements	(6,004,146.16)		
Furniture and Equipment	(11,100,646.25)		
Vehicles, Boats and Aircraft	(1,268,244.92)		
Other Capital Assets	(2,034,198.66)		
<b>Total Accumulated Depreciation</b>	<b>\$ (119,511,006.70)</b>	<b>\$</b>	<b>\$</b>
<b>Depreciable Assets, Net</b>	<b>\$ 112,563,002.73</b>	<b>\$</b>	<b>\$ 8,177,906.55</b>
<b>Amortizable Assets - Intangible</b>			
Computer Software	\$ 18,745.00	\$	\$
<b>Total Intangible Assets at Historical Cost</b>	<b>\$ 18,745.00</b>	<b>\$</b>	<b>\$</b>
<b>Less Accumulated Amortization for</b>			
Computer Software	\$ (18,745.00)	\$	\$
<b>Total Accumulated Amortization</b>	<b>\$ (18,745.00)</b>	<b>\$</b>	<b>\$</b>
<b>Amortizable Assets, Net</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Capital Assets, Net</b>	<b>\$ 121,103,172.84</b>	<b>\$</b>	<b>\$</b>

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-16</u>
\$ 6,180,614.72	\$	\$ 688,513.50 1,158,325.09	\$	\$ 5,083,894.16 3,233,822.71 72,000.00
<u>\$ 6,180,614.72</u>	<u>\$</u>	<u>\$ 1,846,838.59</u>	<u>\$</u>	<u>\$ 8,389,716.87</u>
\$	\$	\$ 244,221.23 17,300.26 551,064.10 174,010.75 237,961.59	\$ (167,690.15) (72,824.60) (918,685.38) (43,049.25)	\$ 196,466,657.03 8,785,110.68 13,498,342.90 15,540,987.17 2,153,002.10 3,830,124.65
<u>\$</u>	<u>\$</u>	<u>\$ 1,224,557.93</u>	<u>\$ (1,202,249.38)</u>	<u>\$ 240,274,224.53</u>
\$	\$	\$ (6,813,612.12) (152,262.95) (784,724.87) (1,128,973.64) (154,049.77) (187,721.80)	\$ 584,513.54 42,646.51	\$ (98,987,604.17) (7,082,041.61) (6,788,871.03) (11,645,106.35) (1,422,294.69) (2,179,273.95)
<u>\$</u>	<u>\$</u>	<u>\$ (9,221,345.15)</u>	<u>\$ 627,160.05</u>	<u>\$ (128,105,191.80)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (7,996,787.22)</u>	<u>\$ (575,089.33)</u>	<u>\$ 112,169,032.73</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>\$ 6,180,614.72</u>	<u>\$</u>	<u>\$ (6,149,948.63)</u>	<u>\$ (575,089.33)</u>	<u>\$ 120,558,749.60</u>





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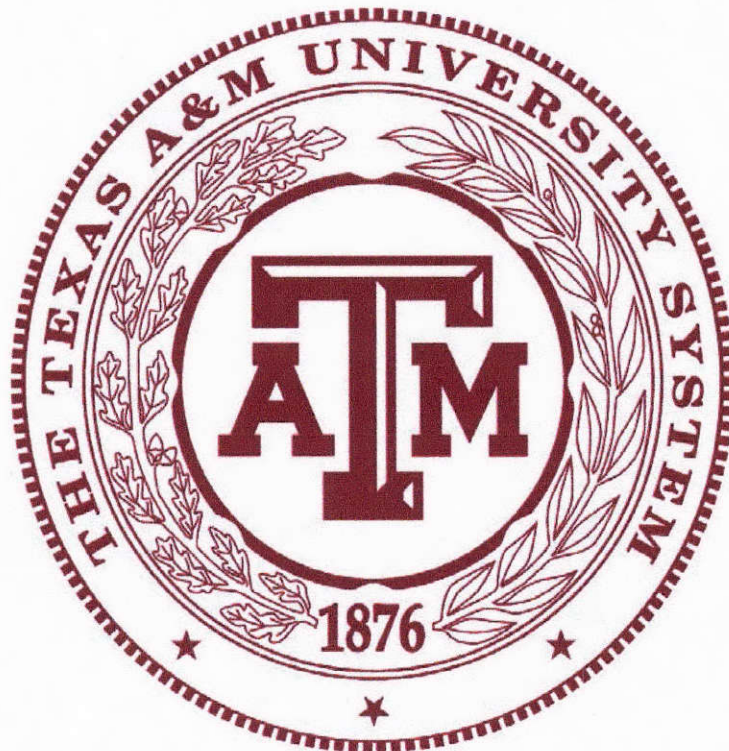
# ANNUAL FINANCIAL REPORT

of

Texas A&M University – Corpus Christi

*For the Year Ended August 31, 2016*

*With Comparative Totals for the Year Ended August 31, 2015*



**Flavius Killebrew, PH.D., President**

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

**Rebecca Torres, CPA, Associate Vice President & 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 2015</u>	<u>FALL 2016</u>
Texas Resident	10,747	11,346
Out-of-State	397	367
Foreign	517	461
Total Students	<u>11,661</u>	<u>12,174</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	12,174	139,069



UNAUDITED

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, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 28,747,303.33	\$ 31,879,424.41
Investments		
Derivative Instruments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	8,286,627.40	6,655,017.82
Investments		
Legislative Appropriations	11,411,379.17	9,535,610.70
Receivables, Net [Note 24]		
Federal	1,999,820.25	2,999,456.57
Other Intergovernmental		146,927.96
Interest and Dividends	8,907.76	3,960.63
Gifts	160,764.94	429,907.78
Self-Insured Health and Dental		
Student	97,220.23	70,994.81
Investment Trades		
Accounts	5,427,975.65	3,201,104.14
Other	1,050.00	40.00
Due From Other Agencies	1,212,910.30	1,942,501.79
Due From Other Members	1,199,476.63	3,311,090.56
Due From Other Funds		213,376.81
Consumable Inventories	8,330.88	5,575.52
Merchandise Inventories	139,632.51	72,782.63
Loans and Contracts	260,087.32	241,927.80
Interfund Receivable [Note 12]		
Other Current Assets	898,545.32	672,274.51
Total Current Assets	<u>\$ 59,860,031.69</u>	<u>\$ 61,381,974.44</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 26,892,763.44	\$ 23,153,459.11
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable	168,017.01	105,584.29
Loans and Contracts	292,770.00	350,903.74
Assets Held By System Office	69,407,571.47	61,602,403.69
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	18,711,739.60	23,904,167.66
Other Tangible Capital Assets	968,476.94	951,535.05
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	294,635,032.81	290,926,359.62
Infrastructure	14,676,750.70	14,676,750.70
Facilities and Other Improvements	26,482,118.70	23,708,535.61
Furniture and Equipment	34,005,978.32	29,210,326.82
Vehicles, Boats, and Aircraft	5,583,653.87	5,693,892.73
Other Capital Assets	10,449,058.20	10,447,621.80
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	5,400,721.58	4,730,738.61
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(179,440,847.37)	(163,374,841.56)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 334,722,651.46</u>	<u>\$ 332,576,284.06</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>\$ 394,582,683.15</u>	<u>\$ 393,958,258.50</u>

UNAUDITED

EXHIBIT III  
TEXAS A&M UNIVERSITY-CORPUS CHRISTI  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED AUGUST 31, 2016

	<u>CURRENT YEAR TOTAL</u>	<u>PRIOR YEAR TOTAL</u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 6,528,796.33	\$ 7,335,729.70
Payroll	6,581,616.10	6,263,598.20
Investment Trades		
Self-Insured Health and Dental		
Student	42,578.51	48,146.01
Other		44.05
Interfund Payable [Note 12]		
Due to Other Agencies	300,837.22	235,182.24
Due to Other Funds		213,376.81
Due to Other Members	2,471,608.93	565,357.98
Funds Held for Investment		
Unearned Revenue	29,043,117.79	28,838,338.16
Employees' Compensable Leave	348,479.04	367,774.70
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations		
Liabilities Payable From Restricted Assets		
Funds Held for Others	4,039,031.33	944,181.75
Other Current Liabilities	3,821,564.70	3,173,765.30
Total Current Liabilities	<u>\$ 53,177,629.95</u>	<u>\$ 47,985,494.90</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$	\$
Employees' Compensable Leave	3,639,313.14	3,454,156.61
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		
Other Non-Current Liabilities	70,000.00	40,000.00
Total Non-Current Liabilities	<u>\$ 3,709,313.14</u>	<u>\$ 3,494,156.61</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 56,886,943.09</u>	<u>\$ 51,479,651.51</u>
Net Position		
Net Investment In Capital Assets	\$ 237,961,529.54	\$ 247,461,761.82
Restricted for		
Debt Service	5,873.51	5,873.51
Capital Projects	11,413,323.47	11,171,107.41
Education		
Endowment and Permanent Funds		
Nonexpendable	9,394,584.75	8,732,077.97
Expendable	2,037,101.02	2,126,840.34
Unrestricted	76,883,327.77	72,980,945.94
Total Net Position [Exhibit IV]	<u>\$ 337,695,740.06</u>	<u>\$ 342,478,606.99</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 394,582,683.15</u>	<u>\$ 393,958,258.50</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, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$ 98,383,376.40	\$ 91,633,438.77
Discounts and Allowances	(25,762,740.00)	(23,757,540.11)
Professional Fees		
Auxiliary Enterprises	6,894,469.41	6,620,271.91
Discounts and Allowances		
Other Sales of Goods and Services	3,938,592.73	3,903,480.64
Discounts and Allowances		
Interest Revenue	4,633.61	5,961.96
Federal Revenue - Operating	11,339,246.60	10,007,899.87
Federal Pass Through Revenue	1,569,408.92	3,261,854.75
State Grant Revenue	31,316.76	40,398.54
State Pass Through Revenue	8,024,392.35	6,179,613.01
Other Grants and Contracts - Operating	6,871,291.11	5,326,048.19
Other Operating Revenue	699,576.67	1,037,829.39
Total Operating Revenues	<u>\$ 111,993,564.56</u>	<u>\$ 104,259,256.92</u>
Operating Expenses		
Instruction	\$ 54,575,806.73	\$ 50,550,340.55
Research	20,086,853.66	17,693,144.49
Public Service	2,767,152.84	3,026,580.28
Academic Support	25,520,981.23	23,627,345.95
Student Services	9,329,092.85	10,254,809.11
Institutional Support	14,296,956.73	13,093,931.06
Operation & Maintenance of Plant	11,161,281.25	10,920,376.91
Scholarships & Fellowships	16,504,527.95	15,347,826.12
Auxiliary	20,673,634.72	19,117,637.61
Depreciation/Amortization	18,410,643.33	17,288,320.75
Total Operating Expenses [Schedule IV-1]	<u>\$ 193,326,931.29</u>	<u>\$ 180,920,312.83</u>
Total Operating Income [Loss]	<u>\$ (81,333,366.73)</u>	<u>\$ (76,661,055.91)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 56,710,623.33	\$ 52,217,993.58
Federal Revenue Non-Operating	17,944,280.80	16,923,698.81
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	6,493,514.76	6,318,071.12
Investment Income	4,183,873.57	(419,953.13)
Investing Activities Expense	(200,145.20)	(203,850.95)
Interest Expense		
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	(98,332.97)	(1,110.10)
Settlement of Claims	(39,000.00)	(11,133.00)
Other Nonoperating Revenues	1,130,412.11	296,640.46
Other Nonoperating [Expenses]	(4,939,160.07)	(3,161,886.15)
Total Nonoperating Revenues [Expenses]	<u>\$ 81,186,066.33</u>	<u>\$ 71,958,470.64</u>
Income [Loss] Before Other Revenues and Transfers	<u>\$ (147,300.40)</u>	<u>\$ (4,702,585.27)</u>

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EXHIBIT IV  
 TEXAS A&M UNIVERSITY-CORPUS CHRISTI  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Other Revenues and Transfers		
Capital Contributions	\$ 4,785.84	\$ 9,000.64
Capital Appropriations [Higher Education Fund]	7,424,229.00	7,139,067.00
Additions to Permanent and Term Endowments	615,897.64	359,192.66
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	268,877.00	307,312.00
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	1,017,573.53	8,161,839.29
Nonmandatory Transfers From Members/Agencies-Cap Assets	3,623,373.54	25,403,707.47
Transfers Out		
Transfers to Other State Agencies		(951,730.47)
Mandatory Transfers to Other Members	(5,486,205.52)	(4,202,321.68)
Nonmandatory Transfers to Other Members	(3,900,739.93)	
Nonmandatory Transfers to Members/Agencies - Cap Assets		
Legislative Transfers - In	354,029.00	
Legislative Transfers - Out	(8,557,386.63)	(8,576,464.21)
Legislative Appropriations Lapsed		(201,825.39)
Total Other Revenues and Transfers	<u>\$ (4,635,566.53)</u>	<u>\$ 27,447,777.31</u>
Change In Net Position	<u>\$ (4,782,866.93)</u>	<u>\$ 22,745,192.04</u>
Net Position, Beginning of Year Restatement	<u>\$ 342,478,606.99</u>	<u>\$ 319,733,414.95</u>
Net Position, Beginning of Year, Restated	<u>\$ 342,478,606.99</u>	<u>\$ 319,733,414.95</u>
Net Position, End of Year	<u><u>\$ 337,695,740.06</u></u>	<u><u>\$ 342,478,606.99</u></u>

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SCHEDULE IV-1  
 TEXAS A&M UNIVERSITY-CORPUS CHRISTI  
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX  
 FOR THE YEAR ENDED AUGUST 31, 2016

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$ 24.99	\$	\$ 2,086.27	\$	\$ 4,623.50
Salaries & Wages	38,995,475.83	10,331,316.78	1,359,430.80	13,158,651.14	3,816,736.37
Payroll Related Costs	10,166,892.02	2,503,921.90	361,297.97	3,355,259.56	1,115,676.69
Payroll Related Costs-TRS Pension					
Professional Fees & Services	1,095,105.27	1,132,891.00	210,728.62	1,968,736.72	264,972.06
Travel	723,137.01	783,063.47	54,696.30	390,191.48	206,412.34
Materials & Supplies	1,652,516.98	1,394,601.91	144,042.58	3,602,739.06	626,190.30
Communication & Utilities	237,971.31	107,426.29	137,685.70	1,621,094.89	706,921.58
Repairs & Maintenance	381,953.10	191,553.72	75,688.09	588,242.49	592,165.32
Rentals & Leases	284,260.19	349,133.83	44,414.01	54,192.03	122,198.19
Printing & Reproduction	132,041.60	50,498.22	34,070.46	145,313.03	196,710.42
Federal Pass-Through		290,429.07			
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					340,979.37
Interest	276.60	1,951.97	15.02	900.63	29.45
Scholarships	404,972.63	485,163.82	26,004.92	8,115.36	250,988.00
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses	501,179.20	2,464,901.68	316,992.10	627,544.84	1,084,489.26
Total Operating Expenses	\$ 54,575,806.73	\$ 20,086,853.66	\$ 2,767,152.84	\$ 25,520,981.23	\$ 9,329,092.85

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$ 104.84	\$	\$ 390.50	\$ 97,489.67	\$	\$ 104,719.77	\$ 123,610.51
8,793,380.44	1,247,608.19	793,490.67	7,974,606.30		86,470,696.52	81,833,226.24
2,204,724.88	383,560.71	54,698.69	2,098,707.63		22,244,740.05	20,644,652.95
704,709.42	464,072.47	114,052.44	1,661,204.08		7,616,472.08	7,332,868.74
236,333.64	9,925.97	17,178.45	1,423,747.11		3,844,685.77	3,457,382.48
1,037,084.21	468,767.96	6,513.60	1,340,920.76		10,273,377.36	9,123,891.43
125,063.79	3,000,035.39	236.00	814,127.56		6,750,562.51	6,769,283.52
69,479.50	3,699,257.85		834,652.32		6,432,992.39	6,258,101.11
29,718.20	1,435.62	5,783.50	158,536.29		1,049,671.86	966,584.63
129,817.11	25,491.28	4,813.41	217,947.61		936,703.14	884,536.21
					290,429.07	167,531.76
				18,410,643.33	18,410,643.33	17,288,320.75
					340,979.37	323,850.73
1,579.68	110.79		117.38		4,981.52	2,836.74
26,250.00		15,385,222.98	2,525,869.84		19,112,587.55	17,612,229.68
938,711.02	1,861,015.02	122,147.71	1,525,708.17		9,442,689.00	8,131,405.35
<u>\$ 14,296,956.73</u>	<u>\$ 11,161,281.25</u>	<u>\$ 16,504,527.95</u>	<u>\$ 20,673,634.72</u>	<u>\$ 18,410,643.33</u>	<u>\$ 193,326,931.29</u>	<u>\$ 180,920,312.83</u>

[Exhibit IV]

UNAUDITED

EXHIBIT V  
TEXAS A&M UNIVERSITY-CORPUS CHRISTI  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 72,462,983.18	\$ 69,315,431.76
Proceeds Received From Customers	3,261,583.53	4,803,813.57
Proceeds From Grants and Contracts	29,896,406.23	24,182,718.18
Proceeds From Auxiliary Enterprises	6,108,432.46	7,607,662.50
Proceeds From Loan Programs	7,722.52	19,484.35
Proceeds From Other Operating Revenues	721,856.58	1,038,134.28
Payments to Suppliers for Goods and Services	(46,329,631.15)	(42,667,772.42)
Payments to Employees	(108,232,484.99)	(100,905,540.46)
Payments for Loans Provided	(315,576.94)	(256,716.91)
Payments for Other Operating Expenses	(19,322,849.71)	(17,597,166.29)
<b>Net Cash Provided [Used] By Operating Activities</b>	<b>\$ (61,741,558.29)</b>	<b>\$ (54,459,951.44)</b>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 54,517,691.07	\$ 54,303,958.67
Proceeds From Gifts	6,700,224.88	6,862,773.10
Proceeds From Endowments	615,897.64	359,192.66
Proceeds From Transfers From Other Funds	307,311.90	
Proceeds From Other Grant Receipts	17,944,280.80	16,923,698.81
Proceeds From Other Noncapital Financing Activities	2,967,852.13	699,226.70
Payments of Interest		
Payments for Transfers to Other Funds		(951,730.47)
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(195,807.65)	(630,115.42)
Other Noncapital Transfers From/To System	816,833.60	661,839.29
Transfers Between Fund Groups		
<b>Net Cash Provided [Used] By Noncapital Financing Activities</b>	<b>\$ 83,674,284.37</b>	<b>\$ 78,228,843.34</b>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$	\$
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts	8,095,421.79	4,167,942.94
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	(10,144,112.65)	(21,362,813.69)
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]	2,032,997.28	5,957,843.74
Intrasystem Transfers for Capital Debt [Mandatory]	(14,043,592.15)	(12,778,785.89)
Intrasystem Transfers for Construction Proceeds [Non-Mand]	(1,808,260.98)	(5,360,504.81)
<b>Net Cash Provided [Used] By Capital and Related Financing Act.</b>	<b>\$ (15,867,546.71)</b>	<b>\$ (29,376,317.71)</b>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	(9,094,320.28)	13,042,030.31
Proceeds From Interest and Investment Income	1,528,629.41	1,324,446.61
Payments to Acquire Investments		
<b>Net Cash Provided [Used] By Investing Activities</b>	<b>\$ (7,565,690.87)</b>	<b>\$ 14,366,476.92</b>
<b>Net Increase [Decrease] In Cash and Cash Equivalents</b>	<b>\$ (1,500,511.50)</b>	<b>\$ 8,759,051.11</b>
Cash and Cash Equivalents, Beginning of Year	\$ 38,534,442.23	\$ 29,775,391.12
Restatement		
Cash and Cash Equivalents, Beginning of Year, As Restated	\$ 38,534,442.23	\$ 29,775,391.12
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 37,033,930.73</u>	<u>\$ 38,534,442.23</u>



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EXHIBIT V  
 TEXAS A&M UNIVERSITY-CORPUS CHRISTI  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	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]	(81,333,366.73)	(76,661,055.91)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	18,410,643.33	17,288,320.75
Bad Debt Expense	840,085.28	572,797.11
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	(1,185,541.15)	1,487,204.21
[Increase] Decrease In Due From Other Funds	691,156.59	(1,100,245.54)
[Increase] Decrease In Due From System Members	78,616.65	39,330.46
[Increase] Decrease In Inventories	(69,605.24)	19,564.35
[Increase] Decrease In Prepaid Expenses	(226,270.81)	(31,446.28)
[Increase] Decrease In Loans and Contracts	(301,005.15)	(235,608.21)
[Increase] Decrease In Other Assets		366.14
Increase [Decrease] In Payables	869,554.98	1,283,458.37
Increase [Decrease] In Due to Other Agencies/Funds	65,654.98	218,400.28
Increase [Decrease] In Due to System Members	14,511.93	(35,805.13)
Increase [Decrease] In Unearned Revenue	212,777.36	2,010,487.54
Increase [Decrease] In Deposits	25,368.82	13,827.28
Increase [Decrease] In Employees' Compensable Leave	165,860.87	670,453.14
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>\$ 19,591,808.44</u>	<u>\$ 22,201,104.47</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (61,741,558.29)</u>	<u>\$ (54,459,951.44)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$ 4,785.84	\$ 9,000.64
Net Change In Fair Value of Investments	1,682,652.97	(7,062,986.55)
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	3,647,255.72	25,491,288.71



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SCHEDULE THREE  
 TEXAS A&M UNIVERSITY-CORPUS CHRISTI  
 SCHEDULE OF CASH & CASH EQUIVALENTS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Cashiers Account	\$ 23,100.00
Petty Cash Department Working Fund	<u>27,635.40</u>
Total Cash On Hand	<u>\$ 50,735.40</u>
Cash In State Treasury	
Fund 0230	<u>\$ 15,663,912.72</u>
Total Cash In State Treasury	<u>\$ 15,663,912.72</u>
Reimbursements Due From State Treasury	\$ 1,417,086.74
Assets Held By System Offices-Current	<u>11,615,568.47</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 28,747,303.33</u>
Restricted	
Cash On Hand	
Cash In Bank	<u>\$ 43,805.56</u>
Assets Held By System Offices-Current	<u>\$ 8,242,821.84</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 8,286,627.40</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 37,033,930.73</u></u>

UNAUDITED

SCHEDULE N-2  
 TEXAS A&M UNIVERSITY-CORPUS CHRISTI  
 NOTE 2 - CAPITAL ASSETS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	BALANCE 9-1-15	ADJUSTMENTS	COMPLETED CIP
<b>Non-Depreciable/Non-Amortizable Assets</b>			
Land and Land Improvements	\$ 6,488,846.19	\$	\$
Construction In Progress	23,904,167.66		(14,319,417.96)
Other Tangible Capital Assets	951,535.05		
<b>Total Non-Depreciable/Non-Amortizable Assets</b>	<b>\$ 31,344,548.90</b>	<b>\$</b>	<b>\$ (14,319,417.96)</b>
<b>Depreciable Assets</b>			
Buildings	\$ 290,926,359.62	\$	\$ 4,661,886.48
Infrastructure	14,676,750.70		577,232.80
Facilities and Other Improvements	23,708,535.61		3,696,265.54
Furniture and Equipment	29,210,326.82		5,384,033.14
Vehicles, Boats and Aircraft	5,693,892.73		
Other Capital Assets	10,447,621.80		
<b>Total Depreciable Assets at Historical Cost</b>	<b>\$ 374,663,487.28</b>	<b>\$</b>	<b>\$ 14,319,417.96</b>
<b>Less Accumulated Depreciation for</b>			
Buildings	\$ (108,138,624.37)	\$	\$
Infrastructure	(10,534,064.39)		
Facilities and Other Improvements	(11,009,709.07)		
Furniture and Equipment	(18,590,207.22)		
Vehicles, Boats and Aircraft	(3,096,941.72)		
Other Capital Assets	(7,720,561.14)		
<b>Total Accumulated Depreciation</b>	<b>\$ (159,090,107.91)</b>	<b>\$</b>	<b>\$</b>
<b>Depreciable Assets, Net</b>	<b>\$ 215,573,379.37</b>	<b>\$</b>	<b>\$ 14,319,417.96</b>
<b>Amortizable Assets - Intangible</b>			
Computer Software	\$ 4,730,738.61	\$	\$
<b>Total Intangible Assets at Historical Cost</b>	<b>\$ 4,730,738.61</b>	<b>\$</b>	<b>\$</b>
<b>Less Accumulated Amortization for</b>			
Computer Software	\$ (4,284,733.65)	\$	\$
<b>Total Accumulated Amortization</b>	<b>\$ (4,284,733.65)</b>	<b>\$</b>	<b>\$</b>
<b>Amortizable Assets, Net</b>	<b>\$ 446,004.96</b>	<b>\$</b>	<b>\$</b>
<b>Capital Assets, Net</b>	<b>\$ 247,363,933.23</b>	<b>\$</b>	<b>\$</b>

INC-INTERAGENCY TRANSACTIONS	DEC-INTERAGENCY TRANSACTIONS	ADDITIONS	DELETIONS	BALANCE 8-31-16
\$ 3,623,373.54	\$	\$ 5,503,616.36 16,941.89	\$	\$ 6,488,846.19 18,711,739.60 968,476.94
\$ 3,623,373.54	\$	\$ 5,520,558.25	\$	\$ 26,169,062.73
\$	\$	\$ 3,810,548.73 68,541.59 141,502.95	\$ (953,213.29) (577,232.80) (922,682.45) (4,398,930.37) (178,780.45) (140,066.55)	\$ 294,635,032.81 14,676,750.70 26,482,118.70 34,005,978.32 5,583,653.87 10,449,058.20
\$	\$	\$ 4,020,593.27	\$ (7,170,905.91)	\$ 385,832,592.60
\$	\$	\$ (12,123,880.05) (463,524.31) (1,066,119.82) (3,347,988.51) (719,083.12) (267,742.50)	\$ 2,165,616.18 153,604.34	\$ (120,262,504.42) (10,997,588.70) (12,075,828.89) (19,772,579.55) (3,662,420.50) (7,988,303.64)
\$	\$	\$ (17,988,338.31)	\$ 2,319,220.52	\$ (174,759,225.70)
\$	\$	\$ (13,967,745.04)	\$ (4,851,685.39)	\$ 211,073,366.90
\$	\$	\$ 695,399.97	\$ (25,417.00)	\$ 5,400,721.58
\$	\$	\$ 695,399.97	\$ (25,417.00)	\$ 5,400,721.58
\$	\$	\$ (422,305.02)	\$ 25,417.00	\$ (4,681,621.67)
\$	\$	\$ (422,305.02)	\$ 25,417.00	\$ (4,681,621.67)
\$	\$	\$ 273,094.95	\$	\$ 719,099.91
\$ 3,623,373.54	\$	\$ (8,174,091.84)	\$ (4,851,685.39)	\$ 237,961,529.54





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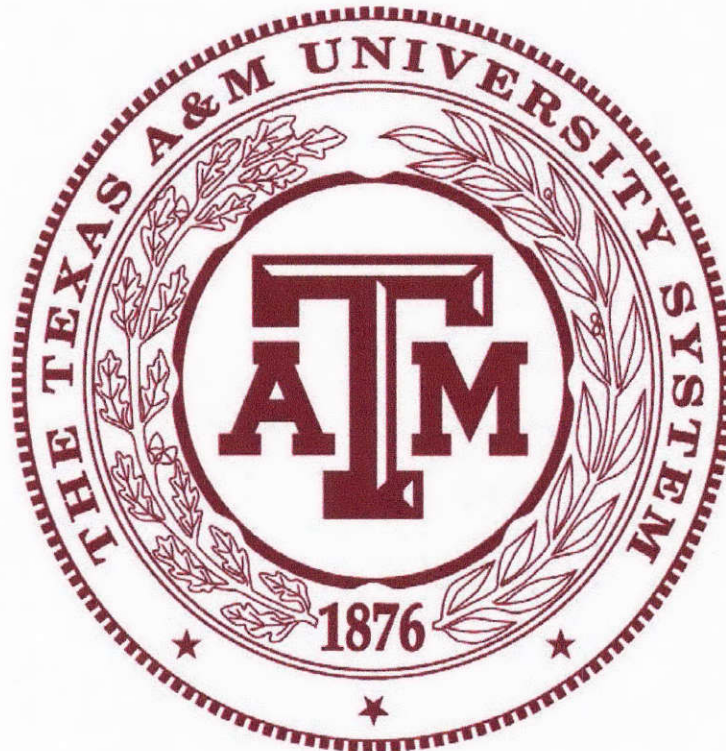
# ANNUAL FINANCIAL REPORT

of

Texas A&M University - Kingsville

*For the Year Ended August 31, 2016*

*With Comparative Totals for the Year Ended August 31, 2015*



**Steven H. Tallant, PH.D., President**

**Raaj S. Kurapati, Vice President for Finance & CFO**

**Joanne Macias, Assistant Comptroller & Director of Financial Reporting**



UNAUDITED

TEXAS A&M UNIVERSITY - KINGSVILLE

STUDENT ENROLLMENT DATA

CURRENT YEAR

<u>TYPE OF STUDENT</u>	<u>NUMBER OF STUDENTS BY SEMESTER</u>	
	<u>FALL 2015</u>	<u>FALL 2016</u>
Texas Resident	7,234	7,449
Out-of-State	150	141
Foreign	1,823	1,700
Total Students	9,207	9,290

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	9,290	102,887

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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, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 31,125,822.98	\$ 31,261,853.43
Investments		
Derivative Instruments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	2,071,301.04	3,314,640.56
Investments		
Legislative Appropriations	11,923,659.59	10,215,197.47
Receivables, Net [Note 24]		
Federal	956,079.39	899,409.68
Other Intergovernmental		
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student	4,108,388.48	2,805,669.64
Investment Trades		
Accounts	634,726.02	604,064.88
Other	173,535.37	72,251.56
Due From Other Agencies	849,123.99	1,180,136.85
Due From Other Members	8,823,193.43	3,258,503.37
Due From Other Funds		
Consumable Inventories		
Merchandise Inventories		
Loans and Contracts	943,426.92	1,539,687.91
Interfund Receivable [Note 12]		
Other Current Assets	4,804,310.36	4,413,529.50
Total Current Assets	\$ 66,413,567.57	\$ 59,564,944.85
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 34,246,433.22	\$ 31,180,901.65
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts	260,548.73	413,282.94
Assets Held By System Office	61,980,606.81	51,601,665.56
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	14,293,711.97	13,820,346.73
Other Tangible Capital Assets	86,092.69	86,092.69
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	201,221,531.82	197,351,261.08
Infrastructure	12,318,323.24	12,318,323.24
Facilities and Other Improvements	11,854,311.70	11,854,311.70
Furniture and Equipment	18,385,512.58	17,376,089.83
Vehicles, Boats, and Aircraft	3,424,710.43	2,471,717.22
Other Capital Assets	6,415,285.96	6,420,974.02
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	2,157,755.93	2,175,755.93
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(138,873,099.71)	(130,127,925.07)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	\$ 230,415,412.49	\$ 219,586,484.64
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
Total Deferred Outflows of Resources	\$	\$
Total Assets and Deferred Outflows	\$ 296,828,980.06	\$ 279,151,429.49

UNAUDITED

EXHIBIT III  
 TEXAS A&M UNIVERSITY-KINGSVILLE  
 STATEMENT OF NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u>                    </u>	<u>                    </u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 2,570,498.45	\$ 2,070,160.89
Payroll	5,375,466.08	5,087,710.87
Investment Trades		
Self-Insured Health and Dental		
Student	476,089.28	674,577.21
Other	68,204.39	19,390.76
Interfund Payable [Note 12]		
Due to Other Agencies	9,561.49	45,808.52
Due to Other Funds		
Due to Other Members	78,391.17	7,489.58
Funds Held for Investment		
Unearned Revenue	24,736,758.98	25,066,112.87
Employees' Compensable Leave	228,905.41	448,766.32
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations		
Liabilities Payable From Restricted Assets		
Funds Held for Others	158,933.35	502,445.14
Other Current Liabilities	135,573.33	138,384.53
Total Current Liabilities	<u>\$ 33,838,381.93</u>	<u>\$ 34,060,846.69</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$ 2,742,441.36	\$ 2,352,909.56
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		
Other Non-Current Liabilities	276,246.07	249,829.22
Total Non-Current Liabilities	<u>\$ 3,018,687.43</u>	<u>\$ 2,602,738.78</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 36,857,069.36</u>	<u>\$ 36,663,585.47</u>
Net Position		
Net Investment In Capital Assets	\$ 133,927,823.73	\$ 136,390,634.49
Restricted for		
Debt Service		
Capital Projects	8,159,573.31	2,664,148.94
Education	19,658,469.48	19,266,006.36
Endowment and Permanent Funds		
Nonexpendable	16,610,193.88	15,872,110.51
Expendable	5,283,963.73	4,931,848.75
Unrestricted	76,331,886.57	63,363,094.97
Total Net Position [Exhibit IV]	<u>\$ 259,971,910.70</u>	<u>\$ 242,487,844.02</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 296,828,980.06</u>	<u>\$ 279,151,429.49</u>

UNAUDITED

EXHIBIT IV  
 TEXAS A&M UNIVERSITY-KINGSVILLE  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$ 73,325,446.07	\$ 68,090,938.72
Discounts and Allowances	(15,906,628.61)	(15,534,070.24)
Professional Fees		163,584.00
Auxiliary Enterprises	18,856,106.53	17,459,212.46
Discounts and Allowances	(2,946,608.17)	(2,917,585.07)
Other Sales of Goods and Services	6,371,726.51	6,321,888.33
Discounts and Allowances		
Interest Revenue	68,100.29	66,701.51
Federal Revenue - Operating	10,395,853.62	9,198,403.51
Federal Pass Through Revenue	1,035,571.51	1,165,638.47
State Grant Revenue		1,000.00
State Pass Through Revenue	7,699,802.08	7,571,013.78
Other Grants and Contracts - Operating	3,045,007.77	3,450,470.72
Other Operating Revenue	595,929.93	821,108.88
<b>Total Operating Revenues</b>	<b>\$ 102,540,307.53</b>	<b>\$ 95,858,305.07</b>
Operating Expenses		
Instruction	\$ 43,043,103.89	\$ 38,165,184.82
Research	17,500,750.64	17,224,793.14
Public Service	1,199,805.03	648,775.50
Academic Support	12,697,044.43	11,076,264.25
Student Services	15,356,836.17	13,210,820.07
Institutional Support	12,637,890.89	13,916,647.59
Operation & Maintenance of Plant	10,446,714.41	9,274,359.81
Scholarships & Fellowships	17,222,655.67	18,868,053.18
Auxiliary	23,133,462.12	22,092,057.13
Depreciation/Amortization	9,440,266.41	9,922,919.65
<b>Total Operating Expenses [Schedule IV-1]</b>	<b>\$ 162,678,529.66</b>	<b>\$ 154,399,875.14</b>
<b>Total Operating Income [Loss]</b>	<b>\$ (60,138,222.13)</b>	<b>\$ (58,541,570.07)</b>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 46,626,080.26	\$ 39,704,334.98
Federal Revenue Non-Operating	17,720,688.50	20,316,401.23
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	5,243,110.24	7,044,014.58
Investment Income	4,073,525.69	(1,147,066.62)
Investing Activities Expense	(177,680.82)	(148,691.39)
Interest Expense		
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	(5,825.64)	9,302.29
Settlement of Claims	(166,453.00)	
Other Nonoperating Revenues	171,351.96	49,625.84
Other Nonoperating [Expenses]	(2,726,472.88)	(1,694,552.70)
<b>Total Nonoperating Revenues [Expenses]</b>	<b>\$ 70,758,324.31</b>	<b>\$ 64,133,368.21</b>
<b>Income [Loss] Before Other Revenues and Transfers</b>	<b>\$ 10,620,102.18</b>	<b>\$ 5,591,798.14</b>

UNAUDITED

EXHIBIT IV  
 TEXAS A&M UNIVERSITY-KINGSVILLE  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Other Revenues and Transfers		
Capital Contributions	\$ 70,261.09	\$ 40,228.84
Capital Appropriations [Higher Education Fund]	5,977,371.00	5,046,885.00
Additions to Permanent and Term Endowments	635,219.00	199,608.42
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	104,599.00	160,410.00
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	9,832,737.20	4,855,330.40
Nonmandatory Transfers From Members/Agencies-Cap Assets		
Transfers Out		
Transfers to Other State Agencies	(8,802.97)	(377,558.68)
Mandatory Transfers to Other Members	(5,251,906.76)	(4,967,946.66)
Nonmandatory Transfers to Other Members	(300,300.06)	
Nonmandatory Transfers to Members/Agencies - Cap Assets		
Legislative Transfers - In	137,725.00	
Legislative Transfers - Out	(4,332,938.00)	(4,211,332.83)
Legislative Appropriations Lapsed		(113,922.11)
Total Other Revenues and Transfers	<u>\$ 6,863,964.50</u>	<u>\$ 631,702.38</u>
Change In Net Position	<u>\$ 17,484,066.68</u>	<u>\$ 6,223,500.52</u>
Net Position, Beginning of Year	<u>\$ 242,487,844.02</u>	<u>\$ 236,264,343.50</u>
Restatement		
Net Position, Beginning of Year, Restated	<u>\$ 242,487,844.02</u>	<u>\$ 236,264,343.50</u>
Net Position, End of Year	<u>\$ 259,971,910.70</u>	<u>\$ 242,487,844.02</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, 2016

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$	\$ 6,747.50	\$
Salaries & Wages	32,141,844.72	8,917,032.13	350,746.23	7,656,121.44	5,370,488.31
Payroll Related Costs	7,479,309.84	2,265,567.33	48,996.62	1,352,919.14	1,428,381.02
Payroll Related Costs-TRS Pension					
Professional Fees & Services	269,663.78	535,330.20	226,480.22	404,369.74	1,613,497.78
Travel	596,392.23	603,038.09	41,247.27	215,481.28	435,701.23
Materials & Supplies	1,275,639.20	2,513,333.45	97,123.49	1,894,821.43	1,014,786.44
Communication & Utilities	29,772.62	127,011.89	9,681.24	14,447.34	97,512.45
Repairs & Maintenance	109,499.41	212,452.58	1,202.00	117,801.57	744,425.02
Rentals & Leases	143,491.91	44,843.50	48,490.27	85,514.25	127,158.53
Printing & Reproduction	11,658.11	112,259.17	2,917.09	51,532.38	81,352.37
Federal Pass-Through		93,430.15			
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					(208,505.17)
Interest	956.90	701.45	8.15	3,331.54	1,134.84
Scholarships	85,518.81	799,943.71	2,300.00	10,000.00	236,515.00
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses	899,356.36	1,275,806.99	370,612.45	883,956.82	4,414,388.35
Total Operating Expenses	\$ 43,043,103.89	\$ 17,500,750.64	\$ 1,199,805.03	\$ 12,697,044.43	\$ 15,356,836.17

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$	\$	\$ 514.59	\$	\$ 7,262.09	\$ 6,162.18
5,186,352.90	1,420,107.15	712,760.86	5,535,920.28		67,291,374.02	61,280,276.76
4,340,635.24	163,376.02	76,479.28	1,212,188.93		18,367,853.42	16,714,826.16
1,295,145.27	5,167,550.32	160,410.00	8,879,370.02		18,551,817.33	15,381,494.11
201,319.30	35,164.49	7,998.27	908,846.50		3,045,188.66	2,731,982.85
395,666.28	346,468.33	57,857.65	1,515,419.15		9,111,115.42	9,703,655.35
20,486.34	2,661,627.57	137,725.00	2,382,885.00		5,481,149.45	5,388,973.27
115,659.30	416,613.77		698,582.73		2,416,236.38	2,941,717.90
56,417.37	5,998.29	4,302.54	162,060.46		678,277.12	751,541.01
133,506.50	183.24		78,785.24		472,194.10	448,700.65
		4,522,040.93			4,615,471.08	7,163,004.44
		52,639.00			52,639.00	102,054.59
				9,440,266.41	9,440,266.41	9,922,919.65
					(208,505.17)	(286,655.68)
395.76	1,701.62		1,148.67		9,378.93	3,158.46
17,800.00		11,435,912.03	548,494.63		13,136,484.18	12,855,370.40
874,506.63	227,923.61	54,530.11	1,209,245.92		10,210,327.24	9,290,693.04
<u>\$ 12,637,890.89</u>	<u>\$ 10,446,714.41</u>	<u>\$ 17,222,655.67</u>	<u>\$ 23,133,462.12</u>	<u>\$ 9,440,266.41</u>	<u>\$ 162,678,529.66</u>	<u>\$ 154,399,875.14</u>

[Exhibit IV]



UNAUDITED

EXHIBIT V  
TEXAS A&M UNIVERSITY-KINGSVILLE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 56,218,652.60	\$ 56,847,687.90
Proceeds Received From Customers	6,299,176.45	6,224,950.20
Proceeds From Grants and Contracts	22,215,601.42	20,752,854.66
Proceeds From Auxiliary Enterprises	15,340,645.29	14,532,464.26
Proceeds From Loan Programs	187,151.14	657,615.14
Proceeds From Other Operating Revenues	575,145.62	758,464.17
Payments to Suppliers for Goods and Services	(48,412,978.30)	(47,492,089.25)
Payments to Employees	(85,201,801.34)	(76,000,963.37)
Payments for Loans Provided		
Payments for Other Operating Expenses	(18,240,080.90)	(20,164,490.88)
Net Cash Provided [Used] By Operating Activities	<u>\$ (51,018,488.02)</u>	<u>\$ (43,883,507.17)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 46,106,410.87	\$ 38,394,129.21
Proceeds From Gifts	5,243,110.24	7,044,014.58
Proceeds From Endowments	635,219.00	199,608.42
Proceeds From Transfers From Other Funds		160,410.00
Proceeds From Other Grant Receipts	17,720,688.50	20,316,401.23
Proceeds From Other Noncapital Financing Activities	186,453.42	103,065.84
Payments of Interest		
Payments for Transfers to Other Funds	(8,802.97)	(377,558.68)
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(568,377.73)	(154,896.14)
Other Noncapital Transfers From/To System	1,332,437.14	955,330.40
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 70,647,138.47</u>	<u>\$ 66,640,504.86</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$	\$ 9,521.00
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts	4,926,303.27	3,512,216.24
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	(9,570,057.59)	(4,171,716.17)
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]	2,769,206.61	2,684,728.29
Intrasystem Transfers for Capital Debt [Mandatory]	(9,584,844.76)	(9,179,279.49)
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (11,459,392.47)</u>	<u>\$ (7,144,530.13)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	(11,065,109.07)	(10,844,279.41)
Proceeds From Interest and Investment Income	1,516,481.12	1,091,493.65
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ (9,548,627.95)</u>	<u>\$ (9,752,785.76)</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ (1,379,369.97)</u>	<u>\$ 5,859,681.80</u>
Cash and Cash Equivalents, Beginning of Year	\$ 34,576,493.99	\$ 28,716,812.19
Restatement		
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 34,576,493.99</u>	<u>\$ 28,716,812.19</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 33,197,124.02</u>	<u>\$ 34,576,493.99</u>

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EXHIBIT V  
TEXAS A&M UNIVERSITY-KINGSVILLE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(60,138,222.13)	(58,541,570.07)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	9,440,266.41	9,922,919.65
Bad Debt Expense	115,755.22	176,527.32
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	(1,815,593.89)	16,203.66
[Increase] Decrease In Due From Other Funds	435,611.86	(252,790.79)
[Increase] Decrease In Due From System Members	(129,822.13)	(135,986.08)
[Increase] Decrease In Inventories		
[Increase] Decrease In Prepaid Expenses	(381,227.01)	265,538.72
[Increase] Decrease In Loans and Contracts	957,500.37	1,304,870.30
[Increase] Decrease In Other Assets	(9,553.85)	(162,969.44)
Increase [Decrease] In Payables	638,418.47	(204,108.00)
Increase [Decrease] In Due to Other Agencies/Funds	(36,247.03)	5,723.09
Increase [Decrease] In Due to System Members	70,703.04	(26,217.43)
Increase [Decrease] In Unearned Revenue	(329,353.89)	3,168,011.42
Increase [Decrease] In Deposits	(88,638.52)	(5,617.52)
Increase [Decrease] In Employees' Compensable Leave	169,670.89	633,555.50
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities	82,244.17	(47,597.50)
Total Adjustments	<u>\$ 9,119,734.11</u>	<u>\$ 14,658,062.90</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (51,018,488.02)</u>	<u>\$ (43,883,507.17)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$ 70,261.09	\$ 40,228.84
Net Change In Fair Value of Investments	1,817,720.02	(4,557,193.24)
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	(5,825.64)	9,302.29



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SCHEDULE THREE  
 TEXAS A&M UNIVERSITY-KINGSVILLE  
 SCHEDULE OF CASH & CASH EQUIVALENTS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Cashiers Account	\$ 30,000.00
Petty Cash Department Working Fund	<u>583.25</u>
Total Cash On Hand	<u>\$ 30,583.25</u>
Cash In State Treasury	
Fund 0254	\$ 20,735,548.72
Fund 0980	<u>977.51</u>
Total Cash In State Treasury	<u>\$ 20,736,526.23</u>
Reimbursements Due From State Treasury	\$ 1,585.43
Assets Held By System Offices-Current	<u>10,357,128.07</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 31,125,822.98</u>
Restricted	
Assets Held By System Offices-Current	<u>\$ 2,071,301.04</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 2,071,301.04</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 33,197,124.02</u></u>

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SCHEDULE N-2  
 TEXAS A&M UNIVERSITY-KINGSVILLE  
 NOTE 2 - CAPITAL ASSETS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	BALANCE 9-1-15	ADJUSTMENTS	COMPLETED CIP
<b>Non-Depreciable/Non-Amortizable Assets</b>			
Land and Land Improvements	\$ 2,643,687.12	\$	\$
Construction In Progress	13,820,346.73		(6,474,393.11)
Other Tangible Capital Assets	86,092.69		
<b>Total Non-Depreciable/Non-Amortizable Assets</b>	<b>\$ 16,550,126.54</b>	<b>\$</b>	<b>\$ (6,474,393.11)</b>
<b>Depreciable Assets</b>			
Buildings	\$ 197,351,261.08	\$	\$ 6,474,393.11
Infrastructure	12,318,323.24		
Facilities and Other Improvements	11,854,311.70		
Furniture and Equipment	17,376,089.83		
Vehicles, Boats and Aircraft	2,471,717.22		
Other Capital Assets	6,420,974.02		
<b>Total Depreciable Assets at Historical Cost</b>	<b>\$ 247,792,677.09</b>	<b>\$</b>	<b>\$ 6,474,393.11</b>
<b>Less Accumulated Depreciation for</b>			
Buildings	\$ (92,544,891.07)	\$	\$
Infrastructure	(7,557,710.20)		
Facilities and Other Improvements	(6,053,994.40)		
Furniture and Equipment	(13,961,462.84)		
Vehicles, Boats and Aircraft	(1,992,907.77)		
Other Capital Assets	(5,900,748.11)		
<b>Total Accumulated Depreciation</b>	<b>\$ (128,011,714.39)</b>	<b>\$</b>	<b>\$</b>
<b>Depreciable Assets, Net</b>	<b>\$ 119,780,962.70</b>	<b>\$</b>	<b>\$ 6,474,393.11</b>
<b>Amortizable Assets - Intangible</b>			
Computer Software	\$ 2,175,755.93	\$	\$
<b>Total Intangible Assets at Historical Cost</b>	<b>\$ 2,175,755.93</b>	<b>\$</b>	<b>\$</b>
<b>Less Accumulated Amortization for</b>			
Computer Software	\$ (2,116,210.68)	\$	\$
<b>Total Accumulated Amortization</b>	<b>\$ (2,116,210.68)</b>	<b>\$</b>	<b>\$</b>
<b>Amortizable Assets, Net</b>	<b>\$ 59,545.25</b>	<b>\$</b>	<b>\$</b>
<b>Capital Assets, Net</b>	<b>\$ 136,390,634.49</b>	<b>\$</b>	<b>\$</b>

INC-INTERAGENCY TRANSACTIONS	DEC-INTERAGENCY TRANSACTIONS	ADDITIONS	DELETIONS	BALANCE 8-31-16
\$	\$	\$ 6,947,758.35	\$	\$ 2,643,687.12 14,293,711.97 86,092.69
<u>\$</u>	<u>\$</u>	<u>\$ 6,947,758.35</u>	<u>\$</u>	<u>\$ 17,023,491.78</u>
\$	\$	\$	\$ (2,604,122.37)	\$ 201,221,531.82 12,318,323.24 11,854,311.70
		1,570,871.69	(561,448.94)	18,385,512.58
		1,074,545.21	(121,552.00)	3,424,710.43
		47,143.43	(52,831.49)	6,415,285.96
<u>\$</u>	<u>\$</u>	<u>\$ 2,692,560.33</u>	<u>\$ (3,339,954.80)</u>	<u>\$ 253,619,675.73</u>
\$	\$	\$ (7,154,380.58)	\$	\$ (99,699,271.65)
		(494,127.24)		(8,051,837.44)
		(508,174.32)		(6,562,168.72)
		(992,579.82)	555,539.77	(14,398,502.89)
		(208,551.54)	121,552.00	(2,079,907.31)
		(22,907.66)		(5,923,655.77)
<u>\$</u>	<u>\$</u>	<u>\$ (9,380,721.16)</u>	<u>\$ 677,091.77</u>	<u>\$ (136,715,343.78)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (6,688,160.83)</u>	<u>\$ (2,662,863.03)</u>	<u>\$ 116,904,331.95</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (18,000.00)</u>	<u>\$ 2,157,755.93</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (18,000.00)</u>	<u>\$ 2,157,755.93</u>
<u>\$</u>	<u>\$</u>	<u>\$ (59,545.25)</u>	<u>\$ 18,000.00</u>	<u>\$ (2,157,755.93)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (59,545.25)</u>	<u>\$ 18,000.00</u>	<u>\$ (2,157,755.93)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (59,545.25)</u>	<u>\$</u>	<u>\$</u>
<u>\$</u>	<u>\$</u>	<u>\$ 200,052.27</u>	<u>\$ (2,662,863.03)</u>	<u>\$ 133,927,823.73</u>







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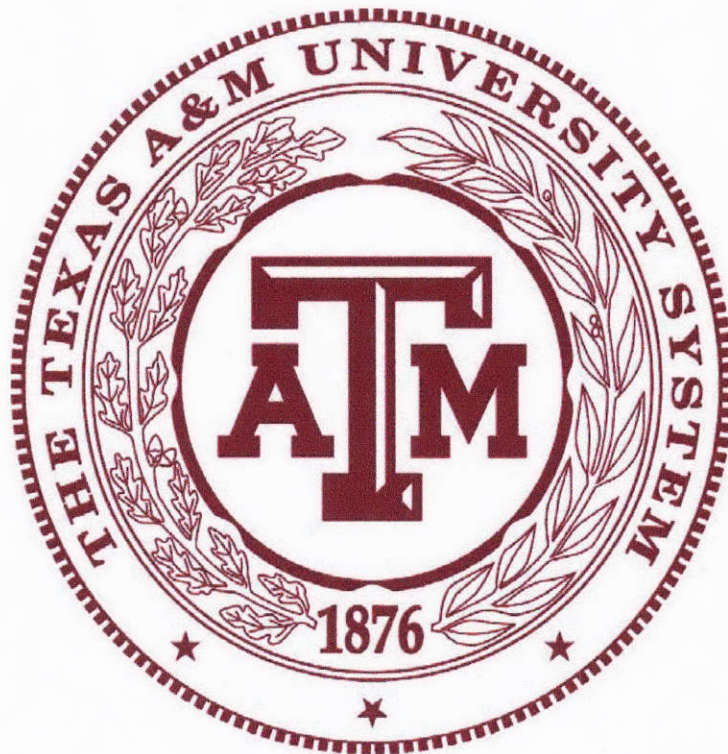
# ANNUAL FINANCIAL REPORT

of

Texas A&M University - San Antonio

*For the Year Ended August 31, 2016*

*With Comparative Totals for the Year Ended August 31, 2015*



**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**

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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 2015</u>	<u>FALL 2016</u>
Texas Resident	4,514	5,452
Out-of-State	23	33
Foreign	27	31
Total Students	<u>4,564</u>	<u>5,516</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

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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, 2016

	<u>CURRENT YEAR TOTAL</u>	<u>PRIOR YEAR TOTAL</u>
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 24,285,728.56	\$ 17,486,895.31
Investments		
Derivative Instruments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	1,539,537.37	1,408,546.42
Investments		
Legislative Appropriations	1,618,954.40	(19,120.78)
Receivables, Net [Note 24]		
Federal	412,121.61	
Other Intergovernmental		
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student	6,966,107.92	1,169,423.84
Investment Trades		
Accounts	61,296.84	18,186.51
Other	3,257.36	24,395.05
Due From Other Agencies	14,235.00	
Due From Other Members	2,540,964.94	1,467,083.81
Due From Other Funds	1,162,237.85	
Consumable Inventories		
Merchandise Inventories		
Loans and Contracts	518,808.70	596,741.22
Interfund Receivable [Note 12]		
Other Current Assets	<u>583,702.27</u>	<u>429,660.77</u>
Total Current Assets	<u>\$ 39,706,952.82</u>	<u>\$ 22,581,812.15</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 3,872,233.77	\$ 3,707,835.69
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts		
Assets Held By System Office	14,880,209.71	11,619,504.50
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		
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	88,657,271.21	88,128,616.86
Infrastructure	10,942,186.42	10,873,108.30
Facilities and Other Improvements	4,192,688.27	4,179,880.28
Furniture and Equipment	2,286,061.24	2,321,720.60
Vehicles, Boats, and Aircraft	288,486.03	258,661.03
Other Capital Assets	597,963.88	549,421.11
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	384,763.96	384,763.96
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(17,128,804.02)	(11,369,818.60)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 125,410,171.52</u>	<u>\$ 127,090,804.78</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>\$ 165,117,124.34</u>	<u>\$ 149,672,616.93</u>

UNAUDITED

EXHIBIT III  
 TEXAS A&M UNIVERSITY-SAN ANTONIO  
 STATEMENT OF NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	<u>CURRENT YEAR TOTAL</u>	<u>PRIOR YEAR TOTAL</u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 1,161,438.47	\$ 753,744.66
Payroll	2,327,556.28	1,477,946.33
Investment Trades		
Self-Insured Health and Dental		
Student	394,791.40	143,150.53
Other	5,387.88	26,659.21
Interfund Payable [Note 12]		
Due to Other Agencies		
Due to Other Funds	1,162,237.85	
Due to Other Members	750,801.35	609,300.41
Funds Held for Investment		
Unearned Revenue	14,607,304.59	7,896,706.66
Employees' Compensable Leave	114,628.21	62,431.06
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations	29,353.27	29,353.27
Liabilities Payable From Restricted Assets		
Funds Held for Others	890,186.13	851,452.68
Other Current Liabilities	.98	1,885.27
Total Current Liabilities	<u>\$ 21,443,686.41</u>	<u>\$ 11,852,630.08</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$	\$
Employees' Compensable Leave	816,252.45	867,975.40
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	1,584,934.32	1,281,504.78
Capital Lease Obligations		
Other Non-Current Liabilities	<u>55,402.99</u>	<u>35,402.99</u>
Total Non-Current Liabilities	<u>\$ 2,456,589.76</u>	<u>\$ 2,184,883.17</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>\$ 23,900,276.17</u>	<u>\$ 14,037,513.25</u>
Net Position		
Net Investment In Capital Assets	\$ 106,657,728.04	\$ 111,763,464.59
Restricted for		
Debt Service		
Capital Projects		
Education	3,100,079.65	3,241,378.72
Endowment and Permanent Funds		
Nonexpendable	298,912.83	301,862.35
Expendable	31,160,127.65	20,328,398.02
Unrestricted	<u>31,160,127.65</u>	<u>20,328,398.02</u>
Total Net Position [Exhibit IV]	<u>\$ 141,216,848.17</u>	<u>\$ 135,635,103.68</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 165,117,124.34</u>	<u>\$ 149,672,616.93</u>

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EXHIBIT IV  
 TEXAS A&M UNIVERSITY-SAN ANTONIO  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$ 26,739,963.56	\$ 24,885,214.11
Discounts and Allowances	(5,168,475.87)	(4,300,827.20)
Professional Fees		
Auxiliary Enterprises	364,499.99	234,741.16
Discounts and Allowances		
Other Sales of Goods and Services	314,173.37	349,228.05
Discounts and Allowances		
Interest Revenue	(4,459.39)	4,634.66
Federal Revenue - Operating	43,494.43	
Federal Pass Through Revenue	75,503.26	16,000.00
State Grant Revenue		
State Pass Through Revenue	92,988.00	99,632.70
Other Grants and Contracts - Operating	30,666.99	73,000.00
Other Operating Revenue	78,642.40	58,955.03
Total Operating Revenues	<u>\$ 22,566,996.74</u>	<u>\$ 21,420,578.51</u>
Operating Expenses		
Instruction	\$ 15,611,422.34	\$ 14,949,309.65
Research	419,424.78	96,728.95
Public Service	404,023.46	270,154.14
Academic Support	5,179,146.41	4,739,471.08
Student Services	9,521,061.35	7,438,455.77
Institutional Support	7,193,942.13	6,569,973.63
Operation & Maintenance of Plant	4,932,281.90	4,679,856.95
Scholarships & Fellowships	5,628,869.62	5,359,980.37
Auxiliary	195,581.43	243,644.13
Depreciation/Amortization	5,775,329.22	5,381,832.89
Total Operating Expenses [Schedule IV-1]	<u>\$ 54,861,082.64</u>	<u>\$ 49,729,407.56</u>
Total Operating Income [Loss]	<u>\$ (32,294,085.90)</u>	<u>\$ (28,308,829.05)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 28,696,334.70	\$ 20,890,067.73
Federal Revenue Non-Operating	3,487,839.00	
Federal Pass Through Non-Operating	4,522,040.93	6,963,355.41
State Pass Through Non-Operating		
Gifts	387,510.64	701,473.27
Investment Income	803,791.95	35,895.42
Investing Activities Expense	(38,557.66)	(35,688.72)
Interest Expense		(3,331.50)
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets		
Settlement of Claims		
Other Nonoperating Revenues		43,231.26
Other Nonoperating [Expenses]	(146,120.63)	(5,567,170.58)
Total Nonoperating Revenues [Expenses]	<u>\$ 37,712,838.93</u>	<u>\$ 23,027,832.29</u>
Income [Loss] Before Other Revenues and Transfers	<u>\$ 5,418,753.03</u>	<u>\$ (5,280,996.76)</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, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u>          </u>	<u>          </u>
Other Revenues and Transfers		
Capital Contributions	\$ 12,943.50	\$ 93,034.50
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments		
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	40,588.00	39,931.00
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	1,987,407.29	769,629.16
Nonmandatory Transfers From Members/Agencies-Cap Assets	704,968.59	13,928,538.08
Transfers Out		
Transfers to Other State Agencies		(155,174.93)
Mandatory Transfers to Other Members		
Nonmandatory Transfers to Other Members	(1,520.92)	(5,351.89)
Nonmandatory Transfers to Members/Agencies - Cap Assets		
Legislative Transfers - In	53,443.00	
Legislative Transfers - Out	(2,634,838.00)	(2,637,238.00)
Legislative Appropriations Lapsed		
	<u>          </u>	<u>          </u>
Total Other Revenues and Transfers	\$ 162,991.46	\$ 12,033,367.92
	<u>          </u>	<u>          </u>
Change In Net Position	\$ 5,581,744.49	\$ 6,752,371.16
	<u>          </u>	<u>          </u>
Net Position, Beginning of Year	\$ 135,635,103.68	\$ 128,882,732.52
Restatement		
	<u>          </u>	<u>          </u>
Net Position, Beginning of Year, Restated	\$ 135,635,103.68	\$ 128,882,732.52
	<u>          </u>	<u>          </u>
Net Position, End of Year	\$ 141,216,848.17	\$ 135,635,103.68
	<u>          </u>	<u>          </u>

UNAUDITED

SCHEDULE IV-1  
 TEXAS A&M UNIVERSITY-SAN ANTONIO  
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX  
 FOR THE YEAR ENDED AUGUST 31, 2016

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$	\$	\$
Salaries & Wages	11,055,820.50	268,408.62	48,273.88	3,028,947.15	4,577,757.10
Payroll Related Costs	2,353,455.12	52,844.59	9,024.67	1,126,912.59	814,636.63
Payroll Related Costs-TRS Pension					
Professional Fees & Services	231,211.43	46,791.86	115,551.67	66,102.72	894,182.46
Travel	183,637.03	10,426.56	728.34	44,005.52	133,542.10
Materials & Supplies	1,411,428.48	11,136.46	16,526.53	259,927.61	2,221,632.08
Communication & Utilities	54,208.58	4,940.59	586.03	449,859.10	119,389.08
Repairs & Maintenance	11,106.14		4,088.99	100,027.16	85,651.27
Rentals & Leases	119,775.34	9,698.28	26,689.67	5,450.12	78,342.02
Printing & Reproduction	15,376.77	222.35	32,618.95	8,134.90	142,510.63
Federal Pass-Through		7,309.49			
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					(30,807.43)
Interest				18.57	84.20
Scholarships		4,100.00			
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses	175,402.95	3,545.98	149,934.73	89,760.97	484,141.21
Total Operating Expenses	<u>\$ 15,611,422.34</u>	<u>\$ 419,424.78</u>	<u>\$ 404,023.46</u>	<u>\$ 5,179,146.41</u>	<u>\$ 9,521,061.35</u>



INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$	\$	\$	\$	\$	\$
3,654,140.48	848,046.01	1,710.74	127,602.84		23,610,707.32	21,735,460.62
997,841.06	175,504.82	133.08	36,340.13		5,566,692.69	5,037,424.38
875,149.12	2,158,666.30		3,842.80		4,391,498.36	3,636,415.52
99,867.87	16,555.25		103.68		488,866.35	406,550.14
423,588.04	92,191.76		21,539.75		4,457,970.71	3,835,398.97
17,887.05	674,600.39		3,333.33		1,324,804.15	1,349,443.24
72,422.41	22,423.98				295,719.95	350,202.62
84,281.28	876,126.90				1,200,363.61	1,127,051.08
58,206.95	6,599.56		119.50		263,789.61	198,591.97
					7,309.49	
				5,775,329.22	5,775,329.22	5,381,832.89
110.13	24.35				(30,807.43)	(70,685.01)
		5,627,025.80			237.25	708.61
72,503.00					5,631,125.80	5,443,216.19
					72,503.00	
837,944.74	61,542.58		2,699.40		1,804,972.56	1,297,488.88
<u>\$ 7,193,942.13</u>	<u>\$ 4,932,281.90</u>	<u>\$ 5,628,869.62</u>	<u>\$ 195,581.43</u>	<u>\$ 5,775,329.22</u>	<u>\$ 54,861,082.64</u>	<u>\$ 49,729,407.56</u>

[Exhibit IV]

UNAUDITED

EXHIBIT V  
TEXAS A&M UNIVERSITY-SAN ANTONIO  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 22,732,142.41	\$ 18,972,566.60
Proceeds Received From Customers	191,706.80	346,834.33
Proceeds From Grants and Contracts	242,652.68	204,656.59
Proceeds From Auxiliary Enterprises	377,677.11	237,473.65
Proceeds From Loan Programs		1,848,733.67
Proceeds From Other Operating Revenues	76,788.11	46,155.30
Payments to Suppliers for Goods and Services	(14,307,225.17)	(12,484,949.60)
Payments to Employees	(28,327,315.86)	(26,449,678.63)
Payments for Loans Provided	(307,647.50)	
Payments for Other Operating Expenses	(5,623,628.80)	(5,402,226.52)
Net Cash Provided [Used] By Operating Activities	<u>\$ (24,944,850.22)</u>	<u>\$ (22,680,434.61)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 27,111,702.52	\$ 22,122,713.76
Proceeds From Gifts	387,510.64	701,473.27
Proceeds From Endowments		
Proceeds From Transfers From Other Funds	40,588.00	39,931.00
Proceeds From Other Grant Receipts	8,009,879.93	6,963,355.41
Proceeds From Other Noncapital Financing Activities	701,058.24	39,853.24
Payments of Interest		
Payments for Transfers to Other Funds		(155,174.93)
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	7,301.93	(24,597.01)
Other Noncapital Transfers From/To System	985,886.37	264,277.27
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 37,243,927.63</u>	<u>\$ 29,951,832.01</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		29,353.27
Proceeds From Capital Contributions		
Payments for Additions to Capital Assets	(77,801.21)	(1,103,146.98)
Payments of Principal On Debt		
Payments for Capital Leases		
Payments of Interest On Debt Issuance		(3,331.50)
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]	3,255.00	234,744.35
Intrasystem Transfers for Capital Debt [Mandatory]	(2,634,838.00)	(2,637,238.00)
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (2,709,384.21)</u>	<u>\$ (3,479,618.86)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	(3,003,707.63)	(2,224,682.82)
Proceeds From Interest and Investment Income	343,838.63	248,810.41
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ (2,659,869.00)</u>	<u>\$ (1,975,872.41)</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ 6,929,824.20</u>	<u>\$ 1,815,906.13</u>
Cash and Cash Equivalents, Beginning of Year Restatement	<u>\$ 18,895,441.73</u>	<u>\$ 17,079,535.60</u>
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 18,895,441.73</u>	<u>\$ 17,079,535.60</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 25,825,265.93</u>	<u>\$ 18,895,441.73</u>

UNAUDITED

EXHIBIT V  
 TEXAS A&M UNIVERSITY-SAN ANTONIO  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(32,294,085.90)	(28,308,829.05)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	5,775,329.22	5,381,832.89
Bad Debt Expense	78,789.31	(26,190.99)
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	(6,340,375.07)	(100,725.79)
[Increase] Decrease In Due From Other Funds	(14,235.00)	
[Increase] Decrease In Due From System Members	(77,136.13)	
[Increase] Decrease In Inventories		
[Increase] Decrease In Prepaid Expenses	(153,195.82)	97,790.93
[Increase] Decrease In Loans and Contracts	108,739.95	1,815,052.81
[Increase] Decrease In Other Assets	(845.68)	
Increase [Decrease] In Payables	1,121,476.12	(261,847.47)
Increase [Decrease] In Due to Other Agencies/Funds		
Increase [Decrease] In Due to System Members	141,500.94	87,550.19
Increase [Decrease] In Unearned Revenue	6,710,597.93	(1,566,780.84)
Increase [Decrease] In Deposits	(1,884.29)	1,885.27
Increase [Decrease] In Employees' Compensable Leave	474.20	199,827.44
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities		
Total Adjustments	\$ 7,349,235.68	\$ 5,628,394.44
Net Cash Provided [Used] By Operating Activities	\$ (24,944,850.22)	\$ (22,680,434.61)
Non-Cash Transactions		
Donation of Capital Assets	\$ 12,943.50	\$ 186,069.00
Net Change In Fair Value of Investments	337,715.54	(752,562.99)
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	704,968.59	13,928,538.08



UNAUDITED

SCHEDULE THREE  
 TEXAS A&M UNIVERSITY-SAN ANTONIO  
 SCHEDULE OF CASH & CASH EQUIVALENTS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL
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	<u>\$ 13,230,622.86</u>
Total Cash In State Treasury	<u>\$ 13,230,622.86</u>
Reimbursements Due From State Treasury	\$ 19,083.16
Assets Held By System Offices-Current	<u>11,033,472.54</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 24,285,728.56</u>
Restricted	
Assets Held By System Offices-Current	<u>\$ 1,539,537.37</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 1,539,537.37</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 25,825,265.93</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, 2016

	BALANCE 9-1-15	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 15,761,847.10	\$	\$
Construction In Progress			(716,802.09)
Other Tangible Capital Assets	675,263.95		
Total Non-Depreciable/Non-Amortizable Assets	<u>\$ 16,437,111.05</u>	<u>\$</u>	<u>\$ (716,802.09)</u>
Depreciable Assets			
Buildings	\$ 88,128,616.86	\$	\$ 528,654.35
Infrastructure	10,873,108.30		69,078.12
Facilities and Other Improvements	4,179,880.28		12,807.99
Furniture and Equipment	2,321,720.60		106,261.63
Vehicles, Boats and Aircraft	258,661.03		
Other Capital Assets	549,421.11		
Total Depreciable Assets at Historical Cost	<u>\$ 106,311,408.18</u>	<u>\$</u>	<u>\$ 716,802.09</u>
Less Accumulated Depreciation for			
Buildings	\$ (8,130,334.16)	\$	\$
Infrastructure	(990,847.10)		
Facilities and Other Improvements	(575,222.73)		
Furniture and Equipment	(1,027,857.15)		
Vehicles, Boats and Aircraft	(151,430.58)		
Other Capital Assets	(143,251.83)		
Total Accumulated Depreciation	<u>\$ (11,018,943.55)</u>	<u>\$</u>	<u>\$</u>
Depreciable Assets, Net	<u>\$ 95,292,464.63</u>	<u>\$</u>	<u>\$ 716,802.09</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	\$ (350,875.05)	\$	\$
Total Accumulated Amortization	<u>\$ (350,875.05)</u>	<u>\$</u>	<u>\$</u>
Amortizable Assets, Net	<u>\$ 33,888.91</u>	<u>\$</u>	<u>\$</u>
Capital Assets, Net	<u>\$ 111,763,464.59</u>	<u>\$</u>	<u>\$</u>

INC-INTERAGENCY TRANSACTIONS	DEC-INTERAGENCY TRANSACTIONS	ADDITIONS	DELETIONS	BALANCE 8-31-16
\$ 704,968.59	\$	\$ 11,833.50	\$	\$ 15,761,847.10
				675,263.95
<u>\$ 704,968.59</u>	<u>\$</u>	<u>\$ 11,833.50</u>	<u>\$</u>	<u>\$ 16,437,111.05</u>
\$	\$	\$	\$	\$ 88,657,271.21
				10,942,186.42
				4,192,688.27
			(141,920.99)	2,286,061.24
		29,825.00		288,486.03
		<u>49,086.21</u>	<u>(543.44)</u>	<u>597,963.88</u>
<u>\$</u>	<u>\$</u>	<u>\$ 78,911.21</u>	<u>\$ (142,464.43)</u>	<u>\$ 106,964,657.05</u>
\$	\$	\$ (4,406,186.01)	\$	\$ (12,536,520.17)
		(628,537.32)		(1,619,384.42)
		(277,109.70)		(852,332.43)
		(318,001.61)	16,343.80	(1,329,514.96)
		(43,609.36)		(195,039.94)
		<u>(76,468.38)</u>		<u>(219,720.21)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (5,749,912.38)</u>	<u>\$ 16,343.80</u>	<u>\$ (16,752,512.13)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (5,671,001.17)</u>	<u>\$ (126,120.63)</u>	<u>\$ 90,212,144.92</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>\$ (25,416.84)</u>	<u>\$</u>	<u>\$ (376,291.89)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (25,416.84)</u>	<u>\$</u>	<u>\$ (376,291.89)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (25,416.84)</u>	<u>\$</u>	<u>\$ 8,472.07</u>
<u>\$ 704,968.59</u>	<u>\$</u>	<u>\$ (5,684,584.51)</u>	<u>\$ (126,120.63)</u>	<u>\$ 106,657,728.04</u>







UNAUDITED

# ANNUAL FINANCIAL REPORT

of

Texas A&M University - Texarkana

*For the Year Ended August 31, 2016  
With Comparative Totals for the Year Ended August 31, 2015*



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

UNAUDITED

TEXAS A&M UNIVERSITY - TEXARKANA

STUDENT ENROLLMENT DATA

CURRENT YEAR

<u>TYPE OF STUDENT</u>	<u>NUMBER OF STUDENTS BY SEMESTER</u>	
	<u>FALL 2015</u>	<u>FALL 2016</u>
Texas Resident	1,410	1,559
Out-of-State	415	458
Foreign	14	22
Total Students	<u>1,839</u>	<u>2,039</u>

HISTORICAL  
(Fall Semester)

<u>FISCAL YEAR</u>	<u>HEADCOUNT</u>	<u>SEMESTER CREDIT HOURS</u>
2011-12	1,907	19,106
2012-13	1,903	18,932
2013-14	1,805	17,510
2014-15	1,812	17,907
2015-16	1,839	18,056

UNAUDITED

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, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u>          </u>	<u>          </u>
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 6,612,784.49	\$ 7,182,358.06
Investments		
Derivative Instruments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	306,227.38	397,471.26
Investments		
Legislative Appropriations	4,388,753.34	4,071,444.37
Receivables, Net [Note 24]		
Federal	5,674,191.19	5,405,714.22
Other Intergovernmental		
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student	841,487.87	939,942.95
Investment Trades		
Accounts	194,697.49	1,931.63
Other		
Due From Other Agencies	15,898.00	
Due From Other Members		22,293.89
Due From Other Funds	5,998,159.42	3,848,417.00
Consumable Inventories		
Merchandise Inventories		
Loans and Contracts	44,439.92	54,476.42
Interfund Receivable [Note 12]		
Other Current Assets	<u>842,558.43</u>	<u>652,698.47</u>
Total Current Assets	<u>\$ 24,919,197.53</u>	<u>\$ 22,576,748.27</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 14,531,002.21	\$ 10,750,817.87
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts		
Assets Held By System Office	12,552,812.83	14,309,181.24
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	5,724,262.60	5,091,098.46
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	88,314,711.61
Infrastructure	15,479,072.68	15,479,072.68
Facilities and Other Improvements	3,566,260.16	3,566,260.16
Furniture and Equipment	2,213,253.95	2,229,126.58
Vehicles, Boats, and Aircraft	251,258.71	268,629.71
Other Capital Assets	4,911,099.88	4,842,375.55
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	112,354.17	112,354.17
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(36,136,898.59)	(33,584,353.99)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 113,012,341.77</u>	<u>\$ 116,625,627.04</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>\$ 137,931,539.30</u>	<u>\$ 139,202,375.31</u>

UNAUDITED

EXHIBIT III  
TEXAS A&M UNIVERSITY-TEXARKANA  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 1,088,925.15	\$ 687,523.27
Payroll	1,475,548.80	1,002,173.74
Investment Trades		
Self-Insured Health and Dental		
Student	17,098.77	232,062.21
Other		692.40
Interfund Payable [Note 12]		
Due to Other Agencies		
Due to Other Funds	5,998,159.42	3,848,417.00
Due to Other Members	3,200,000.00	378.77
Funds Held for Investment		
Unearned Revenue	5,151,906.29	4,081,027.53
Employees' Compensable Leave	97,248.93	75,075.58
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations		
Liabilities Payable From Restricted Assets		
Funds Held for Others	121,186.42	1,180,032.29
Other Current Liabilities	328,450.52	292,040.23
Total Current Liabilities	<u>\$ 17,478,524.30</u>	<u>\$ 11,399,423.02</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$	\$
Employees' Compensable Leave	438,400.38	461,242.41
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	1,549,248.09	
Capital Lease Obligations		
Other Non-Current Liabilities	50,000.00	40,000.00
Total Non-Current Liabilities	<u>\$ 2,037,648.47</u>	<u>\$ 501,242.41</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 19,516,172.77</u>	<u>\$ 11,900,665.43</u>
Net Position		
Net Investment In Capital Assets	\$ 85,928,526.73	\$ 91,565,627.93
Restricted for		
Debt Service	340,000.00	
Capital Projects		22,293.89
Education	2,998,589.50	4,447,962.72
Endowment and Permanent Funds		
Nonexpendable	4,550,361.63	4,380,508.87
Expendable	438,624.43	482,640.64
Unrestricted	24,159,264.24	26,402,675.83
Total Net Position [Exhibit IV]	<u>\$ 118,415,366.53</u>	<u>\$ 127,301,709.88</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 137,931,539.30</u>	<u>\$ 139,202,375.31</u>

UNAUDITED

EXHIBIT IV  
 TEXAS A&M UNIVERSITY-TEXARKANA  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$ 11,254,614.53	\$ 11,217,263.17
Discounts and Allowances	(3,197,842.77)	(3,106,025.31)
Professional Fees		2,450.00
Auxiliary Enterprises	1,253,318.95	1,225,965.42
Discounts and Allowances	(308,791.67)	(303,809.71)
Other Sales of Goods and Services	176,534.78	141,067.97
Discounts and Allowances		
Interest Revenue	2,635.23	1,790.00
Federal Revenue - Operating	351,492.50	125,438.87
Federal Pass Through Revenue		
State Grant Revenue		
State Pass Through Revenue	659,939.37	489,824.59
Other Grants and Contracts - Operating	230,288.66	138,993.10
Other Operating Revenue	22,081.04	20,175.84
Total Operating Revenues	<u>\$ 10,444,270.62</u>	<u>\$ 9,953,133.94</u>
Operating Expenses		
Instruction	\$ 11,419,881.66	\$ 10,590,040.67
Research	112,034.41	238,691.81
Public Service	235,851.39	12,889.52
Academic Support	4,850,158.19	3,916,758.19
Student Services	3,254,869.56	3,220,328.33
Institutional Support	5,004,261.21	4,907,634.35
Operation & Maintenance of Plant	1,831,076.88	1,652,797.30
Scholarships & Fellowships	2,538,795.20	2,633,641.25
Auxiliary	1,541,138.92	1,652,857.74
Depreciation/Amortization	5,540,958.30	5,563,553.17
Total Operating Expenses [Schedule IV-1]	<u>\$ 36,329,025.72</u>	<u>\$ 34,389,192.33</u>
Total Operating Income [Loss]	<u>\$ (25,884,755.10)</u>	<u>\$ (24,436,058.39)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 21,606,256.39	\$ 18,889,764.57
Federal Revenue Non-Operating	3,501,347.26	3,287,012.64
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	635,721.18	2,067,866.70
Investment Income	590,903.87	(336,400.83)
Investing Activities Expense	(33,988.31)	(19,448.98)
Interest Expense		
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	(712,850.47)	
Settlement of Claims		
Other Nonoperating Revenues	98,457.50	18,501.91
Other Nonoperating [Expenses]	(68,250.87)	(40,000.00)
Total Nonoperating Revenues [Expenses]	<u>\$ 25,617,596.55</u>	<u>\$ 23,867,296.01</u>
Income [Loss] Before Other Revenues and Transfers	<u>\$ (267,158.55)</u>	<u>\$ (568,762.38)</u>

UNAUDITED

EXHIBIT IV  
 TEXAS A&M UNIVERSITY-TEXARKANA  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Other Revenues and Transfers		
Capital Contributions	\$	\$
Capital Appropriations [Higher Education Fund]	1,215,922.00	1,307,907.00
Additions to Permanent and Term Endowments	75,907.97	116,228.22
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	15,898.00	11,946.00
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	222,220.42	321,416.42
Nonmandatory Transfers From Members/Agencies-Cap Assets		
Transfers Out		
Transfers to Other State Agencies	(9,398.73)	(86,190.56)
Mandatory Transfers to Other Members	(877,646.95)	(841,581.51)
Nonmandatory Transfers to Other Members	(3,257,190.51)	(107,927.19)
Nonmandatory Transfers to Members/Agencies - Cap Assets		
Legislative Transfers - In	20,933.00	
Legislative Transfers - Out	(6,025,830.00)	(5,883,336.56)
Legislative Appropriations Lapsed		
Total Other Revenues and Transfers	<u>\$ (8,619,184.80)</u>	<u>\$ (5,161,538.18)</u>
Change In Net Position	<u>\$ (8,886,343.35)</u>	<u>\$ (5,730,300.56)</u>
Net Position, Beginning of Year Restatement	<u>\$ 127,301,709.88</u>	<u>\$ 133,032,010.44</u>
Net Position, Beginning of Year, Restated	<u>\$ 127,301,709.88</u>	<u>\$ 133,032,010.44</u>
Net Position, End of Year	<u><u>\$ 118,415,366.53</u></u>	<u><u>\$ 127,301,709.88</u></u>



UNAUDITED

SCHEDULE IV-1  
 TEXAS A&M UNIVERSITY-TEXARKANA  
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX  
 FOR THE YEAR ENDED AUGUST 31, 2016

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$	\$	\$
Salaries & Wages	7,772,356.10	77,359.86	2,815.35	2,539,959.42	1,591,192.67
Payroll Related Costs	2,516,038.33	3,890.97	9,870.89	385,570.54	438,397.74
Payroll Related Costs-TRS Pension					
Professional Fees & Services	156,690.67	5,892.83	27,428.32	374,734.88	507,832.44
Travel	201,788.92	11,351.84		66,768.59	106,092.36
Materials & Supplies	452,490.51	5,465.34	2,021.83	497,904.03	123,659.90
Communication & Utilities	38,634.62	326.00		541,702.39	13,976.91
Repairs & Maintenance	68,657.99	259.91	182,900.84	154,225.64	90,488.02
Rentals & Leases	42,339.71	618.12		36,349.91	43,920.02
Printing & Reproduction	5,699.70	50.00		8,752.56	36,122.05
Federal Pass-Through					
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					(14,289.00)
Interest	.08				
Scholarships	5,228.90			17,744.00	56,425.00
Claims & Losses					
Net Charge In OPEB Obligation					
Other Operating Expenses	159,956.13	6,819.54	10,814.16	226,446.23	261,051.45
Total Operating Expenses	<u>\$ 11,419,881.66</u>	<u>\$ 112,034.41</u>	<u>\$ 235,851.39</u>	<u>\$ 4,850,158.19</u>	<u>\$ 3,254,869.56</u>

<u>INSTITUTIONAL SUPPORT</u>	<u>OPERATION &amp; MAINTENANCE OF PLANT</u>	<u>SCHOLARSHIPS &amp; FELLOWSHIPS</u>	<u>AUXILIARY</u>	<u>DEPRECIATION &amp; AMORTIZATION</u>	<u>TOTAL</u>	<u>PRIOR YEAR</u>
\$	\$	\$	\$	\$	\$	\$
2,219,591.76	285,747.96	51,596.03	3,329.43		3,329.43	93.75
1,041,434.53	67,544.44	116.48	434,382.25		14,975,001.40	14,386,715.60
			123,037.42		4,585,901.34	3,870,225.47
711,703.77	1,032,081.40		403,456.54		3,219,820.85	2,902,303.52
43,893.61			100,881.33		530,776.65	430,512.16
85,971.83	27,997.16	56.26	94,760.11		1,290,326.97	997,619.37
106,185.50	368,822.14		163,820.47		1,233,468.03	1,284,389.22
328,058.70	5,801.00		9,674.35		840,066.45	579,224.74
20,101.40			45,168.80		188,497.96	154,468.09
52,035.53	1,427.00	106.00	8,667.15		112,859.99	85,256.46
				5,540,958.30	5,540,958.30	5,563,553.17
					(14,289.00)	47,064.00
19.00					19.08	133.60
		2,483,895.06	56,631.21		2,619,924.17	2,677,962.99
<u>395,265.58</u>	<u>41,655.78</u>	<u>3,025.37</u>	<u>97,329.86</u>		<u>1,202,364.10</u>	<u>1,409,670.19</u>
<u>\$ 5,004,261.21</u>	<u>\$ 1,831,076.88</u>	<u>\$ 2,538,795.20</u>	<u>\$ 1,541,138.92</u>	<u>\$ 5,540,958.30</u>	<u>\$ 36,329,025.72</u>	<u>\$ 34,389,192.33</u>

[Exhibit IV]

UNAUDITED

EXHIBIT V  
TEXAS A&M UNIVERSITY-TEXARKANA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 9,026,956.02	\$ 7,350,649.12
Proceeds Received From Customers	161,422.86	143,243.12
Proceeds From Grants and Contracts	1,048,944.28	775,436.81
Proceeds From Auxiliary Enterprises	943,527.28	922,155.71
Proceeds From Loan Programs	2,635.23	1,790.00
Proceeds From Other Operating Revenues	40,240.46	29,997.92
Payments to Suppliers for Goods and Services	(8,310,662.74)	(7,559,989.68)
Payments to Employees	(19,087,798.27)	(18,009,782.08)
Payments for Loans Provided		(23,755.62)
Payments for Other Operating Expenses	(2,712,477.83)	(2,327,047.82)
Net Cash Provided [Used] By Operating Activities	<u>\$ (18,887,212.71)</u>	<u>\$ (18,697,302.52)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 21,631,919.92	\$ 19,293,657.03
Proceeds From Gifts	635,721.18	2,067,866.70
Proceeds From Endowments	75,907.97	116,228.22
Proceeds From Transfers From Other Funds	15,898.00	11,946.00
Proceeds From Other Grant Receipts	3,430,597.29	2,862,985.25
Proceeds From Other Noncapital Financing Activities	379,628.22	18,501.91
Payments of Interest		
Payments for Transfers to Other Funds	(9,398.73)	(86,190.56)
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(40,000.00)	(876,259.32)
Other Noncapital Transfers From/To System	165,029.91	213,489.23
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 26,285,303.76</u>	<u>\$ 23,622,224.46</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 438,250.00	\$
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts	893,882.50	253,777.96
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	(1,042,957.57)	(2,202,483.90)
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	51,239.00
Intrasystem Transfers for Capital Debt [Mandatory]	(6,903,476.95)	(6,724,918.07)
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (6,592,008.13)</u>	<u>\$ (8,622,385.01)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	(1,797,494.29)	(81,400.08)
Proceeds From Interest and Investment Income	330,593.92	296,721.42
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ (1,466,900.37)</u>	<u>\$ 215,321.34</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ (660,817.45)</u>	<u>\$ (3,482,141.73)</u>
Cash and Cash Equivalents, Beginning of Year Restatement	<u>\$ 7,579,829.32</u>	<u>\$ 11,061,971.05</u>
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 7,579,829.32</u>	<u>\$ 11,061,971.05</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 6,919,011.87</u>	<u>\$ 7,579,829.32</u>

UNAUDITED

EXHIBIT V  
 TEXAS A&M UNIVERSITY-TEXARKANA  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	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]	(25,884,755.10)	(24,436,058.39)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	5,540,958.30	5,563,553.17
Bad Debt Expense	85,059.00	255,595.61
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	(193,658.78)	(421,652.92)
[Increase] Decrease In Due From Other Funds	(15,898.00)	
[Increase] Decrease In Due From System Members		21,180.25
[Increase] Decrease In Inventories		
[Increase] Decrease In Prepaid Expenses	(212,261.60)	357,584.52
[Increase] Decrease In Loans and Contracts	24,325.50	(23,755.62)
[Increase] Decrease In Other Assets	22,401.64	19,765.13
Increase [Decrease] In Payables	658,625.60	136,487.66
Increase [Decrease] In Due to Other Agencies/Funds		
Increase [Decrease] In Due to System Members	(378.77)	
Increase [Decrease] In Unearned Revenue	1,070,878.76	(266,568.06)
Increase [Decrease] In Deposits	18,159.42	9,822.08
Increase [Decrease] In Employees' Compensable Leave	(668.68)	86,744.05
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>\$ 6,997,542.39</u>	<u>\$ 5,738,755.87</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (18,887,212.71)</u>	<u>\$ (18,697,302.52)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$	\$
Net Change In Fair Value of Investments	397,928.29	(1,185,808.95)
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	(712,850.47)	



UNAUDITED

SCHEDULE THREE  
 TEXAS A&M UNIVERSITY-TEXARKANA  
 SCHEDULE OF CASH & CASH EQUIVALENTS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Petty Cash Department Working Fund	\$ 1,780.00
Total Cash On Hand	<u>\$ 1,780.00</u>
Cash In State Treasury	
Fund 0232	\$ 5,437,265.79
Total Cash In State Treasury	<u>\$ 5,437,265.79</u>
Reimbursements Due From State Treasury	\$ 289,627.32
Assets Held By System Offices-Current	<u>884,111.38</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 6,612,784.49</u>
Restricted	
Assets Held By System Offices-Current	<u>\$ 306,227.38</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 306,227.38</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 6,919,011.87</u></u>

UNAUDITED

SCHEDULE N-2  
 TEXAS A&M UNIVERSITY-TEXARKANA  
 NOTE 2 - CAPITAL ASSETS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	BALANCE 9-1-15	ADJUSTMENTS	COMPLETED CIP
<b>Non-Depreciable/Non-Amortizable Assets</b>			
Land and Land Improvements	\$ 5,200,858.00	\$	\$
Construction In Progress	5,091,098.46		
Land Use Rights	45,495.00		
<b>Total Non-Depreciable/Non-Amortizable Assets</b>	<b>\$ 10,337,451.46</b>	<b>\$</b>	<b>\$</b>
<b>Depreciable Assets</b>			
Buildings	\$ 88,314,711.61	\$	\$
Infrastructure	15,479,072.68		
Facilities and Other Improvements	3,566,260.16		
Furniture and Equipment	2,229,126.58		
Vehicles, Boats and Aircraft	268,629.71		
Other Capital Assets	4,842,375.55		
<b>Total Depreciable Assets at Historical Cost</b>	<b>\$ 114,700,176.29</b>	<b>\$</b>	<b>\$</b>
<b>Less Accumulated Depreciation for</b>			
Buildings	\$ (22,831,532.74)	\$	\$
Infrastructure	(3,759,508.49)		
Facilities and Other Improvements	(1,147,182.67)		
Furniture and Equipment	(1,661,811.17)		
Vehicles, Boats and Aircraft	(210,686.68)		
Other Capital Assets	(3,861,278.07)		
<b>Total Accumulated Depreciation</b>	<b>\$ (33,471,999.82)</b>	<b>\$</b>	<b>\$</b>
<b>Depreciable Assets, Net</b>	<b>\$ 81,228,176.47</b>	<b>\$</b>	<b>\$</b>
<b>Amortizable Assets - Intangible</b>			
Computer Software	\$ 112,354.17	\$	\$
<b>Total Intangible Assets at Historical Cost</b>	<b>\$ 112,354.17</b>	<b>\$</b>	<b>\$</b>
<b>Less Accumulated Amortization for</b>			
Computer Software	\$ (112,354.17)	\$	\$
<b>Total Accumulated Amortization</b>	<b>\$ (112,354.17)</b>	<b>\$</b>	<b>\$</b>
<b>Amortizable Assets, Net</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Capital Assets, Net</b>	<b>\$ 91,565,627.93</b>	<b>\$</b>	<b>\$</b>

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-16</u>
\$	\$	\$ 633,164.14	\$	\$ 5,200,858.00 5,724,262.60 45,495.00
<u>\$</u>	<u>\$</u>	<u>\$ 633,164.14</u>	<u>\$</u>	<u>\$ 10,970,615.60</u>
\$	\$	\$	\$ (3,753,201.44)	\$ 84,561,510.17 15,479,072.68 3,566,260.16 2,213,253.95 251,258.71 4,911,099.88
		345,625.16	(361,497.79)	
		(17,371.00)	(17,371.00)	
		76,168.27	(7,443.94)	
<u>\$</u>	<u>\$</u>	<u>\$ 421,793.43</u>	<u>\$ (4,139,514.17)</u>	<u>\$ 110,982,455.55</u>
\$	\$	\$ (4,229,937.88) (722,389.68) (216,293.16) (215,963.27) (16,250.06) (140,124.25)	\$ 2,649,886.77   313,711.99 17,371.00 7,443.94	\$ (24,411,583.85) (4,481,898.17) (1,363,475.83) (1,564,062.45) (209,565.74) (3,993,958.38)
<u>\$</u>	<u>\$</u>	<u>\$ (5,540,958.30)</u>	<u>\$ 2,988,413.70</u>	<u>\$ (36,024,544.42)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (5,119,164.87)</u>	<u>\$ (1,151,100.47)</u>	<u>\$ 74,957,911.13</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>\$ (4,486,000.73)</u>	<u>\$ (1,151,100.47)</u>	<u>\$ 85,928,526.73</u>







UNAUDITED

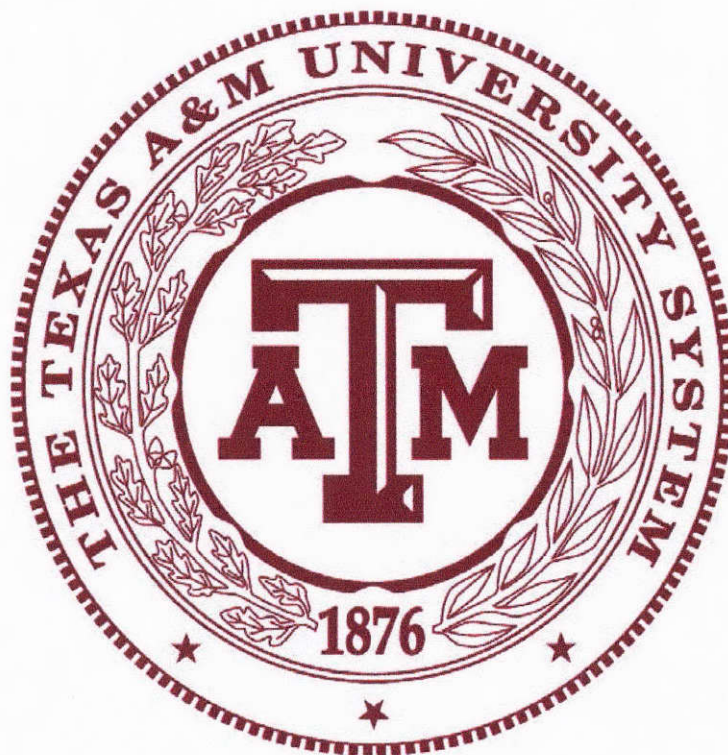
# ANNUAL FINANCIAL REPORT

of

West Texas A&M University

*For the Year Ended August 31, 2016*

*With Comparative Totals for the Year Ended August 31, 2015*



**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 Accounting**

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 2015</u>	<u>FALL 2016</u>
Texas Resident	7,728	7,818
Out-of-State	1,469	1,843
Foreign	285	255
Total Students	<u>9,482</u>	<u>9,916</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

UNAUDITED  
WEST TEXAS A&M UNIVERSITY  
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<u>SCHEDULES</u>		
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UNAUDITED

EXHIBIT III  
WEST TEXAS A&M UNIVERSITY  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u>          </u>	<u>          </u>
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 18,811,970.01	\$ 19,359,238.45
Investments		
Derivative Instruments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	1,574,568.26	2,509,648.37
Investments		
Legislative Appropriations	9,066,838.69	11,100,515.17
Receivables, Net [Note 24]		
Federal	2,711,020.66	805,967.11
Other Intergovernmental		
Interest and Dividends		
Gifts	5,952,485.63	3,906,160.52
Self-Insured Health and Dental		
Student	4,625,271.17	3,488,077.75
Investment Trades		
Accounts	8,124,573.94	1,129,043.95
Other	130.00	19,584.88
Due From Other Agencies	18,991.55	163,860.30
Due From Other Members	964,475.44	776,526.88
Due From Other Funds	3,223,748.11	153,463.36
Consumable Inventories	610,025.25	650,895.56
Merchandise Inventories	1,481,770.38	1,079,085.31
Loans and Contracts	842,686.63	442,113.51
Interfund Receivable [Note 12]		
Other Current Assets	1,827,799.15	1,233,139.07
Total Current Assets	<u>\$ 59,836,354.87</u>	<u>\$ 46,817,320.19</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 79,265,472.87	\$ 79,196,585.96
Assets Held By System Office	1,008,452.81	1,008,152.13
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts		
Assets Held By System Office	74,758,073.29	64,291,443.91
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	3,426,780.91	2,160,775.55
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	238,782,246.04	235,833,667.85
Infrastructure	26,627,785.35	26,627,785.35
Facilities and Other Improvements	30,068,965.81	29,645,729.88
Furniture and Equipment	18,827,705.52	18,197,347.36
Vehicles, Boats, and Aircraft	2,754,195.71	2,976,492.89
Other Capital Assets	11,094,245.50	11,080,034.34
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	156,945.67	156,945.67
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(160,190,157.48)	(147,656,783.22)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 330,238,920.28</u>	<u>\$ 327,176,385.95</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>\$ 390,075,275.15</u>	<u>\$ 373,993,706.14</u>

UNAUDITED

EXHIBIT III  
WEST TEXAS A&M UNIVERSITY  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u>                    </u>	<u>                    </u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 3,512,689.12	\$ 2,034,403.15
Payroll	2,898,205.04	2,763,948.01
Investment Trades		
Self-Insured Health and Dental		
Student		
Other		23,029.16
Interfund Payable [Note 12]		
Due to Other Agencies		
Due to Other Funds	3,223,748.11	153,463.36
Due to Other Members	20,059.50	34,427.09
Funds Held for Investment		
Unearned Revenue	24,742,876.58	24,630,132.26
Employees' Compensable Leave	194,395.25	268,684.96
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations		
Liabilities Payable From Restricted Assets		
Funds Held for Others	8,816,066.76	5,529,261.13
Other Current Liabilities	565,963.53	638,290.44
Total Current Liabilities	<u>\$ 43,974,003.89</u>	<u>\$ 36,075,639.56</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$ 2,621,391.64	\$ 2,437,236.13
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	55,941,412.55	55,313,516.62
Capital Lease Obligations		
Other Non-Current Liabilities		
Total Non-Current Liabilities	<u>\$ 58,562,804.19</u>	<u>\$ 57,750,752.75</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>\$ 102,536,808.08</u>	<u>\$ 93,826,392.31</u>
Net Position		
Net Investment In Capital Assets	\$ 175,206,921.31	\$ 182,680,203.95
Restricted for		
Debt Service		
Capital Projects		
Education	5,031,065.08	5,734,696.41
Endowment and Permanent Funds		
Nonexpendable	13,533,454.94	13,365,366.07
Expendable	8,264,833.48	8,408,912.73
Unrestricted	85,502,192.26	69,978,134.67
Total Net Position [Exhibit IV]	<u>\$ 287,538,467.07</u>	<u>\$ 280,167,313.83</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 390,075,275.15</u>	<u>\$ 373,993,706.14</u>

UNAUDITED

EXHIBIT IV  
WEST TEXAS A&M UNIVERSITY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$ 69,368,893.17	\$ 63,054,964.31
Discounts and Allowances	(14,960,623.20)	(14,865,597.80)
Professional Fees		
Auxiliary Enterprises	20,775,768.81	20,422,618.14
Discounts and Allowances	(3,289,503.99)	(3,046,272.55)
Other Sales of Goods and Services	9,726,922.44	7,989,516.23
Discounts and Allowances		
Interest Revenue	49,754.19	47,802.62
Federal Revenue - Operating	3,108,779.61	3,247,140.13
Federal Pass Through Revenue	445,982.80	204,619.53
State Grant Revenue		
State Pass Through Revenue	4,997,080.10	4,075,783.06
Other Grants and Contracts - Operating	1,039,941.49	1,647,832.76
Other Operating Revenue	737,415.23	242,287.02
	<u>\$ 92,000,410.65</u>	<u>\$ 83,020,693.45</u>
Total Operating Revenues		
Operating Expenses		
Instruction	\$ 38,942,884.23	\$ 40,165,110.45
Research	3,508,153.66	3,249,993.49
Public Service	4,419,564.48	5,038,679.05
Academic Support	12,661,617.21	10,832,388.42
Student Services	8,477,717.47	4,104,883.72
Institutional Support	12,604,059.49	9,669,853.63
Operation & Maintenance of Plant	18,539,457.32	15,947,085.77
Scholarships & Fellowships	9,673,579.62	9,233,906.50
Auxiliary	23,616,916.50	23,732,173.51
Depreciation/Amortization	13,218,573.48	13,407,070.88
	<u>\$ 145,662,523.46</u>	<u>\$ 135,381,145.42</u>
Total Operating Expenses [Schedule IV-1]		
Total Operating Income [Loss]	<u>\$ (53,662,112.81)</u>	<u>\$ (52,360,451.97)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 39,524,338.03	\$ 34,020,416.14
Federal Revenue Non-Operating	10,836,372.38	11,774,976.97
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	5,121,085.87	7,156,856.90
Investment Income	3,964,265.89	(1,730,411.37)
Investing Activities Expense	(193,966.46)	(170,340.29)
Interest Expense		
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	10,940.00	
Settlement of Claims		
Other Nonoperating Revenues	8,301,165.24	1,511,772.07
Other Nonoperating [Expenses]	(1,226,550.71)	(27,279.70)
	<u>\$ 66,337,650.24</u>	<u>\$ 52,535,990.72</u>
Total Nonoperating Revenues [Expenses]		
Income [Loss] Before Other Revenues and Transfers	<u>\$ 12,675,537.43</u>	<u>\$ 175,538.75</u>



UNAUDITED

EXHIBIT IV  
 WEST TEXAS A&M UNIVERSITY  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Other Revenues and Transfers		
Capital Contributions	\$	\$ 63,772.75
Capital Appropriations [Higher Education Fund]	4,776,272.00	4,652,995.00
Additions to Permanent and Term Endowments	37,663.90	139,759.11
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	105,111.00	102,805.00
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	1,188,752.72	1,478,063.94
Nonmandatory Transfers From Members/Agencies-Cap Assets	61,931.86	595,055.33
Transfers Out		
Transfers to Other State Agencies		(602,522.28)
Mandatory Transfers to Other Members	(6,178,056.22)	(7,503,671.56)
Nonmandatory Transfers to Other Members	(481,028.93)	
Nonmandatory Transfers to Members/Agencies - Cap Assets		
Legislative Transfers - In	138,399.00	
Legislative Transfers - Out	(4,953,429.52)	(4,985,569.45)
Legislative Appropriations Lapsed		(159,459.38)
Total Other Revenues and Transfers	<u>\$ (5,304,384.19)</u>	<u>\$ (6,218,771.54)</u>
Change In Net Position	<u>\$ 7,371,153.24</u>	<u>\$ (6,043,232.79)</u>
Net Position, Beginning of Year	\$ 280,167,313.83	\$ 288,247,921.61
Restatement		<u>(2,037,374.99)</u>
Net Position, Beginning of Year, Restated	<u>\$ 280,167,313.83</u>	<u>\$ 286,210,546.62</u>
Net Position, End of Year	<u>\$ 287,538,467.07</u>	<u>\$ 280,167,313.83</u>

UNAUDITED

SCHEDULE IV-1  
WEST TEXAS A&M UNIVERSITY  
NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX  
FOR THE YEAR ENDED AUGUST 31, 2016

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$ 12,897.73	\$ 4,192.23	\$ 582.87
Salaries & Wages	26,687,583.97	1,841,963.27	2,365,625.75	6,256,656.22	3,351,215.44
Payroll Related Costs	7,284,557.67	433,474.83	384,234.29	1,014,856.26	1,530,353.91
Payroll Related Costs-TRS Pension					
Professional Fees & Services	674,786.06	283,697.13	399,245.11	516,446.58	200,568.41
Travel	793,867.82	126,243.51	147,065.41	263,875.29	200,591.72
Materials & Supplies	859,511.40	297,609.25	140,110.02	2,847,383.81	1,921,309.78
Communication & Utilities	11,270.00	10,479.50	47,446.80	918,087.34	5,329.64
Repairs & Maintenance	127,673.38	47,841.13	17,201.67	56,318.43	130,711.25
Rentals & Leases	524,641.52	6,479.11	137,120.71	32,933.98	79,379.32
Printing & Reproduction	7,662.04	4,150.97	2,144.77	17,993.37	10,614.01
Federal Pass-Through		60,003.21			
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					320,559.18
Interest		.01		146.91	
Scholarships	61,687.44	175,930.64	36,519.13	35,302.22	11,150.00
Claims & Losses					
Net Change in OPEB Obligation					
Other Operating Expenses	1,909,642.93	220,281.10	729,953.09	697,424.57	715,351.94
Total Operating Expenses	\$ 38,942,884.23	\$ 3,508,153.66	\$ 4,419,564.48	\$ 12,661,617.21	\$ 8,477,717.47

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$ 297.39	\$ 1,424.40	\$	\$ 3,804,437.55	\$	\$ 3,823,832.17	\$ 3,070,717.57
5,999,571.36	2,087,307.21	82,942.88	6,104,038.46		54,776,904.56	50,533,323.81
2,144,586.82	1,539,490.91	79,497.67	2,243,609.48		16,654,661.84	14,339,534.96
308,935.49	10,897,125.14	27,804.32	4,424,406.61		17,733,014.85	16,388,474.76
283,313.05	6,446.16	9,267.20	1,259,120.15		3,089,790.31	2,852,800.54
(563,041.63)	1,104,376.15	30,127.66	143,850.01		6,781,236.45	8,667,386.17
211,219.36	2,317,894.28	62.99	1,137,519.43		4,659,309.34	5,106,887.59
145,889.18	110,946.23		164,870.73		801,452.00	767,553.60
42,435.17	20,615.81		156,324.08		999,929.70	922,921.19
91,663.56	36.00	471.70	8,309.25		143,045.67	88,283.25
					60,003.21	96,778.12
				13,218,573.48	13,218,573.48	13,407,070.88
	78.06				320,559.18	140,946.13
6,096.79	119,400.00	9,367,484.98	2,196,121.99		224.98	490.05
					12,009,693.19	11,533,423.22
3,933,092.95	334,316.97	75,920.22	1,974,308.76		10,590,292.53	7,464,553.58
<u>\$ 12,604,059.49</u>	<u>\$ 18,539,457.32</u>	<u>\$ 9,673,579.62</u>	<u>\$ 23,616,916.50</u>	<u>\$ 13,218,573.48</u>	<u>\$ 145,662,523.46</u>	<u>\$ 135,381,145.42</u>

[Exhibit IV]

EXHIBIT V  
 WEST TEXAS A&M UNIVERSITY  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 53,383,820.87	\$ 49,181,413.56
Proceeds Received From Customers	2,260,619.12	7,908,744.06
Proceeds From Grants and Contracts	9,826,031.65	9,754,488.22
Proceeds From Auxiliary Enterprises	17,507,491.18	15,205,949.38
Proceeds From Loan Programs	51,380.99	49,463.42
Proceeds From Other Operating Revenues	663,461.52	236,335.83
Payments to Suppliers for Goods and Services	(48,132,401.02)	(43,444,158.89)
Payments to Employees	(71,187,675.77)	(65,121,561.27)
Payments for Loans Provided	(721,132.30)	(183,204.20)
Payments for Other Operating Expenses	(12,069,696.40)	(11,630,201.34)
<b>Net Cash Provided [Used] By Operating Activities</b>	<b>\$ (48,418,100.16)</b>	<b>\$ (38,042,731.23)</b>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 40,765,724.99	\$ 34,163,157.46
Proceeds From Gifts	5,121,085.87	7,156,856.90
Proceeds From Endowments	37,663.90	139,759.11
Proceeds From Transfers From Other Funds	105,111.00	102,805.00
Proceeds From Other Grant Receipts	10,836,372.38	11,774,976.97
Proceeds From Other Noncapital Financing Activities	7,587,080.44	3,053,732.51
Payments of Interest		
Payments for Transfers to Other Funds		(602,522.28)
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses		
Other Noncapital Transfers From/To System	407,861.55	1,478,063.94
Transfers Between Fund Groups		
<b>Net Cash Provided [Used] By Noncapital Financing Activities</b>	<b>\$ 64,860,900.13</b>	<b>\$ 57,266,829.61</b>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 10,940.00	\$
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts	5,706,960.52	3,859,238.18
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	(6,113,721.24)	(4,912,545.12)
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]	367,675.48	257,577.91
Intrasystem Transfers for Capital Debt [Mandatory]	(11,131,485.74)	(12,489,241.01)
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
<b>Net Cash Provided [Used] By Capital and Related Financing Act.</b>	<b>\$ (11,159,630.98)</b>	<b>\$ (13,284,970.04)</b>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	(8,210,628.58)	(4,165,762.26)
Proceeds From Interest and Investment Income	1,445,411.72	1,884,118.30
Payments to Acquire Investments	(300.68)	(897,686.61)
<b>Net Cash Provided [Used] By Investing Activities</b>	<b>\$ (6,765,517.54)</b>	<b>\$ (3,179,330.57)</b>
<b>Net Increase [Decrease] In Cash and Cash Equivalents</b>	<b>\$ (1,482,348.55)</b>	<b>\$ 2,759,797.77</b>
Cash and Cash Equivalents, Beginning of Year	\$ 21,868,886.82	\$ 19,109,089.05
Restatement		
Cash and Cash Equivalents, Beginning of Year, As Restated	\$ 21,868,886.82	\$ 19,109,089.05
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 20,386,538.27</u>	<u>\$ 21,868,886.82</u>

EXHIBIT V  
 WEST TEXAS A&M UNIVERSITY  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(53,662,112.81)	(52,360,451.97)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	13,218,573.48	13,407,070.88
Bad Debt Expense	(581,576.16)	800,700.71
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	(7,334,994.34)	(1,941,963.84)
[Increase] Decrease In Due From Other Funds	144,868.75	70,784.71
[Increase] Decrease In Due From System Members	(255,761.80)	76,632.26
[Increase] Decrease In Inventories	(361,814.76)	(32,341.73)
[Increase] Decrease In Prepaid Expenses	(594,660.08)	910,505.03
[Increase] Decrease In Loans and Contracts	(721,132.30)	(183,204.20)
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	1,594,594.24	163,486.35
Increase [Decrease] In Due to Other Agencies/Funds		
Increase [Decrease] In Due to System Members	(14,367.59)	34,427.09
Increase [Decrease] In Unearned Revenue	112,744.32	454,783.70
Increase [Decrease] In Deposits	(72,326.91)	(4,290.39)
Increase [Decrease] In Employees' Compensable Leave	109,865.80	561,130.17
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>\$ 5,244,012.65</u>	<u>\$ 14,317,720.74</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (48,418,100.16)</u>	<u>\$ (38,042,731.23)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$	\$ 63,772.75
Net Change In Fair Value of Investments	1,776,729.86	(5,867,230.33)
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	72,871.86	595,055.33



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SCHEDULE THREE  
 WEST TEXAS A&M UNIVERSITY  
 SCHEDULE OF CASH & CASH EQUIVALENTS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Petty Cash Department Working Fund	\$ 95,980.00
Total Cash On Hand	<u>\$ 95,980.00</u>
Cash In State Treasury	
Fund 0263	\$ 4,761,617.22
Total Cash In State Treasury	<u>\$ 4,761,617.22</u>
Reimbursements Due From State Treasury	\$ 3,973.94
Assets Held By System Offices-Current	<u>13,950,398.85</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 18,811,970.01</u>
Restricted	
Cash On Hand	
Cash In Bank	\$ 168,289.74
Assets Held By System Offices-Current	<u>\$ 1,406,278.52</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 1,574,568.26</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 20,386,538.27</u></u>

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SCHEDULE N-2  
 WEST TEXAS A&M UNIVERSITY  
 NOTE 2 - CAPITAL ASSETS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	BALANCE 9-1-15	ADJUSTMENTS	COMPLETED CIP
<b>Non-Depreciable/Non-Amortizable Assets</b>			
Land and Land Improvements	\$ 3,449,064.62	\$	\$
Construction In Progress	2,160,775.55		(1,358,782.38)
Other Tangible Capital Assets	209,143.66		
<b>Total Non-Depreciable/Non-Amortizable Assets</b>	<b>\$ 5,818,983.83</b>	<b>\$</b>	<b>\$ (1,358,782.38)</b>
<b>Depreciable Assets</b>			
Buildings	\$ 235,833,667.85	\$	\$ 935,546.45
Infrastructure	26,627,785.35		
Facilities and Other Improvements	29,645,729.88		423,235.93
Furniture and Equipment	18,197,347.36		
Vehicles, Boats and Aircraft	2,976,492.89		
Other Capital Assets	11,080,034.34		
<b>Total Depreciable Assets at Historical Cost</b>	<b>\$ 324,361,057.67</b>	<b>\$</b>	<b>\$ 1,358,782.38</b>
<b>Less Accumulated Depreciation for</b>			
Buildings	\$ (97,607,538.80)	\$	\$
Infrastructure	(12,839,197.86)		
Facilities and Other Improvements	(11,891,940.11)		
Furniture and Equipment	(13,577,204.89)		
Vehicles, Boats and Aircraft	(2,287,248.60)		
Other Capital Assets	(9,296,707.29)		
<b>Total Accumulated Depreciation</b>	<b>\$ (147,499,837.55)</b>	<b>\$</b>	<b>\$</b>
<b>Depreciable Assets, Net</b>	<b>\$ 176,861,220.12</b>	<b>\$</b>	<b>\$ 1,358,782.38</b>
<b>Amortizable Assets - Intangible</b>			
Computer Software	\$ 156,945.67	\$	\$
<b>Total Intangible Assets at Historical Cost</b>	<b>\$ 156,945.67</b>	<b>\$</b>	<b>\$</b>
<b>Less Accumulated Amortization for</b>			
Computer Software	\$ (156,945.67)	\$	\$
<b>Total Accumulated Amortization</b>	<b>\$ (156,945.67)</b>	<b>\$</b>	<b>\$</b>
<b>Amortizable Assets, Net</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Capital Assets, Net</b>	<b>\$ 182,680,203.95</b>	<b>\$</b>	<b>\$</b>



<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-16</u>
\$	\$	\$ 2,624,787.74	\$	\$ 3,449,064.62 3,426,780.91 209,143.66
\$	\$	\$ 2,624,787.74	\$	\$ 7,084,989.19
\$	\$	\$ 2,931,775.01	\$ (918,743.27)	\$ 238,782,246.04 26,627,785.35 30,068,965.81 18,827,705.52 2,754,195.71 11,094,245.50
231,874.51		811,260.44 179,743.13 362,343.37	(412,776.79) (402,040.31) (348,132.21)	
\$ 231,874.51	\$	\$ 4,285,121.95	\$ (2,081,692.58)	\$ 328,155,143.93
\$	\$	\$ (9,068,088.05) (904,047.72) (1,870,983.35) (940,336.94) (185,804.81) (249,312.61)	\$ 109,975.44  399,995.51 320,670.92 24,500.00	\$ (106,565,651.41) (13,743,245.58) (13,762,923.46) (14,287,488.97) (2,152,382.49) (9,521,519.90)
\$ (169,942.65)	\$	\$ (13,218,573.48)	\$ 855,141.87	\$ (160,033,211.81)
\$ 61,931.86	\$	\$ (8,933,451.53)	\$ (1,226,550.71)	\$ 168,121,932.12
\$	\$	\$	\$	\$ 156,945.67
\$	\$	\$	\$	\$ 156,945.67
\$	\$	\$	\$	\$ (156,945.67)
\$	\$	\$	\$	\$ (156,945.67)
\$	\$	\$	\$	\$
\$ 61,931.86	\$	\$ (6,308,663.79)	\$ (1,226,550.71)	\$ 175,206,921.31





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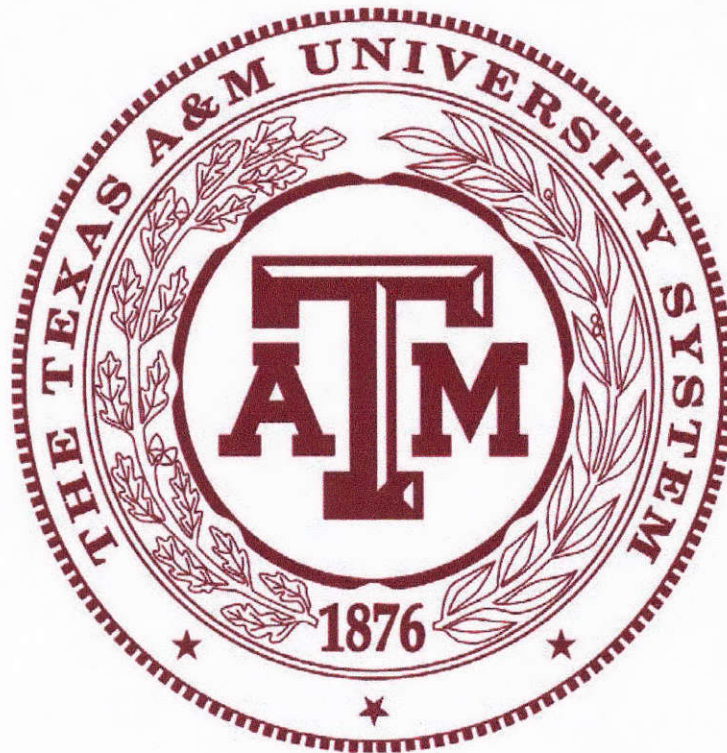
# ANNUAL FINANCIAL REPORT

of

**Texas A&M AgriLife Research**

*For the Year Ended August 31, 2016*

*With Comparative Totals for the Year Ended August 31, 2015*



**Dr. Craig Nessler, Director**  
**Debra A. Cummings, CFO**



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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, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u>          </u>	<u>          </u>
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 171,618.76	\$ (1,375,116.38)
Investments		
Derivative Instruments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	8,561,927.85	7,756,548.99
Investments		
Legislative Appropriations	8,876,284.46	7,140,420.15
Receivables, Net [Note 24]		
Federal	10,928,891.13	9,368,470.44
Other Intergovernmental	2,836,080.88	2,213,582.23
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student		
Investment Trades		
Accounts	5,353,642.73	6,433,593.96
Other	21,305.98	19,412.80
Due From Other Agencies	2,326,784.14	1,986,816.86
Due From Other Members	3,832,034.01	3,768,465.32
Due From Other Funds	24,818,504.66	5,236,211.94
Consumable Inventories	195,341.87	181,694.61
Merchandise Inventories	545,667.89	459,086.08
Loans and Contracts		
Interfund Receivable [Note 12]	129,212.11	129,212.12
Other Current Assets		
	<u>          </u>	<u>          </u>
Total Current Assets	\$ 68,597,296.47	\$ 43,318,399.12
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 65,950,702.27	\$ 75,405,686.09
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts		
Assets Held By System Office	120,162,036.52	112,717,844.46
Investments [Note 3]		
Interfund Receivable [Note 12]		129,212.11
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	14,157,144.58	14,128,098.94
Construction In Progress	12,061,785.80	5,735,642.08
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	117,863,587.30	118,349,366.17
Infrastructure	3,098,869.22	3,098,869.22
Facilities and Other Improvements	2,818,576.83	2,818,576.83
Furniture and Equipment	80,357,772.32	76,959,305.69
Vehicles, Boats, and Aircraft	12,052,571.51	12,512,033.89
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	74,439.70
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(140,871,788.82)	(130,895,622.71)
Assets Held In Trust		
Other Non-Current Assets		
	<u>          </u>	<u>          </u>
Total Non-Current Assets	\$ 317,749,411.23	\$ 321,065,909.47
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
	<u>          </u>	<u>          </u>
Total Deferred Outflows of Resources	\$	\$
Total Assets and Deferred Outflows	<u>          </u>	<u>          </u>
	\$ 386,346,707.70	\$ 364,384,308.59

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EXHIBIT III  
TEXAS A&M AGRILIFE RESEARCH  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u>                    </u>	<u>                    </u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 9,119,292.99	\$ 6,921,142.99
Payroll	9,456,018.76	8,254,949.49
Investment Trades		
Self-Insured Health and Dental		
Student		
Other	26,002.03	109.71
Interfund Payable [Note 12]		
Due to Other Agencies	109,793.52	93,642.29
Due to Other Funds	24,818,504.66	5,236,211.94
Due to Other Members	14,081,369.33	2,390,950.99
Funds Held for Investment		
Unearned Revenue	11,651,032.02	11,631,818.28
Employees' Compensable Leave	766,418.39	796,048.67
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations		
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Other Current Liabilities	114,416.70	116,747.68
Total Current Liabilities	<u>\$ 70,142,848.40</u>	<u>\$ 35,441,622.04</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$ 7,317,990.40	\$ 8,104,285.43
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		
Other Non-Current Liabilities	70,000.00	40,000.00
Total Non-Current Liabilities	<u>\$ 7,387,990.40</u>	<u>\$ 8,144,285.43</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 77,530,838.80</u>	<u>\$ 43,585,907.47</u>
Net Position		
Net Investment In Capital Assets	\$ 131,636,672.44	\$ 132,813,166.81
Restricted for		
Debt Service		
Capital Projects	2,919,978.55	2,112,295.64
Education	20,189,243.54	14,153,716.48
Endowment and Permanent Funds		
Nonexpendable	100,000.00	100,000.00
Expendable	65,850,702.27	74,759,956.78
Unrestricted	88,119,272.10	96,859,265.41
Total Net Position [Exhibit IV]	<u>\$ 308,815,868.90</u>	<u>\$ 320,798,401.12</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 386,346,707.70</u>	<u>\$ 364,384,308.59</u>



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EXHIBIT IV  
 TEXAS A&M AGRILIFE RESEARCH  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	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	26,966,299.82	27,601,071.52
Discounts and Allowances		
Interest Revenue		
Federal Revenue - Operating	56,426,119.41	52,713,607.79
Federal Pass Through Revenue	4,459,282.09	3,908,578.95
State Grant Revenue	35,762.35	316,190.25
State Pass Through Revenue	1,668,956.01	2,504,096.22
Other Grants and Contracts - Operating	21,875,704.02	21,693,583.16
Other Operating Revenue	655,853.47	685,935.95
	<u>                    </u>	<u>                    </u>
Total Operating Revenues	\$ 112,087,977.17	\$ 109,423,063.84
Operating Expenses		
Instruction	\$	\$
Research	180,578,706.33	176,598,958.42
Public Service	5,712,470.32	5,210,245.56
Academic Support		
Student Services		
Institutional Support		
Operation & Maintenance of Plant		
Scholarships & Fellowships		
Auxiliary		
Depreciation/Amortization	12,870,732.72	12,719,333.08
	<u>                    </u>	<u>                    </u>
Total Operating Expenses [Schedule IV-I]	\$ 199,161,909.37	\$ 194,528,537.06
Total Operating Income [Loss]	\$ (87,073,932.20)	\$ (85,105,473.22)
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 70,200,943.19	\$ 67,429,350.84
Federal Revenue Non-Operating	9,156,520.00	9,202,351.00
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	2,134,475.21	1,347,979.88
Investment Income	5,326,774.31	(2,310,654.49)
Investing Activities Expense	(270,153.22)	(252,288.05)
Interest Expense	(7,206.75)	
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	(31,831.40)	37,875,607.46
Settlement of Claims	(35,435.00)	
Other Nonoperating Revenues	501,159.40	219,131.35
Other Nonoperating [Expenses]	(1,108,587.99)	(763,564.09)
	<u>                    </u>	<u>                    </u>
Total Nonoperating Revenues [Expenses]	\$ 85,866,657.75	\$ 112,747,913.90
Income [Loss] Before Other Revenues and Transfers	\$ (1,207,274.45)	\$ 27,642,440.68

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EXHIBIT IV  
 TEXAS A&M AGRILIFE RESEARCH  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Other Revenues and Transfers		
Capital Contributions	\$ 179,305.24	\$ 1,295,438.96
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments		
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	533,458.65	534,684.96
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	9,124,412.52	5,266,239.57
Nonmandatory Transfers From Members/Agencies-Cap Assets	104,154.99	227,667.37
Transfers Out		
Transfers to Other State Agencies	(58,758.65)	(59,984.96)
Mandatory Transfers to Other Members	(1,377,565.15)	(1,981,187.52)
Nonmandatory Transfers to Other Members	(13,784,042.42)	(3,495,286.17)
Nonmandatory Transfers to Members/Agencies - Cap Assets	(4,494,128.95)	(472,770.89)
Legislative Transfers - In		
Legislative Transfers - Out	(1,002,094.00)	(1,008,954.00)
Legislative Appropriations Lapsed		
Total Other Revenues and Transfers	<u>\$ (10,775,257.77)</u>	<u>\$ 305,847.32</u>
Change In Net Position	<u>\$ (11,982,532.22)</u>	<u>\$ 27,948,288.00</u>
Net Position, Beginning of Year Restatement	<u>\$ 320,798,401.12</u>	<u>\$ 292,850,113.12</u>
Net Position, Beginning of Year, Restated	<u>\$ 320,798,401.12</u>	<u>\$ 292,850,113.12</u>
Net Position, End of Year	<u>\$ 308,815,868.90</u>	<u>\$ 320,798,401.12</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, 2016

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$ 608,673.11	\$	\$	\$
Salaries & Wages		82,906,164.81	3,703,302.13		
Payroll Related Costs		23,694,439.91	1,058,397.41		
Payroll Related Costs-TRS Pension					
Professional Fees & Services		13,636,483.59	18,703.65		
Travel		4,468,192.71	177,803.12		
Materials & Supplies		17,252,483.78	468,719.81		
Communication & Utilities		5,691,562.17	34,175.60		
Repairs & Maintenance		6,403,286.89	145,189.61		
Rentals & Leases		2,250,917.37	28,883.41		
Printing & Reproduction		392,039.09	17,547.76		
Federal Pass-Through		3,426,480.89			
State Pass-Through		658,723.60			
Depreciation & Amortization					
Bad Debt Expense					
Interest		4,932.68	537.66		
Scholarships		4,376,938.66	5,094.56		
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses		14,807,387.07	54,115.60		
Total Operating Expenses	\$	\$ 180,578,706.33	\$ 5,712,470.32	\$	\$

<u>INSTITUTIONAL SUPPORT</u>	<u>OPERATION &amp; MAINTENANCE OF PLANT</u>	<u>SCHOLARSHIPS &amp; FELLOWSHIPS</u>	<u>AUXILIARY</u>	<u>DEPRECIATION &amp; AMORTIZATION</u>	<u>TOTAL</u>	<u>PRIOR YEAR</u>
\$	\$	\$	\$	\$	\$ 608,673.11	\$ 667,570.64
					86,609,466.94	88,137,287.55
					24,752,837.32	25,145,135.84
					13,655,187.24	11,227,680.41
					4,645,995.83	4,267,726.72
					17,721,203.59	15,806,111.15
					5,725,737.77	6,035,616.45
					6,548,476.50	6,040,527.94
					2,279,800.78	1,813,911.15
					409,586.85	388,130.46
					3,426,480.89	3,329,069.04
					658,723.60	647,820.55
				12,870,732.72	12,870,732.72	12,719,333.08
					5,470.34	3,128.95
					4,382,033.22	3,017,690.65
					14,861,502.67	15,281,796.48
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 12,870,732.72</u>	<u>\$ 199,161,909.37</u>	<u>\$ 194,528,537.06</u>

[Exhibit IV]

UNAUDITED

EXHIBIT V  
TEXAS A&M AGRILIFE RESEARCH  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 27,281,174.96	\$ 26,779,629.80
Proceeds Received From Customers	83,597,745.63	81,547,749.02
Proceeds From Grants and Contracts		
Proceeds From Auxiliary Enterprises		
Proceeds From Loan Programs		
Proceeds From Other Operating Revenues	653,522.49	687,053.97
Payments to Suppliers for Goods and Services	(63,987,915.81)	(61,035,321.80)
Payments to Employees	(110,977,160.30)	(111,773,996.81)
Payments for Loans Provided		
Payments for Other Operating Expenses	(7,953,533.62)	(7,174,059.95)
Net Cash Provided [Used] By Operating Activities	<u>\$ (71,386,166.65)</u>	<u>\$ (70,968,945.77)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 68,465,078.88	\$ 68,649,768.87
Proceeds From Gifts	2,127,725.21	1,352,729.88
Proceeds From Endowments		
Proceeds From Transfers From Other Funds	662,670.77	663,897.08
Proceeds From Other Grant Receipts	9,156,520.00	9,202,351.00
Proceeds From Other Noncapital Financing Activities	146,420.32	68,324.54
Payments of Interest		
Payments for Transfers to Other Funds	(58,758.65)	(59,984.96)
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(55,435.00)	(20,000.00)
Other Noncapital Transfers From/To System	5,088,276.10	2,811,999.40
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 85,532,497.63</u>	<u>\$ 82,669,085.81</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 161,367.50	\$ 39,610,863.20
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	(17,127,740.23)	(7,453,347.28)
Payments of Principal On Debt		
Payments for Capital Leases		
Payments of Interest On Debt Issuance	(7,206.75)	
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]	946,649.32	1,387,035.49
Intrasystem Transfers for Capital Debt [Mandatory]	(1,377,565.15)	(1,981,187.52)
Intrasystem Transfers for Construction Proceeds [Non-Mand]	(1,457,134.52)	(1,213,589.33)
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (18,861,629.83)</u>	<u>\$ 30,349,774.56</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	4,467,344.59	(47,233,431.59)
Proceeds From Interest and Investment Income	2,600,068.26	2,094,459.01
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ 7,067,412.85</u>	<u>\$ (45,138,972.58)</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ 2,352,114.00</u>	<u>\$ (3,089,057.98)</u>
Cash and Cash Equivalents, Beginning of Year	\$ 6,381,432.61	\$ 9,470,490.59
Restatement		
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 6,381,432.61</u>	<u>\$ 9,470,490.59</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 8,733,546.61</u>	<u>\$ 6,381,432.61</u>

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EXHIBIT V  
TEXAS A&M AGRILIFE RESEARCH  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(87,073,932.20)	(85,105,473.22)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	12,870,732.72	12,719,333.08
Bad Debt Expense	236,764.75	(385,731.63)
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	(1,341,626.04)	6,188,202.27
[Increase] Decrease In Due From Other Funds	(339,967.28)	34,144.24
[Increase] Decrease In Due From System Members	889,781.99	624,355.19
[Increase] Decrease In Inventories	(100,229.07)	(108,367.62)
[Increase] Decrease In Prepaid Expenses		
[Increase] Decrease In Loans and Contracts		
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	3,750,896.94	282,267.73
Increase [Decrease] In Due to Other Agencies/Funds	16,151.23	(76,379.84)
Increase [Decrease] In Due to System Members	497,552.86	(108,308.70)
Increase [Decrease] In Unearned Revenue	25,963.74	(6,295,098.87)
Increase [Decrease] In Deposits	(2,330.98)	1,118.02
Increase [Decrease] In Employees' Compensable Leave	(815,925.31)	1,260,993.58
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>\$ 15,687,765.55</u>	<u>\$ 14,136,527.45</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (71,386,166.65)</u>	<u>\$ (70,968,945.77)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$ 179,305.24	\$ 1,295,438.96
Net Change In Fair Value of Investments	2,204,007.67	(7,991,846.39)
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	(4,421,805.36)	37,630,503.94



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SCHEDULE THREE  
 TEXAS A&M AGRILIFE RESEARCH  
 SCHEDULE OF CASH & CASH EQUIVALENTS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	<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	\$ 10,350.80
Cash In State Treasury	
Reimbursements Due From State Treasury	<u>142,776.03</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 171,618.76</u>
Restricted	
Assets Held By System Offices-Current	<u>\$ 8,561,927.85</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 8,561,927.85</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 8,733,546.61</u></u>



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SCHEDULE N-2  
 TEXAS A&M AGRILIFE RESEARCH  
 NOTE 2 - CAPITAL ASSETS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	BALANCE 9-1-15	ADJUSTMENTS	COMPLETED CIP
<b>Non-Depreciable/Non-Amortizable Assets</b>			
Land and Land Improvements	\$ 14,128,098.94	\$	\$
Construction In Progress	5,735,642.08		(4,030,878.45)
Other Tangible Capital Assets	32,457.00		
<b>Total Non-Depreciable/Non-Amortizable Assets</b>	<b>\$ 19,896,198.02</b>	<b>\$</b>	<b>\$ (4,030,878.45)</b>
<b>Depreciable Assets</b>			
Buildings	\$ 118,349,366.17	\$	\$ 3,307,347.07
Infrastructure	3,098,869.22		74,210.00
Facilities and Other Improvements	2,818,576.83		649,321.38
Furniture and Equipment	76,959,305.69		
Vehicles, Boats and Aircraft	12,512,033.89		
Other Capital Assets	30,000,000.00		
<b>Total Depreciable Assets at Historical Cost</b>	<b>\$ 243,738,151.80</b>	<b>\$</b>	<b>\$ 4,030,878.45</b>
<b>Less Accumulated Depreciation for</b>			
Buildings	\$ (45,289,597.10)	\$	\$
Infrastructure	(756,143.83)		
Facilities and Other Improvements	(1,327,539.36)		
Furniture and Equipment	(57,145,446.11)		
Vehicles, Boats and Aircraft	(9,839,399.53)		
Other Capital Assets	(16,463,057.08)		
<b>Total Accumulated Depreciation</b>	<b>\$ (130,821,183.01)</b>	<b>\$</b>	<b>\$</b>
<b>Depreciable Assets, Net</b>	<b>\$ 112,916,968.79</b>	<b>\$</b>	<b>\$ 4,030,878.45</b>
<b>Amortizable Assets - Intangible</b>			
Computer Software	\$ 74,439.70	\$	\$
<b>Total Intangible Assets at Historical Cost</b>	<b>\$ 74,439.70</b>	<b>\$</b>	<b>\$</b>
<b>Less Accumulated Amortization for</b>			
Computer Software	\$ (74,439.70)	\$	\$
<b>Total Accumulated Amortization</b>	<b>\$ (74,439.70)</b>	<b>\$</b>	<b>\$</b>
<b>Amortizable Assets, Net</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Capital Assets, Net</b>	<b>\$ 132,813,166.81</b>	<b>\$</b>	<b>\$</b>

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-16</u>
\$	\$	\$ 29,045.64 10,357,022.17	\$	\$ 14,157,144.58 12,061,785.80 32,457.00
\$	\$	\$ 10,386,067.81	\$	\$ 26,251,387.38
\$	\$ (4,063,480.37) (74,210.00) (649,321.38)	\$ 550,191.43	\$ (279,837.00)	\$ 117,863,587.30 3,098,869.22 2,818,576.83
255,683.79	(85,785.58)	5,766,560.40 759,080.56	(2,537,991.98) (1,218,542.94)	80,357,772.32 12,052,571.51 30,000,000.00
\$ 255,683.79	\$ (4,872,797.33)	\$ 7,075,832.39	\$ (4,036,371.92)	\$ 246,191,377.18
\$	\$ 314,235.85 4,281.34 49,826.67	\$ (4,795,798.13) (172,778.74) (199,546.23)	\$	\$ (49,771,159.38) (924,641.23) (1,477,258.92)
(151,528.80)	10,324.52	(4,921,777.85) (698,225.05) (2,082,606.72)	1,765,515.36 893,168.67	(60,442,912.88) (9,644,455.91) (18,545,663.80)
\$ (151,528.80)	\$ 378,668.38	\$ (12,870,732.72)	\$ 2,658,684.03	\$ (140,806,092.12)
\$ 104,154.99	\$ (4,494,128.95)	\$ (5,794,900.33)	\$ (1,377,687.89)	\$ 105,385,285.06
\$	\$	\$	\$ (8,743.00)	\$ 65,696.70
\$	\$	\$	\$ (8,743.00)	\$ 65,696.70
\$	\$	\$	\$ 8,743.00	\$ (65,696.70)
\$	\$	\$	\$ 8,743.00	\$ (65,696.70)
\$	\$	\$	\$	\$
\$ 104,154.99	\$ (4,494,128.95)	\$ 4,591,167.48	\$ (1,377,687.89)	\$ 131,636,672.44





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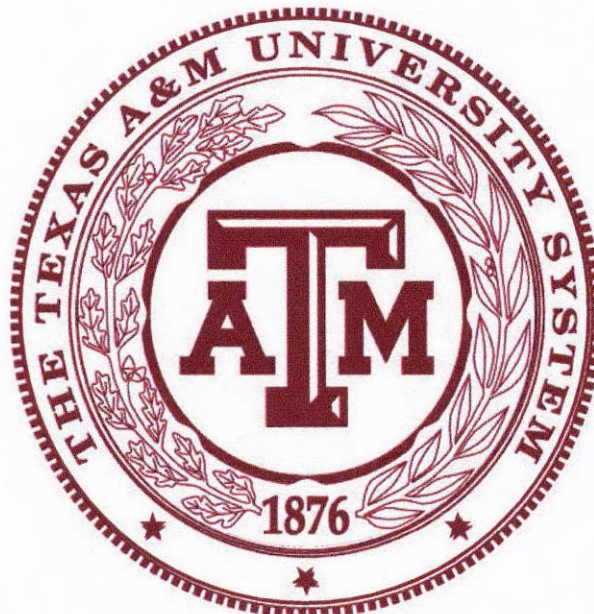
# ANNUAL FINANCIAL REPORT

of

Texas A&M AgriLife Extension Service

*For the Year Ended August 31, 2016*

*With Comparative Totals for the Year Ended August 31, 2015*



Douglas L. Steele, Director



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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, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 4,495,170.16	\$ 4,121,386.65
Investments		
Derivative Instruments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	2,538.52	4,068.52
Investments		
Legislative Appropriations	5,624,215.96	6,190,461.00
Receivables, Net [Note 24]		
Federal	21,181,894.70	22,283,263.62
Other Intergovernmental	926,881.51	2,575,149.43
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student		
Investment Trades		
Accounts	1,810,889.14	1,710,249.70
Other	2,326.38	685.91
Due From Other Agencies	2,246,445.92	1,485,066.41
Due From Other Members	1,110,099.41	801,654.49
Due From Other Funds	3,783,312.85	4,294,708.70
Consumable Inventories	72,679.63	35,156.06
Merchandise Inventories	944,605.91	1,182,955.71
Loans and Contracts		
Interfund Receivable [Note 12]		
Other Current Assets		
<b>Total Current Assets</b>	<b>\$ 42,201,060.09</b>	<b>\$ 44,684,806.20</b>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 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	25,713,157.77	20,174,251.62
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	394,693.64	394,693.64
Construction In Progress		
Other Tangible Capital Assets		
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	2,032,067.67	2,032,067.67
Infrastructure		
Facilities and Other Improvements		
Furniture and Equipment	5,462,919.40	4,909,004.00
Vehicles, Boats, and Aircraft	7,455,708.02	7,113,084.77
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	(10,303,420.20)	(10,001,244.31)
Assets Held In Trust		
Other Non-Current Assets		
<b>Total Non-Current Assets</b>	<b>\$ 31,056,434.03</b>	<b>\$ 24,638,049.39</b>
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
<b>Total Deferred Outflows of Resources</b>	<b>\$</b>	<b>\$</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 73,257,494.12</b>	<b>\$ 69,322,855.59</b>



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EXHIBIT III  
TEXAS A&M AGRILIFE EXTENSION SERVICE  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED AUGUST 31, 2016

	<u>CURRENT YEAR TOTAL</u>	<u>PRIOR YEAR TOTAL</u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 2,407,683.26	\$ 3,275,121.36
Payroll	8,700,274.75	6,719,386.59
Investment Trades		
Self-Insured Health and Dental		
Student		
Other	8,917.60	3,405.56
Interfund Payable [Note 12]		
Due to Other Agencies	92,466.29	601,711.01
Due to Other Funds	3,783,312.85	4,294,708.70
Due to Other Members	261,087.60	275,788.36
Funds Held for Investment		
Unearned Revenue	1,836,552.44	1,759,898.23
Employees' Compensable Leave	665,675.06	867,238.44
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations		
Liabilities Payable From Restricted Assets		
Funds Held for Others	2,538.52	4,068.52
Other Current Liabilities	56.42	1,420.09
Total Current Liabilities	<u>\$ 17,758,564.79</u>	<u>\$ 17,802,746.86</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$	\$
Employees' Compensable Leave	8,240,183.56	7,622,636.76
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		
Other Non-Current Liabilities		
Total Non-Current Liabilities	<u>\$ 8,240,183.56</u>	<u>\$ 7,622,636.76</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 25,998,748.35</u>	<u>\$ 25,425,383.62</u>
Net Position		
Net Investment In Capital Assets	\$ 5,058,160.53	\$ 4,463,797.77
Restricted for		
Debt Service		
Capital Projects	1,002,373.54	
Education	20,490,049.24	19,237,757.66
Endowment and Permanent Funds		
Nonexpendable		
Expendable	285,115.73	
Unrestricted	20,423,046.73	20,195,916.54
Total Net Position [Exhibit IV]	<u>\$ 47,258,745.77</u>	<u>\$ 43,897,471.97</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 73,257,494.12</u>	<u>\$ 69,322,855.59</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, 2016

	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	8,529,053.78	6,355,265.96
Discounts and Allowances		
Interest Revenue		
Federal Revenue - Operating	9,243,362.43	11,436,546.74
Federal Pass Through Revenue	7,016,864.85	2,675,954.29
State Grant Revenue	51,079.20	133,994.45
State Pass Through Revenue	3,166,282.63	2,981,038.59
Other Grants and Contracts - Operating	11,851,741.18	12,270,612.80
Other Operating Revenue	490,189.89	620,224.21
<b>Total Operating Revenues</b>	<b>\$ 40,348,573.96</b>	<b>\$ 36,473,637.04</b>
Operating Expenses		
Instruction	\$	\$
Research	349,601.97	709,517.76
Public Service	116,098,189.84	112,415,005.31
Academic Support		
Student Services		
Institutional Support	7,741,780.08	6,863,698.16
Operation & Maintenance of Plant		
Scholarships & Fellowships		
Auxiliary		
Depreciation/Amortization	809,322.15	734,156.59
<b>Total Operating Expenses [Schedule IV-1]</b>	<b>\$ 124,998,894.04</b>	<b>\$ 120,722,377.82</b>
<b>Total Operating Income [Loss]</b>	<b>\$ (84,650,320.08)</b>	<b>\$ (84,248,740.78)</b>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 64,930,979.25	\$ 62,688,501.70
Federal Revenue Non-Operating	18,125,462.64	17,800,881.49
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	2,515,811.37	1,645,895.43
Investment Income	1,115,276.89	(202,327.34)
Investing Activities Expense	(52,822.75)	(48,130.49)
Interest Expense	(130.03)	
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	66,345.00	48,537.82
Settlement of Claims		
Other Nonoperating Revenues	26,538.12	41,719.88
Other Nonoperating [Expenses]	(32,754.67)	(57,009.45)
<b>Total Nonoperating Revenues [Expenses]</b>	<b>\$ 86,694,705.82</b>	<b>\$ 81,918,069.04</b>
<b>Income [Loss] Before Other Revenues and Transfers</b>	<b>\$ 2,044,385.74</b>	<b>\$ (2,330,671.74)</b>

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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, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Other Revenues and Transfers		
Capital Contributions	\$ 17,500.00	\$ 48,763.05
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments	300,000.00	
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies		
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	618,356.94	547,176.00
Nonmandatory Transfers From Members/Agencies-Cap Assets	4,627.78	24,070.46
Transfers Out		
Transfers to Other State Agencies		
Mandatory Transfers to Other Members		
Nonmandatory Transfers to Other Members		
Nonmandatory Transfers to Members/Agencies - Cap Assets	(49,058.66)	(70,504.05)
Legislative Transfers - In	425,462.00	504,167.00
Legislative Transfers - Out		
Legislative Appropriations Lapsed		
Total Other Revenues and Transfers	<u>\$ 1,316,888.06</u>	<u>\$ 1,053,672.46</u>
Change In Net Position	<u>\$ 3,361,273.80</u>	<u>\$ (1,276,999.28)</u>
Net Position, Beginning of Year	<u>\$ 43,897,471.97</u>	<u>\$ 45,174,471.25</u>
Restatement		
Net Position, Beginning of Year, Restated	<u>\$ 43,897,471.97</u>	<u>\$ 45,174,471.25</u>
Net Position, End of Year	<u>\$ 47,258,745.77</u>	<u>\$ 43,897,471.97</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, 2016

	<u>INSTRUCTION</u>	<u>RESEARCH</u>	<u>PUBLIC SERVICE</u>	<u>ACADEMIC SUPPORT</u>	<u>STUDENT SERVICES</u>
Natural Classification					
Cost of Goods Sold	\$	\$	\$ 117,449.44	\$	\$
Salaries & Wages		137,661.52	66,086,235.86		
Payroll Related Costs		64,713.87	27,554,451.26		
Payroll Related Costs-TRS Pension					
Professional Fees & Services			3,588,859.70		
Travel			2,832,982.40		
Materials & Supplies			5,502,727.35		
Communication & Utilities			1,286,808.97		
Repairs & Maintenance			654,821.44		
Rentals & Leases			2,526,543.60		
Printing & Reproduction			1,049,097.65		
Federal Pass-Through			1,018,475.69		
State Pass-Through		147,226.58	234,184.87		
Depreciation & Amortization					
Bad Debt Expense					
Interest			1,496.98		
Scholarships			109,608.10		
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses			3,534,446.53		
Total Operating Expenses	\$	\$ 349,601.97	\$ 116,098,189.84	\$	\$

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$	\$	\$	\$	\$ 117,449.44	\$ 59,229.50
4,979,910.88					71,203,808.26	70,250,831.94
2,341,026.84					29,960,191.97	28,546,087.31
					3,590,837.85	3,741,091.11
1,978.15					2,864,811.53	2,631,713.64
31,829.13					5,757,031.99	4,665,206.34
254,304.64					1,360,335.51	1,407,461.90
73,526.54					664,873.13	754,185.92
10,051.69					2,555,180.71	2,193,232.08
28,637.11					1,049,694.37	572,766.10
596.72					1,018,475.69	826,605.51
					381,411.45	827,152.85
				809,322.15	809,322.15	734,156.59
					1,509.32	260.39
12.34					109,608.10	109,038.17
19,906.04					3,554,352.57	3,403,358.47
\$ 7,741,780.08	\$	\$	\$	\$ 809,322.15	\$ 124,998,894.04	\$ 120,722,377.82

[Exhibit IV]

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EXHIBIT V  
TEXAS A&M AGRILIFE EXTENSION SERVICE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$	\$
Proceeds Received From Customers	8,525,030.18	6,461,701.68
Proceeds From Grants and Contracts	33,256,118.43	29,374,384.25
Proceeds From Auxiliary Enterprises		
Proceeds From Loan Programs		
Proceeds From Other Operating Revenues	488,826.22	620,476.27
Payments to Suppliers for Goods and Services	(22,165,674.22)	(18,068,997.17)
Payments to Employees	(98,767,128.65)	(96,056,726.00)
Payments for Loans Provided		
Payments for Other Operating Expenses	(2,033,396.22)	(1,146,729.67)
Net Cash Provided [Used] By Operating Activities	<u>\$ (80,696,224.26)</u>	<u>\$ (78,815,890.64)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 65,497,224.29	\$ 61,523,470.02
Proceeds From Gifts	2,515,811.37	1,645,895.43
Proceeds From Endowments	300,000.00	
Proceeds From Transfers From Other Funds		
Proceeds From Other Grant Receipts	18,125,462.64	17,800,881.49
Proceeds From Other Noncapital Financing Activities	26,538.12	38,442.26
Payments of Interest		
Payments for Transfers to Other Funds		
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(20,920.95)	(380.07)
Other Noncapital Transfers From/To System	543,818.94	551,343.00
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 86,987,934.41</u>	<u>\$ 81,559,652.13</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 66,345.00	\$ 49,100.00
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	(1,443,979.51)	(1,170,054.77)
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]	219,875.64	407,414.57
Intrasystem Transfers for Capital Debt [Mandatory]		
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (1,157,888.90)</u>	<u>\$ (713,540.20)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	(5,118,972.89)	(1,269,971.93)
Proceeds From Interest and Investment Income	357,405.15	275,791.85
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ (4,761,567.74)</u>	<u>\$ (994,180.08)</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ 372,253.51</u>	<u>\$ 1,036,041.21</u>
Cash and Cash Equivalents, Beginning of Year Restatement	<u>\$ 4,125,455.17</u>	<u>\$ 3,089,413.96</u>
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 4,125,455.17</u>	<u>\$ 3,089,413.96</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u><u>\$ 4,497,708.68</u></u>	<u><u>\$ 4,125,455.17</u></u>

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EXHIBIT V  
 TEXAS A&M AGRILIFE EXTENSION SERVICE  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(84,650,320.08)	(84,248,740.78)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	809,322.15	734,156.59
Bad Debt Expense	(1,294.56)	9,121.49
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	2,648,651.49	(528,928.89)
[Increase] Decrease In Due From Other Funds	(761,379.51)	350,169.48
[Increase] Decrease In Due From System Members	(28,320.56)	(7,164.97)
[Increase] Decrease In Inventories	200,826.23	(1,161.36)
[Increase] Decrease In Prepaid Expenses		
[Increase] Decrease In Loans and Contracts		
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	1,118,962.10	1,848,063.73
Increase [Decrease] In Due to Other Agencies/Funds	(509,244.72)	425,391.77
Increase [Decrease] In Due to System Members	(14,700.76)	188,809.85
Increase [Decrease] In Unearned Revenue	76,654.21	382,997.17
Increase [Decrease] In Deposits	(1,363.67)	252.06
Increase [Decrease] In Employees' Compensable Leave	415,983.42	2,031,143.22
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>\$ 3,954,095.82</u>	<u>\$ 5,432,850.14</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (80,696,224.26)</u>	<u>\$ (78,815,890.64)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$ 17,500.00	\$ 48,763.05
Net Change In Fair Value of Investments	525,442.77	(1,158,199.99)
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	(46,940.62)	(46,995.77)





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SCHEDULE THREE  
TEXAS A&M AGRILIFE EXTENSION SERVICE  
SCHEDULE OF CASH & CASH EQUIVALENTS  
FOR THE YEAR ENDED AUGUST 31, 2016

	<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	\$ 633,432.24
Cash In State Treasury	
Reimbursements Due From State Treasury	4,267.21
Assets Held By System Offices-Current	<u>3,851,920.71</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 4,495,170.16</u>
Restricted	
Assets Held By System Offices-Current	<u>\$ 2,538.52</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 2,538.52</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 4,497,708.68</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, 2016

	BALANCE 9-1-15	ADJUSTMENTS	COMPLETED CIP
<b>Non-Depreciable/Non-Amortizable Assets</b>			
Land and Land Improvements	\$ 394,693.64	\$	\$
<b>Total Non-Depreciable/Non-Amortizable Assets</b>	<b>\$ 394,693.64</b>	<b>\$</b>	<b>\$</b>
<b>Depreciable Assets</b>			
Buildings	\$ 2,032,067.67	\$	\$
Furniture and Equipment	4,909,004.00		
Vehicles, Boats and Aircraft	7,113,084.77		
Other Capital Assets	16,192.00		
<b>Total Depreciable Assets at Historical Cost</b>	<b>\$ 14,070,348.44</b>	<b>\$</b>	<b>\$</b>
<b>Less Accumulated Depreciation for</b>			
Buildings	\$ (790,605.05)	\$	\$
Furniture and Equipment	(3,374,586.51)		
Vehicles, Boats and Aircraft	(5,834,090.19)		
Other Capital Assets	(1,962.56)		
<b>Total Accumulated Depreciation</b>	<b>\$ (10,001,244.31)</b>	<b>\$</b>	<b>\$</b>
<b>Depreciable Assets, Net</b>	<b>\$ 4,069,104.13</b>	<b>\$</b>	<b>\$</b>
<b>Capital Assets, Net</b>	<b>\$ 4,463,797.77</b>	<b>\$</b>	<b>\$</b>

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-16</u>
\$	\$	\$	\$	\$ 394,693.64
\$	\$	\$	\$	\$ 394,693.64
\$ 163,906.94	\$ (50,960.10)	\$ 648,968.25 815,021.00	\$ (207,999.69) (472,397.75)	\$ 2,032,067.67 5,462,919.40 7,455,708.02 16,192.00
\$ 163,906.94	\$ (50,960.10)	\$ 1,463,989.25	\$ (680,397.44)	\$ 14,966,887.09
\$ (159,279.16)	\$ 1,901.44	\$ (64,574.52) (355,673.59) (388,338.08) (735.96)	\$ 193,281.30 471,242.68	\$ (855,179.57) (3,694,356.52) (5,751,185.59) (2,698.52)
\$ (159,279.16)	\$ 1,901.44	\$ (809,322.15)	\$ 664,523.98	\$ (10,303,420.20)
\$ 4,627.78	\$ (49,058.66)	\$ 654,667.10	\$ (15,873.46)	\$ 4,663,466.89
\$ 4,627.78	\$ (49,058.66)	\$ 654,667.10	\$ (15,873.46)	\$ 5,058,160.53





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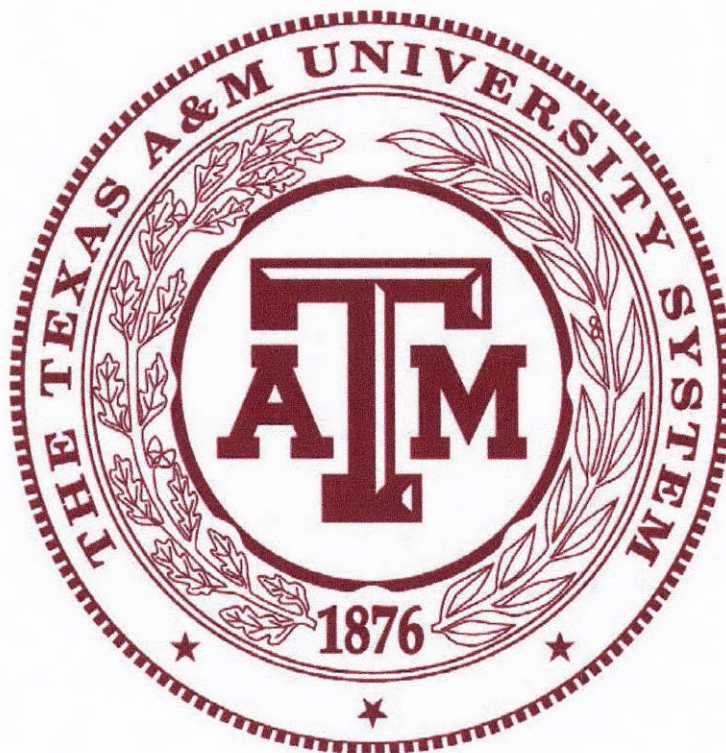
# ANNUAL FINANCIAL REPORT

of

**Texas A&M Forest Service**

*For the Year Ended August 31, 2016*

*With Comparative Totals for the Year Ended August 31, 2015*



**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, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 89,624,143.80	\$ 97,174,075.37
Investments		
Derivative Instruments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	43,511.41	73,578.00
Investments		
Legislative Appropriations	5,276,691.54	4,364,832.99
Receivables, Net [Note 24]		
Federal	2,074,100.11	1,532,674.00
Other Intergovernmental	352,168.16	
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student		
Investment Trades		
Accounts	233,803.92	289,595.14
Other	571.85	679.00
Due From Other Agencies	2,966,757.29	2,245,510.89
Due From Other Members	5,581.70	1,404.16
Due From Other Funds	610,608.58	
Consumable Inventories	476,301.07	1,237,598.84
Merchandise Inventories	525,667.24	531,011.38
Loans and Contracts	26,220.00	87,234.51
Interfund Receivable [Note 12]		
Other Current Assets	902.82	555.00
Total Current Assets	<u>\$ 102,217,029.49</u>	<u>\$ 107,538,749.28</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 189,392.31	\$ 227,879.29
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts	435,809.00	545,712.00
Assets Held By System Office	14,527,098.36	13,898,398.81
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	2,316,522.01	1,998,535.89
Construction In Progress	510,499.44	815,240.11
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	31,171,472.72	27,568,523.64
Vehicles, Boats, and Aircraft	26,296,460.10	24,493,273.65
Other Capital Assets		
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software		
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(31,642,399.98)	(27,605,213.73)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 46,014,208.43</u>	<u>\$ 44,151,704.13</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>\$ 148,231,237.92</u>	<u>\$ 151,690,453.41</u>

UNAUDITED

EXHIBIT III  
 TEXAS A&M FOREST SERVICE  
 STATEMENT OF NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	<u>CURRENT YEAR TOTAL</u>	<u>PRIOR YEAR TOTAL</u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 11,694,130.12	\$ 5,271,776.08
Payroll	1,768,516.87	1,662,585.26
Investment Trades		
Self-Insured Health and Dental		
Student		
Other		
Interfund Payable [Note 12]		
Due to Other Agencies	6,730.06	15,077.36
Due to Other Funds	610,608.58	
Due to Other Members		
Funds Held for Investment		
Unearned Revenue	53,128.44	73,115.08
Employees' Compensable Leave	157,622.71	185,273.37
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations		
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Other Current Liabilities	<u>27,648.31</u>	<u>18,067.91</u>
Total Current Liabilities	<u>\$ 14,318,385.09</u>	<u>\$ 7,225,895.06</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$	\$
Employees' Compensable Leave	2,380,137.29	2,179,524.24
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		
Other Non-Current Liabilities		
Total Non-Current Liabilities	<u>\$ 2,380,137.29</u>	<u>\$ 2,179,524.24</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 16,698,522.38</u>	<u>\$ 9,405,419.30</u>
Net Position		
Net Investment In Capital Assets	\$ 30,861,908.76	\$ 29,479,714.03
Restricted for		
Debt Service		
Capital Projects	4,042.49	1,404.16
Education	834,760.94	813,944.49
Endowment and Permanent Funds		
Nonexpendable		
Expendable		
Unrestricted	<u>99,832,003.35</u>	<u>111,989,971.43</u>
Total Net Position [Exhibit IV]	<u>\$ 131,532,715.54</u>	<u>\$ 142,285,034.11</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 148,231,237.92</u>	<u>\$ 151,690,453.41</u>

UNAUDITED

EXHIBIT IV  
TEXAS A&M FOREST SERVICE  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED AUGUST 31, 2016

	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	2,882,926.10	2,905,030.66
Discounts and Allowances		
Interest Revenue		
Federal Revenue - Operating	5,644,237.31	5,955,293.58
Federal Pass Through Revenue	4,036,447.83	2,940,022.20
State Grant Revenue		
State Pass Through Revenue	6,885.51	59,022.49
Other Grants and Contracts - Operating	352,810.68	313,115.95
Other Operating Revenue	18,884,454.30	20,637,262.52
Total Operating Revenues	<u>\$ 31,807,761.73</u>	<u>\$ 32,809,747.40</u>
Operating Expenses		
Instruction	\$	\$
Research	2,203,867.09	2,119,249.41
Public Service	69,529,054.94	50,875,502.99
Academic Support		
Student Services		
Institutional Support	3,467,757.09	3,523,934.31
Operation & Maintenance of Plant	1,534,727.39	1,426,118.86
Scholarships & Fellowships		
Auxiliary		
Depreciation/Amortization	5,593,440.00	4,810,702.86
Total Operating Expenses [Schedule IV-1]	<u>\$ 82,328,846.51</u>	<u>\$ 62,755,508.43</u>
Total Operating Income [Loss]	<u>\$ (50,521,084.78)</u>	<u>\$ (29,945,761.03)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 13,505,703.98	\$ 13,856,447.16
Federal Revenue Non-Operating		
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	9,675.00	142,504.81
Investment Income	665,646.96	(93,258.75)
Investing Activities Expense	(35,788.81)	(34,803.03)
Interest Expense		
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	387,144.10	235,770.98
Settlement of Claims	(7,849.48)	(7,916.92)
Other Nonoperating Revenues	24,495.06	22,148.78
Other Nonoperating [Expenses]	(239,697.36)	(122,713.97)
Total Nonoperating Revenues [Expenses]	<u>\$ 14,309,329.45</u>	<u>\$ 13,998,179.06</u>
Income [Loss] Before Other Revenues and Transfers	<u>\$ (36,211,755.33)</u>	<u>\$ (15,947,581.97)</u>

UNAUDITED

EXHIBIT IV  
 TEXAS A&M FOREST SERVICE  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Other Revenues and Transfers		
Capital Contributions	\$ 320,000.00	\$ 1,061,924.32
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments		
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	30,384,882.11	25,124,202.89
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	126,768.00	128,496.00
Nonmandatory Transfers From Members/Agencies-Cap Assets		
Transfers Out		
Transfers to Other State Agencies	(5,372,213.35)	(2,829,825.87)
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		
Total Other Revenues and Transfers	<u>\$ 25,459,436.76</u>	<u>\$ 23,484,797.34</u>
Change In Net Position	<u>\$ (10,752,318.57)</u>	<u>\$ 7,537,215.37</u>
Net Position, Beginning of Year Restatement	<u>\$ 142,285,034.11</u>	<u>\$ 134,747,818.74</u>
Net Position, Beginning of Year, Restated	<u>\$ 142,285,034.11</u>	<u>\$ 134,747,818.74</u>
Net Position, End of Year	<u><u>\$ 131,532,715.54</u></u>	<u><u>\$ 142,285,034.11</u></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, 2016

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$ 345,510.94	\$	\$
Salaries & Wages		1,400,960.68	20,562,987.63		
Payroll Related Costs		438,403.45	8,064,120.97		
Payroll Related Costs-TRS Pension					
Professional Fees & Services		58,490.95	1,392,703.67		
Travel		59,791.01	1,790,002.32		
Materials & Supplies		125,379.68	6,270,758.65		
Communication & Utilities		30,421.42	697,924.87		
Repairs & Maintenance		35,781.11	1,136,628.15		
Rentals & Leases		17,205.55	384,984.68		
Printing & Reproduction		34.20	137,232.34		
Federal Pass-Through			65,475.10		
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					
Interest		3.08	3,221.74		
Scholarships					
Claims & Losses			31,772.04		
Net Change In OPEB Obligation					
Other Operating Expenses		37,395.96	28,645,731.84		
Total Operating Expenses	\$	\$ 2,203,867.09	\$ 69,529,054.94	\$	\$

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$ 71.61	\$	\$	\$	\$ 345,582.55	\$ 249,994.49
1,991,900.20	166,608.32				24,122,456.83	21,950,587.03
513,770.96	43,052.78				9,059,348.16	8,324,012.49
588,043.28	49,093.13				2,088,331.03	1,503,729.35
44,420.86	4,998.55				1,899,212.74	1,468,504.24
126,972.88	224,270.95				6,747,382.16	4,604,526.06
51,886.60	257,427.94				1,037,660.83	959,351.28
26,399.29	95,220.82				1,294,029.37	1,093,981.66
26,359.53	409,405.68				837,955.44	807,118.51
3,295.68	222.97				140,785.19	181,228.90
					65,475.10	128,849.10
				5,593,440.00	5,593,440.00	4,810,702.86
33.13	54.35				3,312.30	532.63
					31,772.04	
94,674.68	284,300.29				29,062,102.77	16,672,389.83
<u>\$ 3,467,757.09</u>	<u>\$ 1,534,727.39</u>	<u>\$</u>	<u>\$</u>	<u>\$ 5,593,440.00</u>	<u>\$ 82,328,846.51</u>	<u>\$ 62,755,508.43</u>

[Exhibit IV]

UNAUDITED

EXHIBIT V  
TEXAS A&M FOREST SERVICE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 2,476,186.08	\$ 3,529,876.04
Proceeds Received From Customers	9,478,167.98	9,304,139.39
Proceeds From Grants and Contracts		
Proceeds From Auxiliary Enterprises	170,917.51	104,952.00
Proceeds From Loan Programs	18,894,034.70	20,635,861.65
Proceeds From Other Operating Revenues	(14,833,004.70)	(12,404,480.33)
Payments to Suppliers for Goods and Services	(32,902,910.99)	(29,765,784.96)
Payments to Employees		
Payments for Loans Provided		
Payments for Other Operating Expenses	(21,244,118.82)	(14,528,959.11)
Net Cash Provided [Used] By Operating Activities	<u>\$ (37,960,728.24)</u>	<u>\$ (23,124,395.32)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 12,593,845.43	\$ 12,630,578.53
Proceeds From Gifts	9,525.00	19,790.84
Proceeds From Endowments		
Proceeds From Transfers From Other Funds	29,505,557.43	24,930,882.36
Proceeds From Other Grant Receipts		
Proceeds From Other Noncapital Financing Activities	24,495.06	22,148.78
Payments of Interest		
Payments for Transfers to Other Funds	(5,372,213.35)	(2,829,825.87)
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(7,849.48)	(7,916.92)
Other Noncapital Transfers From/To System	26,768.00	28,496.00
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 36,780,128.09</u>	<u>\$ 34,794,153.72</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 387,879.92	\$ 258,990.00
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	(6,924,285.18)	(7,650,780.20)
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]	97,361.67	100,539.12
Intrasystem Transfers for Capital Debt [Mandatory]		
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (6,439,043.59)</u>	<u>\$ (7,291,251.08)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	(227,531.18)	(195,863.02)
Proceeds From Interest and Investment Income	267,176.76	226,795.87
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ 39,645.58</u>	<u>\$ 30,932.85</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ (7,579,998.16)</u>	<u>\$ 4,409,440.17</u>
Cash and Cash Equivalents, Beginning of Year	\$ 97,247,653.37	\$ 92,838,213.20
Restatement		
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 97,247,653.37</u>	<u>\$ 92,838,213.20</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 89,667,655.21</u>	<u>\$ 97,247,653.37</u>

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EXHIBIT V  
 TEXAS A&M FOREST SERVICE  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(50,521,084.78)	(29,945,761.03)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	5,593,440.00	4,810,702.86
Bad Debt Expense		
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	(837,695.90)	870,616.91
[Increase] Decrease In Due From Other Funds	(81,469.08)	(19,990.47)
[Increase] Decrease In Due From System Members	(1,539.21)	1,909.74
[Increase] Decrease In Inventories	766,641.91	76,238.25
[Increase] Decrease In Prepaid Expenses		
[Increase] Decrease In Loans and Contracts	170,917.51	104,952.00
[Increase] Decrease In Other Assets	(347.82)	674.21
Increase [Decrease] In Payables	6,796,200.28	767,238.83
Increase [Decrease] In Due to Other Agencies/Funds	(8,347.30)	(7,193.55)
Increase [Decrease] In Due to System Members		(1,232.04)
Increase [Decrease] In Unearned Revenue	(19,986.64)	(80,512.85)
Increase [Decrease] In Deposits	9,580.40	(1,400.87)
Increase [Decrease] In Employees' Compensable Leave	172,962.39	299,362.69
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities		
Total Adjustments	\$ 12,560,356.54	\$ 6,821,365.71
Net Cash Provided [Used] By Operating Activities	\$ (37,960,728.24)	\$ (23,124,395.32)
Non-Cash Transactions		
Donation of Capital Assets	\$ 320,000.00	\$ 1,061,924.32
Net Change In Fair Value of Investments	278,769.27	(809,011.06)
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	387,294.10	358,484.95





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SCHEDULE THREE  
 TEXAS A&M FOREST SERVICE  
 SCHEDULE OF CASH & CASH EQUIVALENTS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	<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	\$ 81,795,173.11
Fund 5066	5,038,933.11
Total Cash In State Treasury	<u>\$ 86,834,106.22</u>
Reimbursements Due From State Treasury	\$ 337,650.46
Assets Held By System Offices-Current	<u>2,451,987.12</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 89,624,143.80</u>
Restricted	
Assets Held By System Offices-Current	<u>\$ 43,511.41</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 43,511.41</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 89,667,655.21</u></u>

UNAUDITED

SCHEDULE N-2  
 TEXAS A&M FOREST SERVICE  
 NOTE 2 - CAPITAL ASSETS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	BALANCE 9-1-15	ADJUSTMENTS	COMPLETED CIP
<b>Non-Depreciable/Non-Amortizable Assets</b>			
Land and Land Improvements	\$ 1,998,535.89	\$	\$
Construction In Progress	815,240.11		(408,063.51)
<b>Total Non-Depreciable/Non-Amortizable Assets</b>	<b>\$ 2,813,776.00</b>	<b>\$</b>	<b>\$ (408,063.51)</b>
<b>Depreciable Assets</b>			
Buildings	\$ 2,209,354.47	\$	\$
Furniture and Equipment	27,568,523.64	(6,400.00)	176,364.77
Vehicles, Boats and Aircraft	24,493,273.65		231,698.74
<b>Total Depreciable Assets at Historical Cost</b>	<b>\$ 54,271,151.76</b>	<b>\$ (6,400.00)</b>	<b>\$ 408,063.51</b>
<b>Less Accumulated Depreciation for</b>			
Buildings	\$ (995,945.04)	\$	\$
Furniture and Equipment	(14,495,291.05)	6,400.00	
Vehicles, Boats and Aircraft	(12,113,977.64)		
<b>Total Accumulated Depreciation</b>	<b>\$ (27,605,213.73)</b>	<b>\$ 6,400.00</b>	<b>\$</b>
<b>Depreciable Assets, Net</b>	<b>\$ 26,665,938.03</b>	<b>\$</b>	<b>\$ 408,063.51</b>
<b>Capital Assets, Net</b>	<b>\$ 29,479,714.03</b>	<b>\$</b>	<b>\$</b>

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-16</u>
\$	\$	\$ 317,986.12	\$	\$ 2,316,522.01
		103,322.84		510,499.44
<u>\$</u>	<u>\$</u>	<u>\$ 421,308.96</u>	<u>\$</u>	<u>\$ 2,827,021.45</u>
\$	\$	\$	\$	\$ 2,209,354.47
		3,929,542.22	(496,557.91)	31,171,472.72
		2,625,519.37	(1,054,031.66)	26,296,460.10
<u>\$</u>	<u>\$</u>	<u>\$ 6,555,061.59</u>	<u>\$ (1,550,589.57)</u>	<u>\$ 59,677,287.29</u>
\$	\$	\$	\$	\$ (1,072,221.09)
		(76,276.05)	496,557.91	(17,088,966.81)
		(3,096,633.67)	1,053,295.84	(13,481,212.08)
		(2,420,530.28)		
<u>\$</u>	<u>\$</u>	<u>\$ (5,593,440.00)</u>	<u>\$ 1,549,853.75</u>	<u>\$ (31,642,399.98)</u>
<u>\$</u>	<u>\$</u>	<u>\$ 961,621.59</u>	<u>\$ (735.82)</u>	<u>\$ 28,034,887.31</u>
<u>\$</u>	<u>\$</u>	<u>\$ 1,382,930.55</u>	<u>\$ (735.82)</u>	<u>\$ 30,861,908.76</u>





UNAUDITED

# ANNUAL FINANCIAL REPORT

of

**Texas A&M Veterinary Medical Diagnostic Laboratory**

*For the Year Ended August 31, 2016*

*With Comparative Totals for the Year Ended August 31, 2015*



**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, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u>                    </u>	<u>                    </u>
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 1,843,445.08	\$ 1,491,119.16
Investments		
Derivative Instruments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	1,192.39	32,166.92
Investments		
Legislative Appropriations	31,028.60	97,024.81
Receivables, Net [Note 24]		
Federal	343.33	13,670.98
Other Intergovernmental		
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student		
Investment Trades		
Accounts	949,194.89	892,490.51
Other		
Due From Other Agencies		
Due From Other Members	89,940.04	199,000.00
Due From Other Funds	31.62	16,685.09
Consumable Inventories	373,810.43	310,654.38
Merchandise Inventories		
Loans and Contracts		
Interfund Receivable [Note 12]		
Other Current Assets		
	<u>                    </u>	<u>                    </u>
Total Current Assets	\$ 3,288,986.38	\$ 3,052,811.85
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	10,084,601.55	10,084,601.55
Infrastructure		
Facilities and Other Improvements		
Furniture and Equipment	6,432,626.93	6,493,891.17
Vehicles, Boats, and Aircraft	120,198.45	115,281.45
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	(12,347,218.71)	(11,855,605.08)
Assets Held In Trust		
Other Non-Current Assets		
	<u>                    </u>	<u>                    </u>
Total Non-Current Assets	\$ 5,325,659.76	\$ 5,873,620.63
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	\$ 8,614,646.14	\$ 8,926,432.48

UNAUDITED

EXHIBIT III  
 TEXAS A&M VETERINARY MEDICAL DIAGNOSTIC LABORATORY  
 STATEMENT OF NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u>                    </u>	<u>                    </u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 422,287.41	\$ 194,404.81
Payroll	913,886.83	797,891.52
Investment Trades		
Self-Insured Health and Dental		
Student		
Other		
Interfund Payable [Note 12]	129,212.11	129,212.12
Due to Other Agencies		
Due to Other Funds	31.62	16,685.09
Due to Other Members		
Funds Held for Investment		
Unearned Revenue	1,000.00	
Employees' Compensable Leave	123,540.58	91,138.20
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations		
Liabilities Payable From Restricted Assets		
Funds Held for Others	192.39	192.39
Other Current Liabilities		
Total Current Liabilities	<u>\$ 1,590,150.94</u>	<u>\$ 1,229,524.13</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$ 129,212.11	\$ 129,212.11
Employees' Compensable Leave	819,173.99	860,248.71
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		
Other Non-Current Liabilities		
Total Non-Current Liabilities	<u>\$ 819,173.99</u>	<u>\$ 989,460.82</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>\$ 2,409,324.93</u>	<u>\$ 2,218,984.95</u>
Net Position		
Net Investment In Capital Assets	\$ 5,325,659.76	\$ 5,873,620.63
Restricted for		
Debt Service		
Capital Projects	89,940.04	199,000.00
Education		31,974.98
Endowment and Permanent Funds		
Nonexpendable		
Expendable		
Unrestricted	<u>789,721.41</u>	<u>602,851.92</u>
Total Net Position [Exhibit IV]	<u>\$ 6,205,321.21</u>	<u>\$ 6,707,447.53</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 8,614,646.14</u>	<u>\$ 8,926,432.48</u>

UNAUDITED

EXHIBIT IV  
 TEXAS A&M VETERINARY MEDICAL DIAGNOSTIC LABORATORY  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	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	11,092,157.26	9,515,831.56
Discounts and Allowances		
Interest Revenue		
Federal Revenue - Operating	237,278.24	237,229.15
Federal Pass Through Revenue		211,112.16
State Grant Revenue		
State Pass Through Revenue		
Other Grants and Contracts - Operating	49,000.00	
Other Operating Revenue		
	<u>11,378,435.50</u>	<u>9,964,172.87</u>
Total Operating Revenues	\$	\$
Operating Expenses		
Instruction	\$	\$
Research	154,529.64	295,553.08
Public Service	15,880,264.74	15,555,511.01
Academic Support		
Student Services		
Institutional Support	1,915,290.46	1,905,233.41
Operation & Maintenance of Plant	9,009.20	
Scholarships & Fellowships		
Auxiliary		
Depreciation/Amortization	804,379.01	892,091.65
	<u>18,763,473.05</u>	<u>18,648,389.15</u>
Total Operating Expenses [Schedule IV-1]	\$	\$
Total Operating Income [Loss]	\$ (7,385,037.55)	\$ (8,684,216.28)
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 9,895,678.27	\$ 9,851,755.24
Federal Revenue Non-Operating		
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts		
Investment Income	7,156.77	3,115.83
Investing Activities Expense		
Interest Expense		
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	(20,539.46)	521.05
Settlement of Claims		
Other Nonoperating Revenues	1,070.00	45,000.00
Other Nonoperating [Expenses]	(1,868.35)	
	<u>9,881,497.23</u>	<u>9,900,392.12</u>
Total Nonoperating Revenues [Expenses]	\$	\$
Income [Loss] Before Other Revenues and Transfers	\$ 2,496,459.68	\$ 1,216,175.84

UNAUDITED

EXHIBIT IV  
 TEXAS A&M VETERINARY MEDICAL DIAGNOSTIC LABORATORY  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	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	1,414.00	201,214.00
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		(23,572.28)
Legislative Transfers - In		
Legislative Transfers - Out	(2,999,800.00)	(2,999,603.33)
Legislative Appropriations Lapsed	(200.00)	(396.67)
	<u>          </u>	<u>          </u>
Total Other Revenues and Transfers	\$ (2,998,586.00)	\$ (2,822,358.28)
	<u>          </u>	<u>          </u>
Change In Net Position	\$ (502,126.32)	\$ (1,606,182.44)
	<u>          </u>	<u>          </u>
Net Position, Beginning of Year	\$ 6,707,447.53	\$ 8,313,629.97
Restatement		
	<u>          </u>	<u>          </u>
Net Position, Beginning of Year, Restated	\$ 6,707,447.53	\$ 8,313,629.97
	<u>          </u>	<u>          </u>
Net Position, End of Year	<u>          </u> \$ 6,205,321.21	<u>          </u> \$ 6,707,447.53

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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, 2016

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$	\$	\$
Salaries & Wages		120,282.10	7,709,915.28		
Payroll Related Costs		27,228.41	2,484,262.81		
Payroll Related Costs-TRS Pension					
Professional Fees & Services			669,030.39		
Travel		61.44	124,543.03		
Materials & Supplies		1,348.17	2,653,888.16		
Communication & Utilities			965,237.33		
Repairs & Maintenance			571,838.19		
Rentals & Leases			56,040.26		
Printing & Reproduction			14,498.07		
Federal Pass-Through					
State Pass-Through			89,475.00		
Depreciation & Amortization					
Bad Debt Expense					
Interest			497.86		
Scholarships					
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses		5,609.52	541,038.36		
Total Operating Expenses	\$	\$ 154,529.64	\$ 15,880,264.74	\$	\$

<u>INSTITUTIONAL SUPPORT</u>	<u>OPERATION &amp; MAINTENANCE OF PLANT</u>	<u>SCHOLARSHIPS &amp; FELLOWSHIPS</u>	<u>AUXILIARY</u>	<u>DEPRECIATION &amp; AMORTIZATION</u>	<u>TOTAL</u>	<u>PRIOR YEAR</u>
\$	\$	\$	\$	\$	\$	\$
1,169,903.16					9,000,100.54	8,859,586.99
263,014.95					2,774,506.17	2,707,002.26
203,195.52					872,225.91	885,682.20
30,029.27					154,633.74	157,165.37
110,706.01	5,209.20				2,771,151.54	2,640,032.75
468.00					965,705.33	911,715.42
7,500.54	3,800.00				583,138.73	805,136.15
3,700.51					59,740.77	72,675.94
1,677.36					16,175.43	9,494.58
					89,475.00	225,000.00
				804,379.01	804,379.01	892,091.65
8.96					506.82	122.20
9,396.13					9,396.13	6,765.25
115,690.05					662,337.93	475,918.39
<u>\$ 1,915,290.46</u>	<u>\$ 9,009.20</u>	<u>\$</u>	<u>\$</u>	<u>\$ 804,379.01</u>	<u>\$ 18,763,473.05</u>	<u>\$ 18,648,389.15</u>

[Exhibit IV]

UNAUDITED

EXHIBIT V  
TEXAS A&M VETERINARY MEDICAL DIAGNOSTIC LABORATORY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$	\$
Proceeds Received From Customers	11,035,452.88	9,475,245.40
Proceeds From Grants and Contracts	299,783.48	481,960.50
Proceeds From Auxiliary Enterprises		
Proceeds From Loan Programs		
Proceeds From Other Operating Revenues		
Payments to Suppliers for Goods and Services	(5,920,067.24)	(5,926,410.66)
Payments to Employees	(11,667,283.74)	(11,445,553.07)
Payments for Loans Provided		
Payments for Other Operating Expenses	(98,871.13)	(231,765.25)
Net Cash Provided [Used] By Operating Activities	<u>\$ (6,350,985.75)</u>	<u>\$ (7,646,523.08)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 9,961,474.48	\$ 9,768,372.85
Proceeds From Gifts		
Proceeds From Endowments		
Proceeds From Transfers From Other Funds		
Proceeds From Other Grant Receipts		
Proceeds From Other Noncapital Financing Activities	1,070.00	45,000.00
Payments of Interest		
Payments for Transfers to Other Funds		
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses		(45,000.00)
Other Noncapital Transfers From/To System	1,414.00	2,214.00
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 9,963,958.48</u>	<u>\$ 9,770,586.85</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$	\$ 2,855.00
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	(278,825.95)	(180,921.78)
Payments of Principal On Debt		
Payments for Capital Leases		
Payments of Interest On Debt Issuance		
Payments for Interfund Receivables	(129,212.12)	(129,212.12)
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]	109,059.96	
Intrasystem Transfers for Capital Debt [Mandatory]	(2,999,800.00)	(2,999,603.33)
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (3,298,778.11)</u>	<u>\$ (3,306,882.23)</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	7,156.77	3,115.83
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ 7,156.77</u>	<u>\$ 3,115.83</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ 321,351.39</u>	<u>\$ (1,179,702.63)</u>
Cash and Cash Equivalents, Beginning of Year	\$ 1,523,286.08	\$ 2,702,988.71
Restatement		
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 1,523,286.08</u>	<u>\$ 2,702,988.71</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 1,844,637.47</u>	<u>\$ 1,523,286.08</u>



UNAUDITED

EXHIBIT V  
 TEXAS A&M VETERINARY MEDICAL DIAGNOSTIC LABORATORY  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	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]	(7,385,037.55)	(8,684,216.28)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	804,379.01	892,091.65
Bad Debt Expense	1,533.97	1,671.04
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	(44,910.70)	(45,152.15)
[Increase] Decrease In Due From Other Funds		
[Increase] Decrease In Due From System Members		41,681.83
[Increase] Decrease In Inventories	(63,156.05)	1,010.76
[Increase] Decrease In Prepaid Expenses		
[Increase] Decrease In Loans and Contracts		
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	343,877.91	56,992.84
Increase [Decrease] In Due to Other Agencies/Funds		
Increase [Decrease] In Due to System Members		
Increase [Decrease] In Unearned Revenue	1,000.00	
Increase [Decrease] In Deposits		
Increase [Decrease] In Employees' Compensable Leave	(8,672.34)	89,397.23
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>\$ 1,034,051.80</u>	<u>\$ 1,037,693.20</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (6,350,985.75)</u>	<u>\$ (7,646,523.08)</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	(20,539.46)	(25,906.23)



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SCHEDULE THREE  
 TEXAS A&M VETERINARY MEDICAL DIAGNOSTIC LABORATORY  
 SCHEDULE OF CASH & CASH EQUIVALENTS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Cashiers Account	\$ 125.00
Petty Cash Department Working Fund	<u>250.00</u>
Total Cash On Hand	<u>\$ 375.00</u>
Cash In State Treasury	
Assets Held By System Offices-Current	<u>\$ 1,843,070.08</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 1,843,445.08</u>
Restricted	
Assets Held By System Offices-Current	<u>\$ 1,192.39</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 1,192.39</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 1,844,637.47</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, 2016

	BALANCE 9-1-15	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 105,700.00	\$	\$
Total Non-Depreciable/Non-Amortizable Assets	<u>\$ 105,700.00</u>	<u>\$</u>	<u>\$</u>
Depreciable Assets			
Buildings	\$ 10,084,601.55	\$	\$
Furniture and Equipment	6,493,891.17		
Vehicles, Boats and Aircraft	115,281.45		
Total Depreciable Assets at Historical Cost	<u>\$ 16,693,774.17</u>	<u>\$</u>	<u>\$</u>
Less Accumulated Depreciation for			
Buildings	\$ (6,587,303.75)	\$	\$
Furniture and Equipment	(4,621,723.03)		
Vehicles, Boats and Aircraft	(67,900.28)		
Total Accumulated Depreciation	<u>\$ (11,276,927.06)</u>	<u>\$</u>	<u>\$</u>
Depreciable Assets, Net	<u>\$ 5,416,847.11</u>	<u>\$</u>	<u>\$</u>
Amortizable Assets - Intangible			
Computer Software	\$ 929,751.54	\$	\$
Total Intangible Assets at Historical Cost	<u>\$ 929,751.54</u>	<u>\$</u>	<u>\$</u>
Less Accumulated Amortization for			
Computer Software	\$ (578,678.02)	\$	\$
Total Accumulated Amortization	<u>\$ (578,678.02)</u>	<u>\$</u>	<u>\$</u>
Amortizable Assets, Net	<u>\$ 351,073.52</u>	<u>\$</u>	<u>\$</u>
Capital Assets, Net	<u><u>\$ 5,873,620.63</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-16</u>
\$	\$	\$	\$	\$ 105,700.00
\$	\$	\$	\$	\$ 105,700.00
\$	\$	\$ 258,335.95	\$ (319,600.19)	\$ 10,084,601.55
		20,490.00	(15,573.00)	6,432,626.93
				120,198.45
\$	\$	\$ 278,825.95	\$ (335,173.19)	\$ 16,637,426.93
\$	\$	\$ (222,091.80)	\$ 297,192.38	\$ (6,809,395.55)
		(444,604.39)	15,573.00	(4,769,135.04)
		(16,258.54)		(68,585.82)
\$	\$	\$ (682,954.73)	\$ 312,765.38	\$ (11,647,116.41)
\$	\$	\$ (404,128.78)	\$ (22,407.81)	\$ 4,990,310.52
\$	\$	\$	\$	\$ 929,751.54
\$	\$	\$	\$	\$ 929,751.54
\$	\$	\$ (121,424.28)	\$	\$ (700,102.30)
\$	\$	\$ (121,424.28)	\$	\$ (700,102.30)
\$	\$	\$ (121,424.28)	\$	\$ 229,649.24
\$	\$	\$ (525,553.06)	\$ (22,407.81)	\$ 5,325,659.76





UNAUDITED

# ANNUAL FINANCIAL REPORT

of

**Texas A&M Engineering Experiment Station**

*For the Year Ended August 31, 2016*

*With Comparative Totals for the Year Ended August 31, 2015*



**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**





UNAUDITED

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, 2016

	<u>CURRENT YEAR TOTAL</u>	<u>PRIOR YEAR TOTAL</u>
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 1,456,956.17	\$ 2,532,897.78
Investments		
Derivative Instruments		
Restricted		
Cash & Cash Equivalents [Schedule Three]		
Investments		
Legislative Appropriations	1,965,638.93	2,714,441.25
Receivables, Net [Note 24]		
Federal	7,367,099.07	5,116,268.55
Other Intergovernmental		
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student		
Investment Trades		
Accounts	8,086,638.51	12,813,808.83
Other		19,906.90
Due From Other Agencies	581,848.53	410,652.16
Due From Other Members	1,642,486.31	1,356,620.49
Due From Other Funds		
Consumable Inventories		
Merchandise Inventories		
Loans and Contracts		
Interfund Receivable [Note 12]		
Other Current Assets	<u>621,227.55</u>	<u>123,695.58</u>
Total Current Assets	<u>\$ 21,721,895.07</u>	<u>\$ 25,088,291.54</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 39,434,575.89	\$ 47,488,402.78
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts		
Assets Held By System Office	56,331,378.66	67,948,784.76
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	2,257,504.46	2,257,504.46
Construction In Progress	22,484,174.87	18,763,489.32
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	42,878,302.88	42,597,270.81
Infrastructure		
Facilities and Other Improvements	187,224.40	187,224.40
Furniture and Equipment	89,777,112.27	86,420,258.78
Vehicles, Boats, and Aircraft	759,423.75	771,386.71
Other Capital Assets	269,151.10	269,151.10
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software		
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(74,019,022.89)	(67,699,259.69)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 180,436,104.39</u>	<u>\$ 199,080,492.43</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>\$ 202,157,999.46</u>	<u>\$ 224,168,783.97</u>

UNAUDITED

EXHIBIT III  
 TEXAS A&M ENGINEERING EXPERIMENT STATION  
 STATEMENT OF NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 4,529,644.42	\$ 906,488.59
Payroll	5,335,253.36	8,761,630.01
Investment Trades		
Self-Insured Health and Dental		
Student		
Other	3,151.55	
Interfund Payable [Note 12]		
Due to Other Agencies	215,571.69	93,086.29
Due to Other Funds		
Due to Other Members	2,980,924.63	3,323,603.15
Funds Held for Investment		
Unearned Revenue	23,092,282.43	25,980,720.17
Employees' Compensable Leave	367,084.92	365,677.81
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations	672,987.26	600,684.48
Liabilities Payable From Restricted Assets		
Funds Held for Others		406,605.86
Other Current Liabilities		
Total Current Liabilities	<u>\$ 37,196,900.26</u>	<u>\$ 40,438,496.36</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$ 2,121,188.29	\$ 2,150,552.75
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	460,514.71	
Capital Lease Obligations	30,923,417.42	31,652,981.14
Other Non-Current Liabilities		1,935,666.90
Total Non-Current Liabilities	<u>\$ 33,505,120.42</u>	<u>\$ 35,739,200.79</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 70,702,020.68</u>	<u>\$ 76,177,697.15</u>
Net Position		
Net Investment In Capital Assets	\$ 54,345,326.89	\$ 50,037,167.94
Restricted for		
Debt Service		
Capital Projects	130,643.82	
Education	15,775,438.82	19,728,726.90
Endowment and Permanent Funds		
Nonexpendable		
Expendable	12,142,876.08	12,262,695.94
Unrestricted	49,061,693.17	65,962,496.04
Total Net Position [Exhibit IV]	<u>\$ 131,455,978.78</u>	<u>\$ 147,991,086.82</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 202,157,999.46</u>	<u>\$ 224,168,783.97</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, 2016

	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	8,903,279.31	10,973,930.90
Discounts and Allowances		
Interest Revenue		
Federal Revenue - Operating	44,217,813.29	46,174,787.19
Federal Pass Through Revenue	4,607,628.76	5,792,494.56
State Grant Revenue	323,916.25	130,563.62
State Pass Through Revenue	1,018,261.18	407,483.05
Other Grants and Contracts - Operating	45,182,227.35	55,695,972.92
Other Operating Revenue	66,097.20	209,743.36
	<u>          </u>	<u>          </u>
Total Operating Revenues	\$ 104,319,223.34	\$ 119,384,975.60
Operating Expenses		
Instruction	\$	\$
Research	140,533,704.27	146,005,705.99
Public Service		
Academic Support		
Student Services		
Institutional Support		
Operation & Maintenance of Plant		
Scholarships & Fellowships		
Auxiliary		
Depreciation/Amortization	8,293,268.85	7,392,165.00
	<u>          </u>	<u>          </u>
Total Operating Expenses [Schedule IV-1]	\$ 148,826,973.12	\$ 153,397,870.99
Total Operating Income [Loss]	\$ (44,507,749.78)	\$ (34,012,895.39)
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 20,524,903.81	\$ 21,179,202.83
Federal Revenue Non-Operating		
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	1,398,204.31	809,396.07
Investment Income	3,642,380.89	(1,217,214.55)
Investing Activities Expense	(231,599.66)	(271,612.03)
Interest Expense	(1,456,563.37)	(1,109,026.30)
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	35,045.90	68,062.13
Settlement of Claims		
Other Nonoperating Revenues	2,001,404.73	95,565.55
Other Nonoperating [Expenses]	(320,290.82)	(849,178.60)
	<u>          </u>	<u>          </u>
Total Nonoperating Revenues [Expenses]	\$ 25,593,485.79	\$ 18,705,195.10
Income [Loss] Before Other Revenues and Transfers	\$ (18,914,263.99)	\$ (15,307,700.29)

UNAUDITED

EXHIBIT IV  
 TEXAS A&M ENGINEERING EXPERIMENT STATION  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Other Revenues and Transfers		
Capital Contributions	\$ 24,120.00	\$ 10,600.00
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments		
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies	462,043.00	462,043.00
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	1,973,509.61	2,764,228.69
Nonmandatory Transfers From Members/Agencies-Cap Assets	267,468.73	65,121.56
Transfers Out		
Transfers to Other State Agencies		
Mandatory Transfers to Other Members	(357,142.66)	(357,136.39)
Nonmandatory Transfers to Other Members	(432,388.26)	(2,654,640.49)
Nonmandatory Transfers to Members/Agencies - Cap Assets	(135,086.47)	(293,116.37)
Legislative Transfers - In	576,632.00	504,787.00
Legislative Transfers - Out		
Legislative Appropriations Lapsed		
Total Other Revenues and Transfers	<u>\$ 2,379,155.95</u>	<u>\$ 501,887.00</u>
Change In Net Position	<u>\$ (16,535,108.04)</u>	<u>\$ (14,805,813.29)</u>
Net Position, Beginning of Year Restatement	<u>\$ 147,991,086.82</u>	<u>\$ 162,796,900.11</u>
Net Position, Beginning of Year, Restated	<u>\$ 147,991,086.82</u>	<u>\$ 162,796,900.11</u>
Net Position, End of Year	<u>\$ 131,455,978.78</u>	<u>\$ 147,991,086.82</u>

UNAUDITED

SCHEDULE IV-1  
 TEXAS A&M ENGINEERING EXPERIMENT STATION  
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX  
 FOR THE YEAR ENDED AUGUST 31, 2016

	<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		64,451,291.88			
Payroll Related Costs		11,817,210.18			
Payroll Related Costs-TRS Pension					
Professional Fees & Services		16,588,471.11			
Travel		4,709,518.42			
Materials & Supplies		8,473,686.32			
Communication & Utilities		3,632,536.26			
Repairs & Maintenance		1,216,877.88			
Rentals & Leases		2,250,714.50			
Printing & Reproduction		383,285.85			
Federal Pass-Through		1,142,336.71			
State Pass-Through		218,863.23			
Depreciation & Amortization					
Bad Debt Expense					
Interest		5,949.40			
Scholarships		8,660,059.89			
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses		16,982,902.64			
Total Operating Expenses	<u>\$</u>	<u>\$ 140,533,704.27</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

<u>INSTITUTIONAL SUPPORT</u>	<u>OPERATION &amp; MAINTENANCE OF PLANT</u>	<u>SCHOLARSHIPS &amp; FELLOWSHIPS</u>	<u>AUXILIARY</u>	<u>DEPRECIATION &amp; AMORTIZATION</u>	<u>TOTAL</u>	<u>PRIOR YEAR</u>
\$	\$	\$	\$	\$	\$	\$
					64,451,291.88	65,233,011.57
					11,817,210.18	11,440,367.43
					16,588,471.11	28,450,113.37
					4,709,518.42	5,468,755.19
					8,473,686.32	9,916,325.43
					3,632,536.26	811,422.58
					1,216,877.88	1,615,870.48
					2,250,714.50	2,092,699.15
					383,285.85	472,799.62
					1,142,336.71	957,234.84
					218,863.23	268,838.08
				8,293,268.85	8,293,268.85	7,392,165.00
					5,949.40	3,509.21
					8,660,059.89	8,344,303.47
					16,982,902.64	10,930,455.57
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
				8,293,268.85	148,826,973.12	153,397,870.99

[Exhibit IV]



UNAUDITED

EXHIBIT V  
TEXAS A&M ENGINEERING EXPERIMENT STATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$	\$
Proceeds Received From Customers	11,259,855.12	11,366,551.21
Proceeds From Grants and Contracts	91,244,466.71	102,850,300.76
Proceeds From Auxiliary Enterprises		
Proceeds From Loan Programs		
Proceeds From Other Operating Revenues	66,097.20	209,743.36
Payments to Suppliers for Goods and Services	(54,177,540.96)	(62,512,335.08)
Payments to Employees	(76,436,345.42)	(76,243,184.78)
Payments for Loans Provided		
Payments for Other Operating Expenses	(9,865,456.91)	(9,884,009.98)
Net Cash Provided [Used] By Operating Activities	<u>\$ (37,908,924.26)</u>	<u>\$ (34,212,934.51)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 21,273,706.13	\$ 20,769,148.61
Proceeds From Gifts	1,398,204.31	809,396.07
Proceeds From Endowments		
Proceeds From Transfers From Other Funds	462,043.00	462,043.00
Proceeds From Other Grant Receipts		
Proceeds From Other Noncapital Financing Activities	118,215.29	164,757.98
Payments of Interest		
Payments for Transfers to Other Funds		
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(14,437.80)	(754.09)
Other Noncapital Transfers From/To System	917,753.35	1,914,375.20
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 24,155,484.28</u>	<u>\$ 24,118,966.77</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 99,378.75	\$ 250,821.46
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	(9,531,334.87)	(18,667,233.94)
Payments of Principal On Debt		
Payments for Capital Leases	(657,260.94)	(304,736.60)
Payments of Interest On Debt Issuance		
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance	(1,456,563.37)	(1,109,026.30)
Transfer of Capital Debt Proceeds From System [Nonmandatory]	1,498,407.24	2,307,978.77
Intrasystem Transfers for Capital Debt [Mandatory]	(357,142.66)	(357,136.39)
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (10,404,515.85)</u>	<u>\$ (17,879,333.00)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	21,746,283.67	24,058,785.07
Proceeds From Interest and Investment Income	1,335,730.55	1,498,419.48
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ 23,082,014.22</u>	<u>\$ 25,557,204.55</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ (1,075,941.61)</u>	<u>\$ (2,416,096.19)</u>
Cash and Cash Equivalents, Beginning of Year	\$ 2,532,897.78	\$ 4,948,993.97
Restatement		
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 2,532,897.78</u>	<u>\$ 4,948,993.97</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 1,456,956.17</u>	<u>\$ 2,532,897.78</u>

UNAUDITED

EXHIBIT V  
 TEXAS A&M ENGINEERING EXPERIMENT STATION  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	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]	(44,507,749.78)	(34,012,895.39)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	8,293,268.85	7,392,165.00
Bad Debt Expense	91,051.55	264,333.33
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	2,405,195.15	3,779,890.77
[Increase] Decrease In Due From Other Funds	(171,196.37)	187,480.05
[Increase] Decrease In Due From System Members	(584,273.06)	495,077.59
[Increase] Decrease In Inventories		
[Increase] Decrease In Prepaid Expenses	(497,531.97)	(122,485.58)
[Increase] Decrease In Loans and Contracts		
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	198,899.58	(3,218,018.64)
Increase [Decrease] In Due to Other Agencies/Funds	122,485.40	26,723.06
Increase [Decrease] In Due to System Members	(342,678.52)	(714,356.18)
Increase [Decrease] In Unearned Revenue	(2,888,437.74)	(5,872,873.50)
Increase [Decrease] In Deposits		
Increase [Decrease] In Employees' Compensable Leave	(27,957.35)	(2,417,975.02)
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>\$ 6,598,825.52</u>	<u>\$ (200,039.12)</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (37,908,924.26)</u>	<u>\$ (34,212,934.51)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$ 24,120.00	\$ 10,600.00
Net Change In Fair Value of Investments	(281,994.43)	(10,134,762.72)
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	167,428.16	(159,932.38)



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SCHEDULE THREE  
TEXAS A&M ENGINEERING EXPERIMENT STATION  
SCHEDULE OF CASH & CASH EQUIVALENTS  
FOR THE YEAR ENDED AUGUST 31, 2016

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Temporary Working Fund	\$ 9,890.00
Total Cash On Hand	<u>\$ 9,890.00</u>
Cash In State Treasury	
Reimbursements Due From State Treasury	\$ 245,029.50
Assets Held By System Offices-Current	<u>1,202,036.67</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 1,456,956.17</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 1,456,956.17</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, 2016

	BALANCE 9-1-15	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 2,257,504.46	\$	\$
Construction In Progress	18,763,489.32		(185,188.32)
Other Tangible Capital Assets	76,279.00		
Total Non-Depreciable/Non-Amortizable Assets	<u>\$ 21,097,272.78</u>	<u>\$</u>	<u>\$ (185,188.32)</u>
Depreciable Assets			
Buildings	\$ 42,597,270.81	\$	\$
Facilities and Other Improvements	187,224.40		
Furniture and Equipment	86,420,258.78		185,188.32
Vehicles, Boats and Aircraft	771,386.71		
Other Capital Assets	269,151.10		
Total Depreciable Assets at Historical Cost	<u>\$ 130,245,291.80</u>	<u>\$</u>	<u>\$ 185,188.32</u>
Less Accumulated Depreciation for			
Buildings	\$ (4,014,100.42)	\$	\$
Facilities and Other Improvements	(78,268.10)		
Furniture and Equipment	(62,903,867.54)		
Vehicles, Boats and Aircraft	(527,934.65)		
Other Capital Assets	(175,088.98)		
Total Accumulated Depreciation	<u>\$ (67,699,259.69)</u>	<u>\$</u>	<u>\$</u>
Depreciable Assets, Net	<u>\$ 62,546,032.11</u>	<u>\$</u>	<u>\$ 185,188.32</u>
Capital Assets, Net	<u><u>\$ 83,643,304.89</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-16</u>
\$	\$ (2,462.54)	\$ 2,462.54 3,905,873.87	\$	\$ 2,257,504.46 22,484,174.87 76,279.00
<u>\$</u>	<u>\$ (2,462.54)</u>	<u>\$ 3,908,336.41</u>	<u>\$</u>	<u>\$ 24,817,958.33</u>
\$ 281,032.07	\$	\$	\$	\$ 42,878,302.88 187,224.40
53,119.46	(443,521.59) (28,962.96)	5,632,581.00 17,000.00	(2,070,513.70)	89,777,112.27 759,423.75 269,151.10
<u>\$ 334,151.53</u>	<u>\$ (472,484.55)</u>	<u>\$ 5,649,581.00</u>	<u>\$ (2,070,513.70)</u>	<u>\$ 133,871,214.40</u>
\$ (19,124.70)	\$	\$ (1,971,854.93) (8,430.00)	\$	\$ (6,005,080.05) (86,698.10)
(47,558.10)	334,550.78 5,309.84	(6,224,196.34) (83,375.10) (5,412.48)	1,700,327.83	(67,140,743.37) (605,999.91) (180,501.46)
<u>\$ (66,682.80)</u>	<u>\$ 339,860.62</u>	<u>\$ (8,293,268.85)</u>	<u>\$ 1,700,327.83</u>	<u>\$ (74,019,022.89)</u>
<u>\$ 267,468.73</u>	<u>\$ (132,623.93)</u>	<u>\$ (2,643,687.85)</u>	<u>\$ (370,185.87)</u>	<u>\$ 59,852,191.51</u>
<u>\$ 267,468.73</u>	<u>\$ (135,086.47)</u>	<u>\$ 1,264,648.56</u>	<u>\$ (370,185.87)</u>	<u>\$ 84,670,149.84</u>







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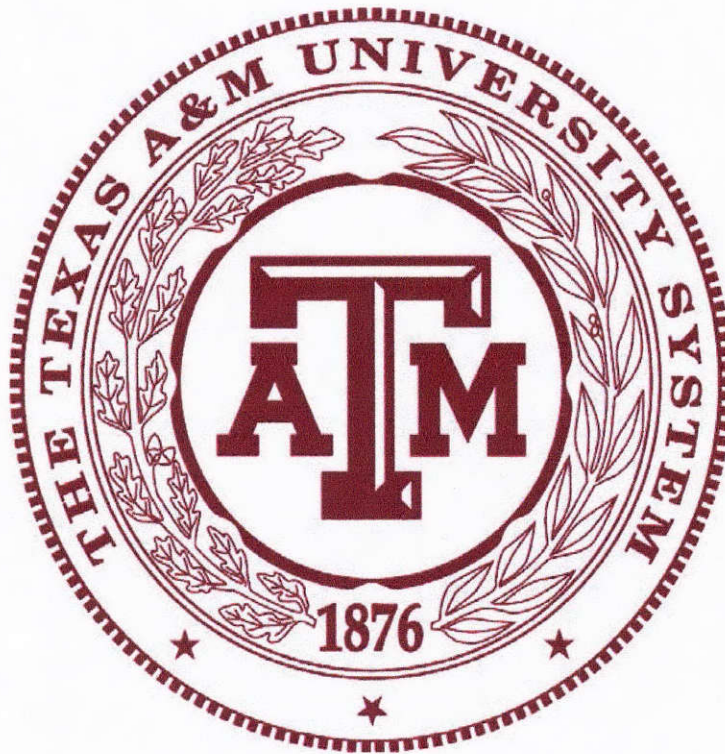
# ANNUAL FINANCIAL REPORT

of

Texas A&M Engineering Extension Service

*For the Year Ended August 31, 2016*

*With Comparative Totals for the Year Ended August 31, 2015*



**Gary Sera, Agency Director**  
**Robert Todd, Associate Agency Director/CFO**  
**Brian Stipe, 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, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 2,900,400.57	\$ 3,029,718.26
Investments		
Derivative Instruments		
Restricted		
Cash & Cash Equivalents [Schedule Three]		
Investments		
Legislative Appropriations	263,727.08	
Receivables, Net [Note 24]		
Federal	3,435,287.13	3,124,654.52
Other Intergovernmental		
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student		
Investment Trades		
Accounts	4,154,777.84	4,199,926.25
Other		33.90
Due From Other Agencies	8,045,757.82	4,811,236.84
Due From Other Members	410,187.00	830,806.38
Due From Other Funds		
Consumable Inventories	838,660.31	950,303.08
Merchandise Inventories		
Loans and Contracts		
Interfund Receivable [Note 12]		
Other Current Assets		
Total Current Assets	<u>\$ 20,048,797.75</u>	<u>\$ 16,946,679.23</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	44,626,265.51	45,995,161.43
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	4,461,914.78	4,474,434.28
Construction In Progress	4,543,724.49	5,134,901.30
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	23,150,619.14	20,275,615.00
Infrastructure	18,917,713.03	17,204,558.39
Facilities and Other Improvements	7,522,310.28	7,368,831.75
Furniture and Equipment	12,101,564.11	11,320,117.77
Vehicles, Boats, and Aircraft	7,751,303.69	7,793,337.85
Other Capital Assets		
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	479,266.80	505,716.80
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(31,992,530.10)	(29,122,763.80)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 91,661,636.41</u>	<u>\$ 91,049,395.45</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>\$ 111,710,434.16</u>	<u>\$ 107,996,074.68</u>

UNAUDITED

EXHIBIT III  
 TEXAS A&M ENGINEERING EXTENSION SERVICE  
 STATEMENT OF NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u>                    </u>	<u>                    </u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts Payable	\$ 5,400,456.50	\$ 5,586,600.91
Payroll	1,676,582.39	1,553,871.54
Investment Trades		
Self-Insured Health and Dental		
Student		
Other	1,378.45	2,651.35
Interfund Payable [Note 12]		
Due to Other Agencies	119,451.67	
Due to Other Funds		
Due to Other Members		
Funds Held for Investment		
Unearned Revenue	4,217,438.23	4,009,372.51
Employees' Compensable Leave	225,095.12	259,422.56
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations		
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Other Current Liabilities		
Total Current Liabilities	<u>\$ 11,640,402.36</u>	<u>\$ 11,411,918.87</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$	\$
Employees' Compensable Leave	2,555,555.81	2,445,040.61
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		
Other Non-Current Liabilities		
Total Non-Current Liabilities	<u>\$ 2,555,555.81</u>	<u>\$ 2,445,040.61</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 14,195,958.17</u>	<u>\$ 13,856,959.48</u>
Net Position		
Net Investment In Capital Assets	\$ 46,967,985.22	\$ 44,986,848.34
Restricted for		
Debt Service		
Capital Projects		
Education	3,073,352.48	69,818.72
Endowment and Permanent Funds		
Nonexpendable	67,385.68	67,385.68
Expendable	58,197.86	59,437.06
Unrestricted	<u>47,347,554.75</u>	<u>48,955,625.40</u>
Total Net Position [Exhibit IV]	<u>\$ 97,514,475.99</u>	<u>\$ 94,139,115.20</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 111,710,434.16</u>	<u>\$ 107,996,074.68</u>

UNAUDITED

EXHIBIT IV  
 TEXAS A&M ENGINEERING EXTENSION SERVICE  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$ 24,277,281.94	\$ 37,310,926.35
Discounts and Allowances		
Professional Fees		
Auxiliary Enterprises		
Discounts and Allowances		
Other Sales of Goods and Services	15,133,809.78	10,472,132.81
Discounts and Allowances		
Interest Revenue		
Federal Revenue - Operating	23,400,387.02	21,675,027.44
Federal Pass Through Revenue	5,088,688.19	6,171,278.54
State Grant Revenue	3,024,321.65	2,495,900.98
State Pass Through Revenue	19,830.81	322,465.34
Other Grants and Contracts - Operating	17,092,542.93	4,365,877.77
Other Operating Revenue	239.52	821.52
Total Operating Revenues	<u>\$ 88,037,101.84</u>	<u>\$ 82,814,430.75</u>
Operating Expenses		
Instruction	\$ 77,336,088.51	\$ 73,479,166.03
Research		
Public Service		
Academic Support		
Student Services		
Institutional Support	13,200,516.46	12,812,074.82
Operation & Maintenance of Plant		
Scholarships & Fellowships		
Auxiliary		
Depreciation/Amortization	3,776,622.79	3,611,530.23
Total Operating Expenses [Schedule IV-1]	<u>\$ 94,313,227.76</u>	<u>\$ 89,902,771.08</u>
Total Operating Income [Loss]	<u>\$ (6,276,125.92)</u>	<u>\$ (7,088,340.33)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 9,166,532.53	\$ 8,652,419.02
Federal Revenue Non-Operating		
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	416,327.12	732,528.87
Investment Income	1,798,985.00	(465,615.03)
Investing Activities Expense	(112,073.88)	(110,465.78)
Interest Expense		
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	133,046.16	64,977.74
Settlement of Claims		
Other Nonoperating Revenues	202,616.67	102,400.49
Other Nonoperating [Expenses]	(367,173.75)	(29,419.83)
Total Nonoperating Revenues [Expenses]	<u>\$ 11,238,259.85</u>	<u>\$ 8,946,825.48</u>
Income [Loss] Before Other Revenues and Transfers	<u>\$ 4,962,133.93</u>	<u>\$ 1,858,485.15</u>

UNAUDITED

EXHIBIT IV  
 TEXAS A&M ENGINEERING EXTENSION SERVICE  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u>                    </u>	<u>                    </u>
Other Revenues and Transfers		
Capital Contributions	\$ 206,796.46	\$ 477,161.00
Capital Appropriations [Higher Education Fund]		
Additions to Permanent and Term Endowments		
Special Items		
Extraordinary Items		
Transfers In		
Transfers From Other State Agencies		246,176.41
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	526,279.35	536,651.53
Nonmandatory Transfers From Members/Agencies-Cap Assets		
Transfers Out		
Transfers to Other State Agencies	(232,097.58)	
Mandatory Transfers to Other Members	(2,032,100.00)	(2,685,790.21)
Nonmandatory Transfers to Other Members	(43,131.87)	
Nonmandatory Transfers to Members/Agencies - Cap Assets	(12,519.50)	
Legislative Transfers - In		
Legislative Transfers - Out		
Legislative Appropriations Lapsed		
	<u>                    </u>	<u>                    </u>
Total Other Revenues and Transfers	\$ (1,586,773.14)	\$ (1,425,801.27)
	<u>                    </u>	<u>                    </u>
Change In Net Position	\$ 3,375,360.79	\$ 432,683.88
	<u>                    </u>	<u>                    </u>
Net Position, Beginning of Year	\$ 94,139,115.20	\$ 93,706,431.32
Restatement		
	<u>                    </u>	<u>                    </u>
Net Position, Beginning of Year, Restated	\$ 94,139,115.20	\$ 93,706,431.32
	<u>                    </u>	<u>                    </u>
Net Position, End of Year	<u>\$ 97,514,475.99</u>	<u>\$ 94,139,115.20</u>

UNAUDITED

SCHEDULE IV-1  
 TEXAS A&M ENGINEERING EXTENSION SERVICE  
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX  
 FOR THE YEAR ENDED AUGUST 31, 2016

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$ 41,110.38	\$	\$	\$	\$
Salaries & Wages	31,333,815.22				
Payroll Related Costs	5,712,464.56				
Payroll Related Costs-TRS Pension					
Professional Fees & Services	3,205,046.38				
Travel	6,873,547.23				
Materials & Supplies	6,260,873.70				
Communication & Utilities	1,739,802.39				
Repairs & Maintenance	825,608.39				
Rentals & Leases	9,886,648.34				
Printing & Reproduction	1,475,037.10				
Federal Pass-Through	194,937.67				
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					
Interest	273.44				
Scholarships					
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses	9,786,923.71				
Total Operating Expenses	\$ 77,336,088.51	\$	\$	\$	\$



<u>INSTITUTIONAL SUPPORT</u>	<u>OPERATION &amp; MAINTENANCE OF PLANT</u>	<u>SCHOLARSHIPS &amp; FELLOWSHIPS</u>	<u>AUXILIARY</u>	<u>DEPRECIATION &amp; AMORTIZATION</u>	<u>TOTAL</u>	<u>PRIOR YEAR</u>
\$	\$	\$	\$	\$	\$ 41,110.38	\$ 53,572.59
5,825,379.49					37,159,194.71	36,505,783.34
4,081,822.48					9,794,287.04	9,051,787.32
1,378,830.94					4,583,877.32	3,859,668.64
177,913.48					7,051,460.71	7,243,914.14
795,642.52					7,056,516.22	6,838,393.79
94,682.85					1,834,485.24	1,820,358.11
350,811.58					1,176,419.97	1,326,162.44
49,396.81					9,936,045.15	7,662,336.02
34,011.45					1,509,048.55	1,417,054.21
					194,937.67	
				3,776,622.79	3,776,622.79	3,611,530.23
355.49					628.93	580.47
<u>411,669.37</u>					<u>10,198,593.08</u>	<u>10,511,629.78</u>
<u>\$ 13,200,516.46</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 3,776,622.79</u>	<u>\$ 94,313,227.76</u>	<u>\$ 89,902,771.08</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, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 24,485,347.66	\$ 36,216,056.43
Proceeds Received From Customers	12,287,871.54	5,725,743.69
Proceeds From Grants and Contracts	48,315,137.99	35,702,495.85
Proceeds From Auxiliary Enterprises		
Proceeds From Loan Programs		
Proceeds From Other Operating Revenues	239.52	821.52
Payments to Suppliers for Goods and Services	(43,606,962.60)	(38,299,981.47)
Payments to Employees	(46,698,236.68)	(45,299,965.38)
Payments for Loans Provided		
Payments for Other Operating Expenses	(194,937.67)	
Net Cash Provided [Used] By Operating Activities	<u>\$ (5,411,540.24)</u>	<u>\$ (5,954,829.36)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 9,166,532.53	\$ 8,652,419.02
Proceeds From Gifts	416,327.12	732,528.87
Proceeds From Endowments		
Proceeds From Transfers From Other Funds		246,176.41
Proceeds From Other Grant Receipts		
Proceeds From Other Noncapital Financing Activities	202,616.67	102,400.49
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	(16,852.52)	36,651.53
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 9,536,526.22</u>	<u>\$ 9,770,176.32</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 133,046.16	\$ 64,977.74
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	(5,930,656.46)	(3,933,647.71)
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]	519,599.59	645,530.33
Intrasystem Transfers for Capital Debt [Mandatory]	(2,032,100.00)	(2,685,790.21)
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (7,310,110.71)</u>	<u>\$ (5,908,929.85)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	2,329,518.90	336,205.69
Proceeds From Interest and Investment Income	726,288.14	626,322.81
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ 3,055,807.04</u>	<u>\$ 962,528.50</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ (129,317.69)</u>	<u>\$ (1,131,054.39)</u>
Cash and Cash Equivalents, Beginning of Year Restatement	<u>\$ 3,029,718.26</u>	<u>\$ 4,160,772.65</u>
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 3,029,718.26</u>	<u>\$ 4,160,772.65</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 2,900,400.57</u>	<u>\$ 3,029,718.26</u>

UNAUDITED

EXHIBIT V  
 TEXAS A&M ENGINEERING EXTENSION SERVICE  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	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]	(6,276,125.92)	(7,088,340.33)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	3,776,622.79	3,611,530.23
Bad Debt Expense	16,224.81	24,982.35
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	680,305.12	(425,151.14)
[Increase] Decrease In Due From Other Funds	(3,234,520.98)	(4,347,866.34)
[Increase] Decrease In Due From System Members	(618,579.80)	673,591.79
[Increase] Decrease In Inventories	111,642.77	(603,211.85)
[Increase] Decrease In Prepaid Expenses		
[Increase] Decrease In Loans and Contracts		
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	(270,814.18)	3,071,935.57
Increase [Decrease] In Due to Other Agencies/Funds	119,451.67	
Increase [Decrease] In Due to System Members		
Increase [Decrease] In Unearned Revenue	208,065.72	(1,094,869.92)
Increase [Decrease] In Deposits		
Increase [Decrease] In Employees' Compensable Leave	76,187.76	222,570.28
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>\$ 864,585.68</u>	<u>\$ 1,133,510.97</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (5,411,540.24)</u>	<u>\$ (5,954,829.36)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$ 206,796.46	\$ 477,161.00
Net Change In Fair Value of Investments	661,641.62	(3,178,672.52)
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	133,046.16	64,977.74



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SCHEDULE THREE  
TEXAS A&M ENGINEERING EXTENSION SERVICE  
SCHEDULE OF CASH & CASH EQUIVALENTS  
FOR THE YEAR ENDED AUGUST 31, 2016

	<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>\$ 2,899,600.57</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 2,900,400.57</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 2,900,400.57</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, 2016

	BALANCE 9-1-15	ADJUSTMENTS	COMPLETED CIP
<b>Non-Depreciable/Non-Amortizable Assets</b>			
Land and Land Improvements	\$ 4,474,434.28	\$	\$
Construction In Progress	5,134,901.30		(4,741,637.31)
Other Tangible Capital Assets	32,099.00		
<b>Total Non-Depreciable/Non-Amortizable Assets</b>	<b>\$ 9,641,434.58</b>	<b>\$</b>	<b>\$ (4,741,637.31)</b>
<b>Depreciable Assets</b>			
Buildings	\$ 20,275,615.00	\$	\$ 2,875,004.14
Infrastructure	17,204,558.39		1,713,154.64
Facilities and Other Improvements	7,368,831.75		153,478.53
Furniture and Equipment	11,320,117.77		
Vehicles, Boats and Aircraft	7,793,337.85		
<b>Total Depreciable Assets at Historical Cost</b>	<b>\$ 63,962,460.76</b>	<b>\$</b>	<b>\$ 4,741,637.31</b>
<b>Less Accumulated Depreciation for</b>			
Buildings	\$ (6,697,726.91)	\$	\$
Infrastructure	(5,502,233.17)		
Facilities and Other Improvements	(2,274,120.74)		
Furniture and Equipment	(8,277,725.99)		
Vehicles, Boats and Aircraft	(5,865,240.19)		
<b>Total Accumulated Depreciation</b>	<b>\$ (28,617,047.00)</b>	<b>\$</b>	<b>\$</b>
<b>Depreciable Assets, Net</b>	<b>\$ 35,345,413.76</b>	<b>\$</b>	<b>\$ 4,741,637.31</b>
<b>Amortizable Assets - Intangible</b>			
Computer Software	\$ 505,716.80	\$	\$
<b>Total Intangible Assets at Historical Cost</b>	<b>\$ 505,716.80</b>	<b>\$</b>	<b>\$</b>
<b>Less Accumulated Amortization for</b>			
Computer Software	\$ (505,716.80)	\$	\$
<b>Total Accumulated Amortization</b>	<b>\$ (505,716.80)</b>	<b>\$</b>	<b>\$</b>
<b>Amortizable Assets, Net</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Capital Assets, Net</b>	<b>\$ 44,986,848.34</b>	<b>\$</b>	<b>\$</b>

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-16</u>
\$	\$ (12,519.50)	\$ 4,468,362.86	\$ (317,902.36)	\$ 4,461,914.78 4,543,724.49 32,099.00
<u>\$</u>	<u>\$ (12,519.50)</u>	<u>\$ 4,468,362.86</u>	<u>\$ (317,902.36)</u>	<u>\$ 9,037,738.27</u>
\$	\$	\$	\$	\$ 23,150,619.14 18,917,713.03 7,522,310.28 12,101,564.11 7,751,303.69
<u>\$</u>	<u>\$</u>	<u>\$ 1,128,028.92 541,061.14</u>	<u>\$ (346,582.58) (583,095.30)</u>	<u>\$ 69,443,510.25</u>
\$	\$	\$ (1,030,664.41) (974,351.06) (336,885.29) (859,811.51) (574,910.52)	\$ 297,311.19 583,095.30	\$ (7,728,391.32) (6,476,584.23) (2,611,006.03) (8,840,226.31) (5,857,055.41)
<u>\$</u>	<u>\$</u>	<u>\$ (3,776,622.79)</u>	<u>\$ 880,406.49</u>	<u>\$ (31,513,263.30)</u>
<u>\$</u>	<u>\$</u>	<u>\$ (2,107,532.73)</u>	<u>\$ (49,271.39)</u>	<u>\$ 37,930,246.95</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (26,450.00)</u>	<u>\$ 479,266.80</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (26,450.00)</u>	<u>\$ 479,266.80</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 26,450.00</u>	<u>\$ (479,266.80)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 26,450.00</u>	<u>\$ (479,266.80)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>\$</u>	<u>\$ (12,519.50)</u>	<u>\$ 2,360,830.13</u>	<u>\$ (367,173.75)</u>	<u>\$ 46,967,985.22</u>







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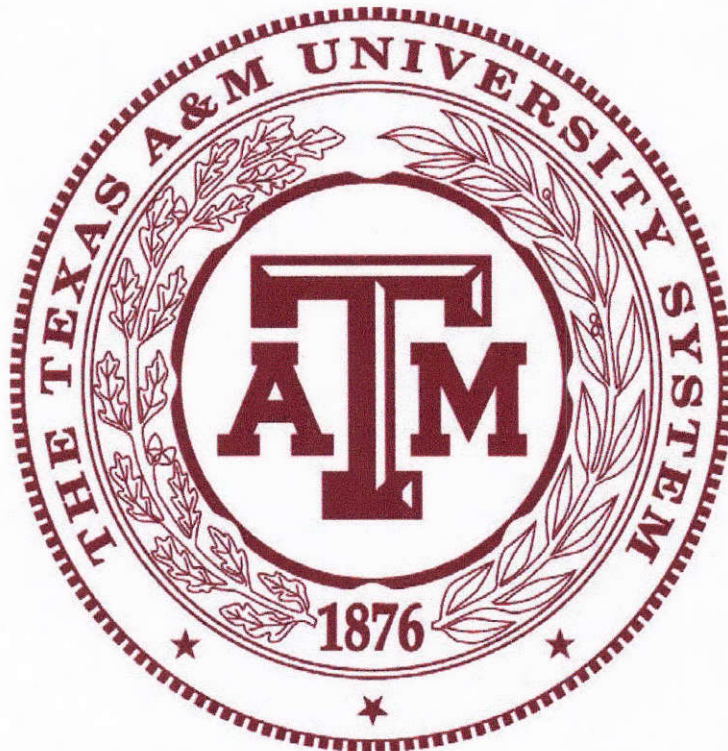
# ANNUAL FINANCIAL REPORT

of

**Texas A&M Transportation Institute**

*For the Year Ended August 31, 2016*

*With Comparative Totals for the Year Ended August 31, 2015*



**Dennis L. Christiansen, Ph.D., P.E., 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, Financial Reporting Manager**



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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, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u>          </u>	<u>          </u>
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 4,661,977.96	\$ 5,115,851.47
Investments		
Derivative Instruments		
Restricted		
Cash & Cash Equivalents [Schedule Three]		
Investments		
Legislative Appropriations	1,079,532.41	305,039.16
Receivables, Net [Note 24]		
Federal	2,158,059.95	1,818,629.05
Other Intergovernmental	604,716.57	824,461.56
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student		
Investment Trades		
Accounts	11,950,718.34	10,134,775.80
Other	23,270.67	31,231.98
Due From Other Agencies	1,744,677.31	4,242,935.05
Due From Other Members	936,694.49	1,188,004.75
Due From Other Funds	8,116,140.84	8,145,769.80
Consumable Inventories		
Merchandise Inventories		
Loans and Contracts		
Interfund Receivable [Note 12]		
Other Current Assets		
	<u>          </u>	<u>          </u>
Total Current Assets	\$ 31,275,788.54	\$ 31,806,698.62
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 439,654.18	\$ 443,992.46
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts		
Assets Held By System Office	10,320,382.44	9,906,478.10
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements		
Construction In Progress	1,038,626.89	1,192,419.19
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		
Facilities and Other Improvements	1,419,329.52	1,419,329.52
Furniture and Equipment	19,673,254.87	14,885,966.90
Vehicles, Boats, and Aircraft	2,790,210.99	2,374,558.58
Other Capital Assets		
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	195,388.80	270,388.80
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(24,263,631.63)	(21,708,224.13)
Assets Held In Trust	362,100.00	362,100.00
Other Non-Current Assets		
	<u>          </u>	<u>          </u>
Total Non-Current Assets	\$ 36,558,667.83	\$ 33,730,361.19
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
	<u>          </u>	<u>          </u>
Total Deferred Outflows of Resources	\$	\$
Total Assets and Deferred Outflows	<u>          </u>	<u>          </u>
	\$ 67,834,456.37	\$ 65,537,059.81

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EXHIBIT III  
TEXAS A&M TRANSPORTATION INSTITUTE  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED AUGUST 31, 2016

	<u>CURRENT YEAR TOTAL</u>	<u>PRIOR YEAR TOTAL</u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 1,284,517.76	\$ 743,049.44
Payroll	4,159,950.14	3,909,023.11
Investment Trades		
Self-Insured Health and Dental		
Student		
Other	37,467.12	12,886.09
Interfund Payable [Note 12]		
Due to Other Agencies	8,523.90	22,015.80
Due to Other Funds	8,116,140.84	8,145,769.80
Due to Other Members	4,257.36	589.29
Funds Held for Investment		
Unearned Revenue	2,086,143.37	2,071,709.97
Employees' Compensable Leave	287,537.00	234,531.68
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations		
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Other Current Liabilities		
Total Current Liabilities	<u>\$ 15,984,537.49</u>	<u>\$ 15,139,575.18</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$ 4,160,832.78	\$ 4,195,318.44
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	362,100.00	362,100.00
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Capital Lease Obligations		
Other Non-Current Liabilities		
Total Non-Current Liabilities	<u>\$ 4,522,932.78</u>	<u>\$ 4,557,418.44</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 20,507,470.27</u>	<u>\$ 19,696,993.62</u>
Net Position		
Net Investment In Capital Assets	\$ 25,436,531.21	\$ 23,017,790.63
Restricted for		
Debt Service		
Capital Projects	691,428.43	721,335.99
Education	2,738,825.83	1,444,997.54
Endowment and Permanent Funds		
Nonexpendable		
Expendable	439,654.18	443,992.46
Unrestricted	<u>18,020,546.45</u>	<u>20,211,949.57</u>
Total Net Position [Exhibit IV]	<u>\$ 47,326,986.10</u>	<u>\$ 45,840,066.19</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 67,834,456.37</u>	<u>\$ 65,537,059.81</u>

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EXHIBIT IV  
 TEXAS A&M TRANSPORTATION INSTITUTE  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	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	3,581,202.96	4,528,352.23
Discounts and Allowances		
Interest Revenue		
Federal Revenue - Operating	10,695,005.21	10,819,437.97
Federal Pass Through Revenue	3,692,336.25	3,555,744.13
State Grant Revenue	1,167,770.83	539,373.96
State Pass Through Revenue		630,000.00
Other Grants and Contracts - Operating	44,057,562.51	35,668,596.21
Other Operating Revenue	<u>145,566.49</u>	<u>127,857.65</u>
Total Operating Revenues	<u>\$ 63,339,444.25</u>	<u>\$ 55,869,362.15</u>
Operating Expenses		
Instruction	\$	\$
Research	68,450,890.77	65,696,552.30
Public Service	1,815,186.31	1,637,653.40
Academic Support		
Student Services		
Institutional Support		
Operation & Maintenance of Plant		
Scholarships & Fellowships		
Auxiliary		
Depreciation/Amortization	<u>2,746,476.67</u>	<u>2,372,365.91</u>
Total Operating Expenses [Schedule IV-1]	<u>\$ 73,012,553.75</u>	<u>\$ 69,706,571.61</u>
Total Operating Income [Loss]	<u>\$ (9,673,109.50)</u>	<u>\$ (13,837,209.46)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 11,191,727.43	\$ 2,497,043.73
Federal Revenue Non-Operating		
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	340,237.32	311,375.00
Investment Income	457,924.57	(44,765.11)
Investing Activities Expense	(25,097.98)	(27,669.76)
Interest Expense		
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	7,183.75	10,128.75
Settlement of Claims		
Other Nonoperating Revenues	23,606.86	2,516.55
Other Nonoperating [Expenses]	<u>(477,076.98)</u>	<u>(305,951.01)</u>
Total Nonoperating Revenues [Expenses]	<u>\$ 11,518,504.97</u>	<u>\$ 2,442,678.15</u>
Income [Loss] Before Other Revenues and Transfers	<u>\$ 1,845,395.47</u>	<u>\$ (11,394,531.31)</u>

UNAUDITED

EXHIBIT IV  
 TEXAS A&M TRANSPORTATION INSTITUTE  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u>          </u>	<u>          </u>
Other Revenues and Transfers		
Capital Contributions	\$ 22,883.00	\$ 27,848.53
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)	9,731,056.30
Mandatory Transfers From Other Members		
Nonmandatory Transfers From Other Members	573,379.43	670,530.56
Nonmandatory Transfers From Members/Agencies-Cap Assets		
Transfers Out		
Transfers to Other State Agencies		
Mandatory Transfers to Other Members	(477,615.60)	(483,007.26)
Nonmandatory Transfers to Other Members	(166,642.71)	(894,636.66)
Nonmandatory Transfers to Members/Agencies - Cap Assets	(186,651.30)	(86,656.93)
Legislative Transfers - In		
Legislative Transfers - Out		
Legislative Appropriations Lapsed		
	<u>          </u>	<u>          </u>
Total Other Revenues and Transfers	\$ (358,475.56)	\$ 8,965,134.54
	<u>          </u>	<u>          </u>
Change In Net Position	\$ 1,486,919.91	\$ (2,429,396.77)
	<u>          </u>	<u>          </u>
Net Position, Beginning of Year	\$ 45,840,066.19	\$ 48,269,462.96
Restatement		
	<u>          </u>	<u>          </u>
Net Position, Beginning of Year, Restated	\$ 45,840,066.19	\$ 48,269,462.96
	<u>          </u>	<u>          </u>
Net Position, End of Year	\$ 47,326,986.10	\$ 45,840,066.19
	<u>          </u>	<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, 2016

	<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		36,529,855.77	607,871.15		
Payroll Related Costs		8,819,208.47	155,086.26		
Payroll Related Costs-TRS Pension					
Professional Fees & Services		7,722,939.83	172,252.21		
Travel		1,729,934.75	41,608.57		
Materials & Supplies		2,794,532.74	15,764.14		
Communication & Utilities		2,229,328.02	3,322.43		
Repairs & Maintenance		1,233,642.71	17,502.76		
Rentals & Leases		1,785,818.11	162,306.31		
Printing & Reproduction		246,491.18	11,042.14		
Federal Pass-Through		263,557.63			
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					
Interest		2,098.93			
Scholarships		406,983.64			
Claims & Losses		15,499.58			
Net Change In OPEB Obligation					
Other Operating Expenses		4,670,999.41	628,430.34		
Total Operating Expenses	\$	\$ 68,450,890.77	\$ 1,815,186.31	\$	\$

<u>INSTITUTIONAL SUPPORT</u>	<u>OPERATION &amp; MAINTENANCE OF PLANT</u>	<u>SCHOLARSHIPS &amp; FELLOWSHIPS</u>	<u>AUXILIARY</u>	<u>DEPRECIATION &amp; AMORTIZATION</u>	<u>TOTAL</u>	<u>PRIOR YEAR</u>
\$	\$	\$	\$	\$	\$	\$
					37,137,726.92	36,597,186.37
					8,974,294.73	8,812,898.29
					7,895,192.04	7,735,152.93
					1,771,543.32	1,843,868.15
					2,810,296.88	2,198,408.36
					2,232,650.45	2,071,527.26
					1,251,145.47	1,230,989.50
					1,948,124.42	2,009,282.44
					257,533.32	218,313.87
					263,557.63	340,593.65
				2,746,476.67	2,746,476.67	2,372,365.91
					2,098.93	1,360.67
					406,983.64	275,867.78
					15,499.58	
					<u>5,299,429.75</u>	<u>3,998,756.43</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,746,476.67</u>	<u>\$ 73,012,553.75</u>	<u>\$ 69,706,571.61</u>

[Exhibit IV]

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EXHIBIT V  
TEXAS A&M TRANSPORTATION INSTITUTE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$ 3,604,336.13	\$ 4,525,341.62
Proceeds Received From Customers	58,150,678.22	49,603,908.84
Proceeds From Grants and Contracts		
Proceeds From Auxiliary Enterprises		
Proceeds From Loan Programs		
Proceeds From Other Operating Revenues	145,566.49	127,857.65
Payments to Suppliers for Goods and Services	(22,824,516.72)	(21,157,864.00)
Payments to Employees	(45,842,574.96)	(43,551,761.76)
Payments for Loans Provided		
Payments for Other Operating Expenses	(695,864.68)	(691,244.70)
Net Cash Provided [Used] By Operating Activities	<u>\$ (7,462,375.52)</u>	<u>\$ (11,143,762.35)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 10,417,234.18	\$ 2,524,903.96
Proceeds From Gifts	340,237.32	311,375.00
Proceeds From Endowments		
Proceeds From Transfers From Other Funds	2,044,013.22	8,847,089.43
Proceeds From Other Grant Receipts		
Proceeds From Other Noncapital Financing Activities	3,339.86	2,516.55
Payments of Interest		
Payments for Transfers to Other Funds		
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(294,320.09)	(3,072.69)
Other Noncapital Transfers From/To System	(93,263.28)	(724,106.10)
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ 12,417,241.21</u>	<u>\$ 10,958,706.15</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 7,183.75	\$ 10,128.75
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	(5,491,475.44)	(1,600,895.49)
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]	529,907.56	578,580.60
Intrasystem Transfers for Capital Debt [Mandatory]	(477,615.60)	(483,007.26)
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	<u>\$ (5,431,999.73)</u>	<u>\$ (1,495,193.40)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	(152,789.45)	1,138,388.50
Proceeds From Interest and Investment Income	176,049.98	165,443.66
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ 23,260.53</u>	<u>\$ 1,303,832.16</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ (453,873.51)</u>	<u>\$ (376,417.44)</u>
Cash and Cash Equivalents, Beginning of Year Restatement	<u>\$ 5,115,851.47</u>	<u>\$ 5,492,268.91</u>
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 5,115,851.47</u>	<u>\$ 5,492,268.91</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 4,661,977.96</u>	<u>\$ 5,115,851.47</u>

UNAUDITED

EXHIBIT V  
TEXAS A&M TRANSPORTATION INSTITUTE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(9,673,109.50)	(13,837,209.46)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	2,746,476.67	2,372,365.91
Bad Debt Expense	102,200.00	30,000.00
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	(2,029,867.14)	(1,329,892.54)
[Increase] Decrease In Due From Other Funds	330,416.14	(582,865.13)
[Increase] Decrease In Due From System Members	221,402.70	97,969.85
[Increase] Decrease In Inventories		
[Increase] Decrease In Prepaid Expenses		
[Increase] Decrease In Loans and Contracts		
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	816,976.38	1,330,299.93
Increase [Decrease] In Due to Other Agencies/Funds	(13,491.90)	(75,372.56)
Increase [Decrease] In Due to System Members	3,668.07	589.29
Increase [Decrease] In Unearned Revenue	14,433.40	142,188.85
Increase [Decrease] In Deposits		
Increase [Decrease] In Employees' Compensable Leave	18,519.66	708,163.53
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>\$ 2,210,733.98</u>	<u>\$ 2,693,447.11</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ (7,462,375.52)</u>	<u>\$ (11,143,762.35)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$ 22,883.00	\$ 27,848.53
Net Change In Fair Value of Investments	197,930.72	(769,440.35)
Refunding of Long Term Debt		
Amortization of Bond Premiums and Discounts		
Borrowing Under Capital Lease Purchase		
Other	(179,467.55)	(76,528.18)



UNAUDITED

SCHEDULE THREE  
TEXAS A&M TRANSPORTATION INSTITUTE  
SCHEDULE OF CASH & CASH EQUIVALENTS  
FOR THE YEAR ENDED AUGUST 31, 2016

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Cashiers Account	\$ 1,000.00
Total Cash On Hand	<u>\$ 1,000.00</u>
Cash In State Treasury	
Reimbursements Due From State Treasury	\$ 9,735.02
Assets Held By System Offices-Current	<u>4,651,242.94</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 4,661,977.96</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 4,661,977.96</u></u>

UNAUDITED

SCHEDULE N-2  
 TEXAS A&M TRANSPORTATION INSTITUTE  
 NOTE 2 - CAPITAL ASSETS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	BALANCE 9-1-15	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Construction In Progress	\$ 1,192,419.19	\$	\$ (451,299.94)
Total Non-Depreciable/Non-Amortizable Assets	<u>\$ 1,192,419.19</u>	<u>\$</u>	<u>\$ (451,299.94)</u>
Depreciable Assets			
Buildings	\$ 24,583,351.77	\$	\$
Facilities and Other Improvements	1,419,329.52		
Furniture and Equipment	14,885,966.90		451,299.94
Vehicles, Boats and Aircraft	2,374,558.58		
Total Depreciable Assets at Historical Cost	<u>\$ 43,263,206.77</u>	<u>\$</u>	<u>\$ 451,299.94</u>
Less Accumulated Depreciation for			
Buildings	\$ (8,260,617.41)	\$	\$
Facilities and Other Improvements	(600,988.93)		
Furniture and Equipment	(10,955,748.65)		
Vehicles, Boats and Aircraft	(1,620,480.34)		
Total Accumulated Depreciation	<u>\$ (21,437,835.33)</u>	<u>\$</u>	<u>\$</u>
Depreciable Assets, Net	<u>\$ 21,825,371.44</u>	<u>\$</u>	<u>\$ 451,299.94</u>
Amortizable Assets - Intangible			
Computer Software	\$ 270,388.80	\$	\$
Total Intangible Assets at Historical Cost	<u>\$ 270,388.80</u>	<u>\$</u>	<u>\$</u>
Less Accumulated Amortization for			
Computer Software	\$ (270,388.80)	\$	\$
Total Accumulated Amortization	<u>\$ (270,388.80)</u>	<u>\$</u>	<u>\$</u>
Amortizable Assets, Net	<u>\$</u>	<u>\$</u>	<u>\$</u>
Capital Assets, Net	<u>\$ 23,017,790.63</u>	<u>\$</u>	<u>\$</u>

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-16</u>
\$	\$	\$ 297,507.64	\$	\$ 1,038,626.89
\$	\$	\$ 297,507.64	\$	\$ 1,038,626.89
\$	\$	\$	\$	\$ 24,583,351.77
	(205,916.29)	4,763,440.39	(221,536.07)	1,419,329.52
		473,677.41	(58,025.00)	19,673,254.87
				2,790,210.99
\$	\$ (205,916.29)	\$ 5,237,117.80	\$ (279,561.07)	\$ 48,466,147.15
\$	\$	\$ (1,066,831.80)	\$	\$ (9,327,449.21)
		(56,294.04)		(657,282.97)
	19,264.99	(1,419,810.28)	59,046.18	(12,297,247.76)
		(203,540.55)	37,758.00	(1,786,262.89)
\$	\$ 19,264.99	\$ (2,746,476.67)	\$ 96,804.18	\$ (24,068,242.83)
\$	\$ (186,651.30)	\$ 2,490,641.13	\$ (182,756.89)	\$ 24,397,904.32
\$	\$	\$	\$ (75,000.00)	\$ 195,388.80
\$	\$	\$	\$ (75,000.00)	\$ 195,388.80
\$	\$	\$	\$ 75,000.00	\$ (195,388.80)
\$	\$	\$	\$ 75,000.00	\$ (195,388.80)
\$	\$	\$	\$	\$
\$	\$ (186,651.30)	\$ 2,788,148.77	\$ (182,756.89)	\$ 25,436,531.21







UNAUDITED

# ANNUAL FINANCIAL REPORT

of

Texas A&M University System Offices

*For the Year Ended August 31, 2016*

*With Comparative Totals for the Year Ended August 31, 2015*



**John Sharp, Chancellor**  
**Billy Hamilton, Executive Vice Chancellor and Chief Financial Officer**



UNAUDITED

TEXAS A&M UNIVERSITY SYSTEM OFFICES

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EXHIBIT III  
TEXAS A&M UNIVERSITY SYSTEM OFFICES  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 1,060,666,976.67	\$ 924,726,358.20
Investments		1,479,065.95
Derivative Instruments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	379,278,288.72	365,446,916.75
Investments		
Legislative Appropriations	.88	112,392.93
Receivables, Net [Note 24]		
Federal	22,719,926.92	43,468,695.22
Other Intergovernmental		
Interest and Dividends	7,946,186.06	6,866,027.31
Gifts		273,133.33
Self-Insured Health and Dental	31,869,492.35	27,240,006.11
Student		
Investment Trades	69,067,138.96	48,512,822.34
Accounts	324,136.86	387,178.77
Other		77,400.00
Due From Other Agencies	789,045.14	1,914,277.71
Due From Other Members	118,497,769.61	80,616,196.81
Due From Other Funds	38,508,030.05	
Consumable Inventories	13,481.38	21,278.95
Merchandise Inventories		
Loans and Contracts		
Interfund Receivable [Note 12]	48,475,000.00	37,770,000.00
Other Current Assets		
Total Current Assets	<u>\$ 1,778,155,473.60</u>	<u>\$ 1,538,911,750.38</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 4,606,187.80	\$ 1,698,920.57
Assets Held By System Office		
Investments [Note 3]		36,666.67
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts		
Assets Held By System Office	281,964,805.49	251,875,009.26
Investments [Note 3]	4,062,903,649.81	3,670,739,118.49
Interfund Receivable [Note 12]	971,261,060.04	974,653,632.73
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	2,975,618.36	1,355,862.00
Construction In Progress	548,038,155.88	550,888,266.85
Other Tangible Capital Assets	230,000.25	230,000.25
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	18,853,135.02	
Infrastructure	40,682,608.00	
Facilities and Other Improvements	149,981.79	
Furniture and Equipment	15,450,093.99	10,456,779.09
Vehicles, Boats, and Aircraft	10,892,470.18	9,417,444.09
Other Capital Assets	50,050.13	60,274.70
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	1,433,036.85	1,424,019.57
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(60,182,347.80)	(11,448,626.44)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 5,899,308,505.79</u>	<u>\$ 5,461,387,367.83</u>
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$ 38,812,671.80	\$ 7,700,377.87
Government Acquisition		
Pensions	79,160,948.00	62,533,706.63
Total Deferred Outflows of Resources	<u>\$ 117,973,619.80</u>	<u>\$ 70,234,084.50</u>
Total Assets and Deferred Outflows	<u>\$ 7,795,437,599.19</u>	<u>\$ 7,070,533,202.71</u>

UNAUDITED

EXHIBIT III  
TEXAS A&M UNIVERSITY SYSTEM OFFICES  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u>          </u>	<u>          </u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 18,129,630.47	\$ 3,365,977.74
Payroll	2,208,320.51	2,112,461.98
Investment Trades	122,134,467.38	56,226,926.47
Self-Insured Health and Dental	15,995,000.00	24,261,101.89
Student		
Other	1,953,944.98	1,638,277.45
Interfund Payable [Note 12]		
Due to Other Agencies		
Due to Other Funds	38,508,030.05	
Due to Other Members	315,277,486.45	293,788,062.45
Funds Held for Investment	4,452,067,561.98	4,178,875,823.10
Unearned Revenue	18,637.03	1,855,292.41
Employees' Compensable Leave	160,861.01	278,692.62
Claims and Judgments	3,619,000.00	3,017,000.00
Notes and Loans Payable [Note 5]	29,509,287.34	27,498,333.34
Bonds Payable [Note 6]	181,865,242.06	176,725,720.23
Capital Lease Obligations	1,633,623.20	1,642,645.52
Liabilities Payable From Restricted Assets	26,493,447.82	54,137,947.34
Funds Held for Others	4,104,348.17	3,394,220.85
Other Current Liabilities	250,000.00	230,000.00
Total Current Liabilities	<u>\$ 5,213,928,888.45</u>	<u>\$ 4,829,048,483.39</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$	\$
Employees' Compensable Leave	2,743,763.96	2,270,421.73
Other Post Employment Benefits [Note 11]	1,117,799,433.00	983,874,345.00
Pension Liability [Note 9]	399,241,902.00	352,410,894.44
Claims and Judgments	7,564,000.00	4,469,000.00
Notes and Loans Payable [Note 5]	151,452,712.62	135,539,999.96
Bonds Payable [Note 6]	3,227,306,356.03	2,966,841,806.37
Assets Held In Trust		
Liabilities Payable From Restricted Assets	20,922,144.22	18,630,001.48
Funds Held for Others	250,743,218.23	93,019,668.16
Capital Lease Obligations	3,350,565.15	4,984,188.35
Other Non-Current Liabilities	470,000.00	320,000.00
Total Non-Current Liabilities	<u>\$ 5,181,594,095.21</u>	<u>\$ 4,562,360,325.49</u>
Deferred Inflows of Resources [Note 28]		
Pension	<u>\$ 72,953,213.00</u>	<u>\$ 107,720,015.87</u>
Total Deferred Inflows of Resources	<u>\$ 72,953,213.00</u>	<u>\$ 107,720,015.87</u>
Total Liabilities and Deferred Inflows	<u>\$ 10,468,476,196.66</u>	<u>\$ 9,499,128,824.75</u>
Net Position		
Net Investment In Capital Assets	\$ (2,636,853,611.93)	\$ (2,378,776,224.62)
Restricted for		
Debt Service		
Capital Projects	(42,286,288.21)	(57,608,723.22)
Education	3,481,460.68	1,602,739.17
Endowment and Permanent Funds		
Nonexpendable		
Expendable	51,040.97	51,544.62
Unrestricted	<u>2,568,801.02</u>	<u>6,135,042.01</u>
Total Net Position [Exhibit IV]	<u>\$ (2,673,038,597.47)</u>	<u>\$ (2,428,595,622.04)</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 7,795,437,599.19</u>	<u>\$ 7,070,533,202.71</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, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u>          </u>	<u>          </u>
Operating Revenues		
Tuition and Fees	\$	\$
Discounts and Allowances		
Professional Fees	915,717.72	657,348.07
Auxiliary Enterprises	52,047.87	
Discounts and Allowances		
Other Sales of Goods and Services	427,055.49	754,050.41
Discounts and Allowances		
Interest Revenue		
Federal Revenue - Operating	24,554,286.42	54,228,842.65
Federal Pass Through Revenue	(288,752.03)	
State Grant Revenue		
State Pass Through Revenue		100,000.00
Other Grants and Contracts - Operating	548,510.87	5,793,518.29
Other Operating Revenue	22,100,103.43	585,262.25
	<u>          </u>	<u>          </u>
Total Operating Revenues	\$ 48,308,969.77	\$ 62,119,021.67
Operating Expenses		
Instruction	\$	\$
Research	20,138,372.32	50,055,751.16
Public Service	698,866.21	91,875.00
Academic Support		
Student Services		
Institutional Support	158,196,583.58	147,388,889.06
Operation & Maintenance of Plant	2,565,728.95	3,836,613.50
Scholarships & Fellowships	767,609.50	765,511.00
Auxiliary	602,168.33	
Depreciation/Amortization	3,086,971.61	1,912,352.16
	<u>          </u>	<u>          </u>
Total Operating Expenses [Schedule IV-1]	\$ 186,056,300.50	\$ 204,050,991.88
Total Operating Income [Loss]	<u>          </u>	<u>          </u>
	\$ (137,747,330.73)	\$ (141,931,970.21)
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 855,591.00	\$ 2,389,834.18
Federal Revenue Non-Operating		
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	(86,937.78)	226,072.05
Investment Income	96,774,305.86	89,334,128.82
Investing Activities Expense	(5,445,561.19)	(4,274,417.86)
Interest Expense	(156,755,878.38)	(111,509,206.74)
Borrower Rebates and Agent Fees	(5,090,806.43)	(3,861,699.30)
Gain [Loss] On Sale or Disposal of Capital Assets		(4,754.58)
Settlement of Claims	(110,000.00)	(14,850.00)
Other Nonoperating Revenues	50,062.54	1,433,109.04
Other Nonoperating [Expenses]	(2,876,368.22)	(2,808,789.61)
	<u>          </u>	<u>          </u>
Total Nonoperating Revenues [Expenses]	\$ (72,685,592.60)	\$ (29,090,574.00)
Income [Loss] Before Other Revenues and Transfers	<u>          </u>	<u>          </u>
	\$ (210,432,923.33)	\$ (171,022,544.21)



UNAUDITED

EXHIBIT IV  
 TEXAS A&M UNIVERSITY SYSTEM OFFICES  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	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	279,888,419.24	433,057,636.08
Mandatory Transfers From Other Members	171,984,897.73	139,258,579.14
Nonmandatory Transfers From Other Members	146,486,770.43	105,440,504.95
Nonmandatory Transfers From Members/Agencies-Cap Assets	18,698,871.35	114,219.07
Transfers Out		
Transfers to Other State Agencies		
Mandatory Transfers to Other Members		
Nonmandatory Transfers to Other Members	(297,097,332.05)	(290,658,653.19)
Nonmandatory Transfers to Members/Agencies - Cap Assets	(439,210,488.43)	(341,275,648.28)
Legislative Transfers - In	66,191,537.40	67,422,102.18
Legislative Transfers - Out		
Legislative Appropriations Lapsed		
	<u>                    </u>	<u>                    </u>
Total Other Revenues and Transfers	\$ (53,057,324.33)	\$ 113,358,739.95
	<u>                    </u>	<u>                    </u>
Change In Net Position	\$ (263,490,247.66)	\$ (57,663,804.26)
	<u>                    </u>	<u>                    </u>
Net Position, Beginning of Year	\$ (2,428,595,622.04)	\$ (1,971,730,244.19)
Restatement	19,047,272.23	(399,201,573.59)
	<u>                    </u>	<u>                    </u>
Net Position, Beginning of Year, Restated	\$ (2,409,548,349.81)	\$ (2,370,931,817.78)
	<u>                    </u>	<u>                    </u>
Net Position, End of Year	\$ (2,673,038,597.47)	\$ (2,428,595,622.04)
	<u>                    </u>	<u>                    </u>

UNAUDITED

SCHEDULE IV-1  
 TEXAS A&M UNIVERSITY SYSTEM OFFICES  
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX  
 FOR THE YEAR ENDED AUGUST 31, 2016

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$	\$	\$
Salaries & Wages		6,361.76			
Payroll Related Costs		1,140.39			
Payroll Related Costs-TRS Pension					
Professional Fees & Services		460,753.30	606,991.21		
Travel					
Materials & Supplies					
Communication & Utilities		25,584.48			
Repairs & Maintenance					
Rentals & Leases					
Printing & Reproduction					
Federal Pass-Through		19,635,513.00			
State Pass-Through			91,875.00		
Depreciation & Amortization					
Bad Debt Expense					
Interest		135.32			
Scholarships					
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses		8,884.07			
Total Operating Expenses	\$	\$ 20,138,372.32	\$ 698,866.21	\$	\$

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$	\$	\$	\$	\$	\$
13,924,975.20					13,931,336.96	12,877,481.58
3,828,983.27					3,830,123.66	3,771,380.65
(5,230,194.00)					(5,230,194.00)	(1,604,369.91)
7,071,556.90			590,300.23		8,729,601.64	7,881,675.53
293,320.02					293,320.02	284,755.07
965,223.05	437,504.01		3,553.71		1,406,280.77	522,181.43
789,065.30					814,649.78	696,945.59
548,899.77			8,176.96		557,076.73	586,017.04
1,139,730.84			125.00		1,139,855.84	1,091,177.37
37,289.73					37,289.73	24,501.78
(288,752.03)					19,346,760.97	49,518,068.10
		763,711.00			855,586.00	953,355.78
				3,086,971.61	3,086,971.61	1,912,352.16
3,553.75	262.61				3,951.68	2,510.80
		3,600.00			3,600.00	4,275.00
	482,603.00				482,603.00	858,451.32
133,925,088.00					133,925,088.00	124,108,157.00
1,187,843.78	1,645,359.33	298.50	12.43		2,842,398.11	562,075.59
<u>\$ 158,196,583.58</u>	<u>\$ 2,565,728.95</u>	<u>\$ 767,609.50</u>	<u>\$ 602,168.33</u>	<u>\$ 3,086,971.61</u>	<u>\$ 186,056,300.50</u>	<u>\$ 204,050,991.88</u>

[Exhibit IV]

UNAUDITED

EXHIBIT V  
TEXAS A&M UNIVERSITY SYSTEM OFFICES  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$	\$
Proceeds Received From Customers	932,853.29	1,848,439.88
Proceeds From Grants and Contracts	44,673,278.46	33,195,673.04
Proceeds From Auxiliary Enterprises	52,047.87	
Proceeds From Loan Programs		
Proceeds From Other Operating Revenues	22,100,103.43	578,400.83
Payments to Suppliers for Goods and Services	(11,208,672.47)	(1,043,082.83)
Payments to Employees	(16,642,934.15)	(15,964,349.91)
Payments for Loans Provided		
Payments for Other Operating Expenses	(50,404,537.17)	(12,939,425.35)
Net Cash Provided [Used] By Operating Activities	\$ (10,497,860.74)	\$ 5,675,655.66
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 967,983.05	\$ 2,356,873.58
Proceeds From Gifts	222,862.22	485,872.05
Proceeds From Endowments		
Proceeds From Transfers From Other Funds	273,365,179.90	270,252,448.07
Proceeds From Other Grant Receipts		
Proceeds From Other Noncapital Financing Activities	22,854,783.98	16,552,583.74
Payments of Interest		
Payments for Transfers to Other Funds		
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(34,979,775.86)	(3,095,297.71)
Other Noncapital Transfers From/To System	(129,009,861.65)	(153,906,147.30)
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	\$ 133,421,171.64	\$ 132,646,332.43
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$	\$
Proceeds From Debt Issuance	1,237,885,795.69	1,081,919,377.90
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	(466,887,612.56)	(457,828,859.14)
Payments of Principal On Debt	(954,358,057.54)	(742,453,747.26)
Payments for Capital Leases		
Payments of Interest On Debt Issuance	(187,868,172.31)	(119,209,584.61)
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance	(5,090,806.43)	(3,874,023.02)
Transfer of Capital Debt Proceeds From System [Nonmandatory]	(63,822,596.62)	(50,097,360.03)
Intrasystem Transfers for Capital Debt [Mandatory]	238,176,435.13	206,680,681.32
Intrasystem Transfers for Construction Proceeds [Non-Mand]	56,983,744.61	22,854,887.13
Net Cash Provided [Used] By Capital and Related Financing Act.	\$ (144,981,270.03)	\$ (62,008,627.71)
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$ 2,899,367,968.32	\$ 2,988,510,481.93
Sales and Purchases of Investments Held By System	306,199,986.21	119,076,648.33
Proceeds From Interest and Investment Income	64,340,555.78	24,592,043.43
Payments to Acquire Investments	(3,098,078,560.74)	(3,132,893,299.37)
Net Cash Provided [Used] By Investing Activities	\$ 171,829,949.57	\$ (714,125.68)
Net Increase [Decrease] In Cash and Cash Equivalents	\$ 149,771,990.44	\$ 75,599,234.70
Cash and Cash Equivalents, Beginning of Year Restatement	\$ 1,290,173,274.95	\$ 1,214,574,040.25
Cash and Cash Equivalents, Beginning of Year, As Restated	\$ 1,290,173,274.95	\$ 1,214,574,040.25
Cash and Cash Equivalents, End of Year [Sch Three]	\$ 1,439,945,265.39	\$ 1,290,173,274.95

UNAUDITED

EXHIBIT V  
TEXAS A&M UNIVERSITY SYSTEM OFFICES  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	(137,747,330.73)	(141,931,970.21)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	3,086,971.61	1,912,352.16
Bad Debt Expense		
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	16,249,723.97	(30,933,544.24)
[Increase] Decrease In Due From Other Funds	336,044.60	
[Increase] Decrease In Due From System Members	(10,569,215.02)	11,145.08
[Increase] Decrease In Inventories	7,797.57	(1,995.03)
[Increase] Decrease In Prepaid Expenses		1,004,514.50
[Increase] Decrease In Loans and Contracts		
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	14,860,667.55	8,799,254.70
Increase [Decrease] In Due to Other Agencies/Funds		
Increase [Decrease] In Due to System Members	(20,584,781.74)	45,185,580.82
Increase [Decrease] In Unearned Revenue	(1,286,198.60)	1,286,198.60
Increase [Decrease] In Deposits		
Increase [Decrease] In Employees' Compensable Leave	355,510.62	398,762.27
Increase [Decrease] In OPEB Liability	133,925,088.00	(275,093,416.59)
Increase [Decrease] In Pension Liability	(4,563,036.68)	397,597,203.68
Increase [Decrease] In Self Insured Accrued Liability	(4,569,101.89)	(2,558,430.08)
Increase [Decrease] In Other Liabilities		
Total Adjustments	\$ 127,249,469.99	\$ 147,607,625.87
Net Cash Provided [Used] By Operating Activities	\$ (10,497,860.74)	\$ 5,675,655.66
Non-Cash Transactions		
Donation of Capital Assets	\$	\$
Net Change In Fair Value of Investments	3,028,947.37	(11,212,871.90)
Refunding of Long Term Debt	674,595,000.00	512,777,000.00
Amortization of Bond Premiums and Discounts	57,887,652.71	20,812,449.94
Borrowing Under Capital Lease Purchase		
Other	(420,511,617.08)	(341,166,183.79)

## UNAUDITED

**Schedule 2A**  
**Texas A&M University System Offices**  
 Schedule of Miscellaneous Bond Information  
 For the Year Ended August 31, 2016

Description	Bonds Issued to Date	Range of Interest Rates	Maturities		
			First Year	First Call Date	Last Year
<b>Revenue Bonds - Self Supporting</b>					
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 2006 Revenue Bonds	165,940,000.00	4.5 - 5.0%	7/1/2007	7/1/2016 (1) (2)	7/1/2036
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**  
**Texas A&M University System Offices**  
 Schedule of Miscellaneous Bond Information  
 For the Year Ended August 31, 2016

Description	Bonds Issued to Date	Range of Interest Rates	Maturities		
			First Year	First Call Date	Last Year
<b>Revenue Bonds - Self Supporting</b>					
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
	<u>\$ 4,534,055,000.00</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**  
**Texas A&M University System Offices**  
Schedule of Changes in Bonded Indebtedness  
For the Year Ended August 31, 2016

Description	Bonds Outstanding September 1, 2015	Bonds Issued or Converted	Bonds Matured or Retired	Bonds Refunded	Bonds Outstanding August 31, 2016
<b>Revenue Bonds - Self Supporting</b>					
Permanent University Fund Bonds, Series 1998 Revenue Bonds	\$ 28,795,000.00	\$	\$	\$	\$ 28,795,000.00
Permanent University Fund Bonds, Series 2006 Revenue Bonds	1,345,000.00		1,345,000.00		-
Permanent University Fund Bonds, Series 2009AB Revenue Bonds	211,580,000.00		670,000.00		210,910,000.00
Permanent University Fund Bonds, Series 2011 Revenue Bonds	78,245,000.00		2,145,000.00		76,100,000.00
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	109,495,000.00		5,465,000.00		104,030,000.00
Permanent University Fund Bonds, Series 2013 Revenue Bonds	169,230,000.00		20,550,000.00		148,680,000.00
Permanent University Fund Bonds, Series 2015A Revenue Bonds	142,260,000.00				142,260,000.00
Permanent University Fund Bonds, Taxable Series 2015B Revenue Bonds	141,515,000.00		7,595,000.00		133,920,000.00
Revenue Financing System Bonds, Series 2008 Revenue Bonds	104,720,000.00		8,420,000.00	80,005,000.00	16,295,000.00
Tuition Revenue Bonds	3,325,000.00		210,000.00	2,665,000.00	450,000.00
Revenue Financing System Bonds, Series 2009A Tuition Revenue Bonds	188,100,000.00		9,720,000.00	146,425,000.00	31,955,000.00
Revenue Financing System Bonds, Series 2009B Revenue Bonds	63,335,000.00		2,790,000.00	52,345,000.00	8,200,000.00
Revenue Financing System Bonds, Series 2009C Tuition Revenue Bonds	35,135,000.00		1,850,000.00	27,295,000.00	5,990,000.00
Revenue Financing System Bonds, Series 2009D Revenue Bonds	269,420,000.00		10,050,000.00	226,455,000.00	32,915,000.00
Revenue Financing System Bonds, Series 2010A Tuition Revenue Bonds	75,650,000.00		6,735,000.00		68,915,000.00
Revenue Financing System Bonds, Series 2010B Revenue Bonds	124,925,000.00		13,660,000.00		111,265,000.00
Revenue Financing System Bonds, Series 2011A Revenue Bonds	10,300,000.00		1,620,000.00		8,680,000.00
Tuition Revenue Bonds	1,050,000.00		785,000.00		265,000.00
Revenue Financing System Bonds, Series 2011B Revenue Bonds	97,370,000.00		2,280,000.00		95,090,000.00
Revenue Financing System Bonds, Series 2013A Tuition Revenue Bonds	30,640,000.00		3,250,000.00		27,390,000.00
Revenue Financing System Bonds, Series 2013B Revenue Bonds	229,385,000.00		12,590,000.00		216,795,000.00
Revenue Financing System Bonds, Taxable Series 2013C Revenue Bonds	237,015,000.00		5,250,000.00		231,765,000.00
Revenue Financing System Bonds, Series 2013D Revenue Bonds	94,365,000.00		505,000.00		93,860,000.00



## UNAUDITED

**Schedule 2B**  
**Texas A&M University System Offices**  
 Schedule of Changes in Bonded Indebtedness  
 For the Year Ended August 31, 2016

Description	Unamortized Premium	Net Bonds Outstanding August 31, 2016	Principal Due Within One Year	Premium Amortization Due Within One Year	Amounts Due Within One Year	Bonds Outstanding August 31, 2016
<b>Revenue Bonds - Self Supporting</b>						
Permanent University Fund Bonds, Series 1998 Revenue Bonds	\$	\$ 28,795,000.00	\$ -	\$	\$ -	\$ 28,795,000.00
Permanent University Fund Bonds, Series 2006 Revenue Bonds						
Permanent University Fund Bonds, Series 2009AB Revenue Bonds		210,910,000.00	690,000.00		690,000.00	210,910,000.00
Permanent University Fund Bonds, Series 2011 Revenue Bonds	6,835,029.73	82,935,029.73	1,720,000.00	729,558.41	2,449,558.41	76,100,000.00
Permanent University Fund Bonds, Series 2012A Revenue Bonds	10,098,990.12	80,778,990.12	-	1,793,088.32	1,793,088.32	70,680,000.00
Permanent University Fund Bonds, Taxable Series 2012B Revenue Bonds		104,030,000.00	5,545,000.00		5,545,000.00	104,030,000.00
Permanent University Fund Bonds, Series 2013 Revenue Bonds	9,454,333.08	158,134,333.08	21,660,000.00	2,971,537.84	24,631,537.84	148,680,000.00
Permanent University Fund Bonds, Series 2015A Revenue Bonds	24,672,707.11	166,932,707.11	830,000.00	1,900,755.61	2,730,755.61	142,260,000.00
Permanent University Fund Bonds, Taxable Series 2015B Revenue Bonds		133,920,000.00	7,730,000.00		7,730,000.00	133,920,000.00
Revenue Financing System Bonds, Series 2008 Revenue Bonds	179,886.28	16,474,886.28	8,840,000.00	129,109.81	8,969,109.81	16,295,000.00
Tuition Revenue Bonds	4,803.76	454,803.76	220,000.00	3,447.80	223,447.80	450,000.00
Revenue Financing System Bonds, Series 2009A Tuition Revenue Bonds	470,627.79	32,425,627.79	10,145,000.00	242,962.01	10,387,962.01	31,955,000.00
Revenue Financing System Bonds, Series 2009B Revenue Bonds	58,585.99	8,258,585.99	2,875,000.00	30,245.07	2,905,245.07	8,200,000.00
Revenue Financing System Bonds, Series 2009C Tuition Revenue Bonds	63,785.23	6,053,785.23	1,915,000.00	32,809.29	1,947,809.29	5,990,000.00
Revenue Financing System Bonds, Series 2009D Revenue Bonds	441,029.09	33,356,029.09	10,450,000.00	226,852.71	10,676,852.71	32,915,000.00
Revenue Financing System Bonds, Series 2010A Tuition Revenue Bonds	4,900,638.88	73,815,638.88	7,005,000.00	631,637.10	7,636,637.10	68,915,000.00
Revenue Financing System Bonds, Series 2010B Revenue Bonds	9,460,559.02	120,725,559.02	7,195,000.00	936,865.23	8,131,865.23	111,265,000.00
Revenue Financing System Bonds, Series 2011A Revenue Bonds		8,680,000.00	1,685,000.00		1,685,000.00	8,680,000.00
Tuition Revenue Bonds		265,000.00	265,000.00		265,000.00	265,000.00
Revenue Financing System Bonds, Series 2011B Revenue Bonds		95,090,000.00	2,510,000.00		2,510,000.00	95,090,000.00
Revenue Financing System Bonds, Series 2013A Tuition Revenue Bonds	2,972,208.16	30,362,208.16	3,375,000.00	727,568.31	4,102,568.31	27,390,000.00
Revenue Financing System Bonds, Series 2013B Revenue Bonds	25,326,395.06	242,121,395.06	6,630,000.00	2,823,918.94	9,453,918.94	216,795,000.00
Revenue Financing System Bonds, Taxable Series 2013C Revenue Bonds		231,765,000.00	1,240,000.00		1,240,000.00	231,765,000.00
Revenue Financing System Bonds, Series 2013D Revenue Bonds	8,052,460.91	101,912,460.91	4,750,000.00	1,443,353.14	6,193,353.14	93,860,000.00

UNAUDITED

**Schedule 2B**  
**Texas A&M University System Offices**  
 Schedule of Changes in Bonded Indebtedness  
 For the Year Ended August 31, 2016

Description	Bonds Outstanding September 1, 2015	Bonds Issued or Converted	Bonds Matured or Retired	Bonds Refunded	Bonds Outstanding August 31, 2016
<b>Revenue Bonds - Self Supporting</b>					
Revenue Financing System Bonds, Series 2015A Tuition Revenue Bonds	63,675,000.00		12,065,000.00		51,610,000.00
Revenue Financing System Bonds, Series 2015B Revenue Bonds	139,675,000.00		4,675,000.00		135,000,000.00
Revenue Financing System Bonds, Taxable Series 2015C Revenue Bonds	175,435,000.00		17,875,000.00		157,560,000.00
Revenue Financing System Bonds, Taxable Series 2015D Revenue Bonds	67,250,000.00		1,850,000.00		65,400,000.00
Revenue Financing System Bonds, Taxable Series 2016A Revenue Bonds	-	88,565,000.00	1,570,000.00		86,995,000.00
Tuition Revenue Bonds	-	2,955,000.00	60,000.00		2,895,000.00
Revenue Financing System Bonds, Taxable Series 2016B Revenue Bonds	-	325,575,000.00			325,575,000.00
Revenue Financing System Bonds, Series 2016C Revenue Bonds	-	85,740,000.00			85,740,000.00
Tuition Revenue Bonds	-	121,705,000.00			121,705,000.00
Revenue Financing System Bonds, Taxable Series 2016D Revenue Bonds	-	154,265,000.00			154,265,000.00
Tuition Revenue Bonds	-	22,595,000.00			22,595,000.00
Revenue Financing System Bonds, Series 2016E Revenue Bonds	-	118,950,000.00			118,950,000.00
Tuition Revenue Bonds	-	20,400,000.00			20,400,000.00
	<u>\$ 2,963,915,000.00</u>	<u>\$ 940,750,000.00</u>	<u>\$ 155,580,000.00</u>	<u>\$ 535,190,000.00</u>	<u>\$ 3,213,895,000.00</u>
		[a]	(Schedule 2D)		(Schedule 2C)

[a] Bonds Issued or Converted

Revenue Financing System Bonds, Taxable Series 2016A	91,520,000.00
Revenue Financing System Bonds, Taxable Series 2016B	325,575,000.00
Revenue Financing System Bonds, Series 2016C	207,445,000.00
Revenue Financing System Bonds, Taxable Series 2016D	176,860,000.00
Revenue Financing System Bonds, Series 2016E	139,350,000.00
<b>Total, Bonds Issued or Converted</b>	<u><b>\$ 940,750,000.00</b></u>

UNAUDITED

Schedule 2B  
**Texas A&M University System Offices**  
 Schedule of Changes in Bonded Indebtedness  
 For the Year Ended August 31, 2016

Description	Unamortized Premium	Net Bonds Outstanding August 31, 2016	Principal Due Within One Year	Premium Amortization Due Within One Year	Amounts Due Within One Year	Bonds Outstanding August 31, 2016
<b>Revenue Bonds - Self Supporting</b>						
Revenue Financing System Bonds, Series 2015A						
Tuition Revenue Bonds	6,287,030.75	57,897,030.75	11,375,000.00	1,485,239.81	12,860,239.81	51,610,000.00
Revenue Financing System Bonds, Series 2015B						
Revenue Bonds	12,485,802.93	147,485,802.93	4,805,000.00	1,570,205.01	6,375,205.01	135,000,000.00
Revenue Financing System Bonds, Taxable Series 2015C						
Revenue Bonds		157,560,000.00	18,005,000.00		18,005,000.00	157,560,000.00
Revenue Financing System Bonds, Taxable Series 2015D						
Revenue Bonds		65,400,000.00	1,355,000.00		1,355,000.00	65,400,000.00
Revenue Financing System Bonds, Taxable Series 2016A						
Revenue Bonds		86,995,000.00	1,265,000.00		1,265,000.00	86,995,000.00
Tuition Revenue Bonds		2,895,000.00	70,000.00		70,000.00	2,895,000.00
Revenue Financing System Bonds, Taxable Series 2016B						
Revenue Bonds		325,575,000.00	4,670,000.00		4,670,000.00	325,575,000.00
Revenue Financing System Bonds, Series 2016C						
Revenue Bonds	19,796,360.15	105,536,360.15	470,000.00	1,349,449.98	1,819,449.98	85,740,000.00
Tuition Revenue Bonds	27,900,453.90	149,605,453.90	1,990,000.00	2,790,595.83	4,780,595.83	121,705,000.00
Revenue Financing System Bonds, Taxable Series 2016D						
Revenue Bonds		154,265,000.00	4,530,000.00		4,530,000.00	154,265,000.00
Tuition Revenue Bonds		22,595,000.00	620,000.00		620,000.00	22,595,000.00
Revenue Financing System Bonds, Series 2016E						
Revenue Bonds	21,791,468.45	140,741,468.45	650,000.00	2,207,333.33	2,857,333.33	118,950,000.00
Tuition Revenue Bonds	4,023,441.70	24,423,441.70	335,000.00	423,708.51	758,708.51	20,400,000.00
	<u>\$ 195,276,598.09</u>	<u>\$ 3,409,171,598.09</u>	<u>\$ 157,415,000.00</u>	<u>\$ 24,450,242.06</u>	<u>\$ 181,865,242.06</u>	<u>\$ 3,213,895,000.00</u>
			(Schedule 2C)			(Schedule 2C)

[b] Bonds Payable per Exhibit III  
 Current Bonds Payable  
 NonCurrent Bonds Payable  
 Total Bonds Payable

181,865,242.06  
 3,227,306,356.03  
3,409,171,598.09

UNAUDITED

Schedule 2C  
Texas A&M University System Offices  
Schedule of Debt Service Requirements  
For the Year Ended August 31, 2016

Description		Year Ended August 31,				
		2017	2018	2019	2020	2021
<b>Revenue Bonds - Self Supporting</b>						
Permanent University Fund Bonds, Series 1998						
Revenue Bonds	Principal	\$ 0.00	\$ 0.00	\$ 2,235,000.00	\$ 2,360,000.00	2,490,000.00
	Interest	1,583,725.00	1,583,725.00	1,583,725.00	1,460,800.00	1,331,000.00
Permanent University Fund Bonds, Series 2009AB						
Revenue Bonds	Principal	690,000.00	715,000.00	5,550,000.00	5,695,000.00	5,900,000.00
	Interest	10,592,981.28	10,568,831.28	10,543,806.28	10,266,306.28	9,981,556.28
Permanent University Fund Bonds, Series 2011						
Revenue Bonds	Principal	1,720,000.00	1,780,000.00	2,490,000.00	2,675,000.00	5,000,000.00
	Interest	3,553,350.00	3,501,750.00	3,448,350.00	3,348,750.00	3,241,750.00
Permanent University Fund Bonds, Series 2012A						
Revenue Bonds	Principal	0.00	0.00	10,335,000.00	10,875,000.00	11,495,000.00
	Interest	3,511,500.00	3,511,500.00	3,511,500.00	3,017,250.00	2,473,500.00
Permanent University Fund Bonds, Taxable Series 2012B						
Revenue Bonds	Principal	5,545,000.00	5,625,000.00	5,720,000.00	5,820,000.00	5,950,000.00
	Interest	2,937,518.20	2,857,725.66	2,760,413.16	2,652,877.16	2,521,461.56
Permanent University Fund Bonds, Series 2013						
Revenue Bonds	Principal	21,660,000.00	22,735,000.00	7,785,000.00	8,165,000.00	8,555,000.00
	Interest	6,767,400.00	5,684,400.00	4,547,650.00	4,158,400.00	3,750,150.00
Permanent University Fund Bonds, Series 2015A						
Revenue Bonds	Principal	830,000.00	875,000.00	0.00	0.00	0.00
	Interest	6,795,800.02	6,754,300.02	6,706,175.02	6,706,175.02	6,706,175.02
Permanent University Fund Bonds, Taxable Series 2015B						
Revenue Bonds	Principal	7,730,000.00	7,800,000.00	7,740,000.00	7,815,000.00	7,960,000.00
	Interest	3,543,505.06	3,446,880.06	3,349,380.04	3,233,280.04	3,096,517.52
Revenue Financing System Bonds, Series 2008						
Revenue Bonds	Principal	8,840,000.00	7,455,000.00			
	Interest	814,750.00	372,750.00			
Tuition Revenue Bonds	Principal	220,000.00	230,000.00			
	Interest	22,500.00	11,500.00			
Revenue Financing System Bonds, Series 2009A						
Tuition Revenue Bonds	Principal	10,145,000.00	10,655,000.00	11,155,000.00		
	Interest	1,508,700.00	1,001,450.00	498,700.00		
Revenue Financing System Bonds, Series 2009B						
Revenue Bonds	Principal	2,875,000.00	2,620,000.00	2,705,000.00		
	Interest	279,600.00	193,350.00	108,200.00		
Revenue Financing System Bonds, Series 2009C						
Tuition Revenue Bonds	Principal	1,915,000.00	2,000,000.00	2,075,000.00		
	Interest	249,975.00	173,375.00	93,375.00		
Revenue Financing System Bonds, Series 2009D						
Revenue Bonds	Principal	10,450,000.00	10,965,000.00	11,500,000.00		
	Interest	1,570,287.50	1,065,750.00	517,500.00		
Revenue Financing System Bonds, Series 2010A						
Tuition Revenue Bonds	Principal	7,005,000.00	6,810,000.00	7,140,000.00	7,465,000.00	7,850,000.00
	Interest	3,326,375.00	3,001,925.00	2,685,875.00	2,351,375.00	1,978,125.00
Revenue Financing System Bonds, Series 2010B						
Revenue Bonds	Principal	7,195,000.00	7,560,000.00	7,940,000.00	7,715,000.00	8,100,000.00
	Interest	5,563,250.00	5,203,500.00	4,825,500.00	4,428,500.00	4,042,750.00
Revenue Financing System Bonds, Series 2011A						
Revenue Bonds	Principal	1,685,000.00	1,680,000.00	1,730,000.00	1,765,000.00	1,820,000.00
	Interest	307,562.50	240,162.50	172,962.50	121,062.50	63,700.00
Tuition Revenue Bonds	Principal	265,000.00				
	Interest	10,600.00				
Revenue Financing System Bonds, Series 2011B						
Revenue Bonds	Principal	2,510,000.00	2,730,000.00	2,905,000.00	3,095,000.00	3,290,000.00
	Interest	4,768,412.52	4,630,362.56	4,480,212.56	4,320,437.56	4,150,212.56

## UNAUDITED

Schedule 2C  
Texas A&M University System Offices

Schedule of Debt Service Requirements  
For the Year Ended August 31, 2016

Description		2022-2026	2027-2031	2032-2036	2037-2041	2042-2045	Total Requirements
<b>Revenue Bonds - Self Supporting</b>							
Permanent University Fund Bonds, Series 1998							
Revenue Bonds	Principal	\$ 14,660,000.00	\$ 7,050,000.00	\$	\$	\$	28,795,000.00
	Interest	4,444,275.00	586,850.00				12,574,100.00
Permanent University Fund Series 2009AB							
Revenue Bonds	Principal	48,685,000.00	91,585,000.00	52,090,000.00			210,910,000.00
	Interest	44,981,975.06	28,049,575.00	4,849,250.00			129,834,281.46
Permanent University Fund Bonds, Series 2011							
Revenue Bonds	Principal	25,375,000.00	37,060,000.00				76,100,000.00
	Interest	12,864,250.00	5,764,000.00				35,722,200.00
Permanent University Fund Bonds, Series 2012A							
Revenue Bonds	Principal	37,975,000.00					70,680,000.00
	Interest	3,854,750.00					19,880,000.00
Permanent University Fund Bonds, Taxable Series 2012B							
Revenue Bonds	Principal	32,120,000.00	35,470,000.00	7,780,000.00			104,030,000.00
	Interest	10,257,783.00	5,210,932.24	278,135.00			29,476,845.98
Permanent University Fund Bonds, Series 2013							
Revenue Bonds	Principal	34,490,000.00	31,055,000.00	14,235,000.00			148,680,000.00
	Interest	12,818,000.00	6,670,800.00	859,800.00			45,256,600.00
Permanent University Fund Bonds, Series 2015A							
Revenue Bonds	Principal	36,650,000.00	50,030,000.00	53,875,000.00			142,260,000.00
	Interest	31,746,000.10	20,076,250.14	5,475,800.00			90,966,675.34
Permanent University Fund Bonds, Taxable Series 2015B							
Revenue Bonds	Principal	20,155,000.00	45,305,000.00	29,415,000.00			133,920,000.00
	Interest	13,302,742.72	8,929,857.24	2,684,522.00			41,586,684.68
Revenue Financing System Bonds, Series 2008							
Revenue Bonds	Principal						16,295,000.00
	Interest						1,187,500.00
Tuition Revenue Bonds							
	Principal						450,000.00
	Interest						34,000.00
Revenue Financing System Bonds, Series 2009A							
Tuition Revenue Bonds	Principal						31,955,000.00
	Interest						3,008,850.00
Revenue Financing System Bonds, Series 2009B							
Revenue Bonds	Principal						8,200,000.00
	Interest						581,150.00
Revenue Financing System Bonds, Series 2009C							
Tuition Revenue Bonds	Principal						5,990,000.00
	Interest						516,725.00
Revenue Financing System Bonds, Series 2009D							
Revenue Bonds	Principal						32,915,000.00
	Interest						3,153,537.50
Revenue Financing System Bonds, Series 2010A							
Tuition Revenue Bonds	Principal	18,910,000.00	13,735,000.00				68,915,000.00
	Interest	6,139,750.00	1,287,500.00				20,770,925.00
Revenue Financing System Bonds, Series 2010B							
Revenue Bonds	Principal	22,265,000.00	19,180,000.00	18,125,000.00	13,185,000.00		111,265,000.00
	Interest	15,470,250.00	10,664,500.00	6,104,000.00	1,339,750.00		57,642,000.00
Revenue Financing System Bonds, Series 2011A							
Revenue Bonds	Principal						8,680,000.00
	Interest						905,450.00
Tuition Revenue Bonds							
	Principal						265,000.00
	Interest						10,600.00
Revenue Financing System Bonds, Series 2011B							
Revenue Bonds	Principal	19,950,000.00	23,575,000.00	23,150,000.00	13,885,000.00		95,090,000.00
	Interest	17,798,525.30	12,499,731.48	7,010,075.00	2,149,750.00		61,807,719.54

UNAUDITED

Schedule 2C  
**Texas A&M University System Offices**  
 Schedule of Debt Service Requirements  
 For the Year Ended August 31, 2016

Description		Year Ended August 31,				
		2017	2018	2019	2020	2021
Revenue Financing System Bonds, Series 2013A						
Tuition Revenue Bonds	Principal	3,375,000.00	3,510,000.00	3,655,000.00	3,805,000.00	3,950,000.00
	Interest	1,226,050.00	1,091,050.00	950,650.00	804,450.00	652,250.00
Revenue Financing System Bonds, Series 2013B						
Revenue Bonds	Principal	6,630,000.00	6,955,000.00	7,290,000.00	7,685,000.00	8,040,000.00
	Interest	10,470,100.00	10,138,600.00	9,790,850.00	9,426,350.00	9,042,100.00
Revenue Financing System Bonds, Taxable Series 2013C						
Revenue Bonds	Principal	1,240,000.00	0.00	0.00	0.00	0.00
	Interest	11,365,025.00	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	4,750,000.00	6,255,000.00	6,565,000.00	6,920,000.00	7,265,000.00
	Interest	4,693,000.00	4,455,500.00	4,142,750.00	3,814,500.00	3,468,500.00
Revenue Financing System Bonds, Series 2015A						
Tuition Revenue Bonds	Principal	11,375,000.00	4,230,000.00	4,445,000.00	4,660,000.00	4,900,000.00
	Interest	2,356,600.00	1,901,600.00	1,690,100.00	1,467,850.00	1,234,850.00
Revenue Financing System Bonds, Series 2015B						
Revenue Bonds	Principal	4,805,000.00	5,000,000.00	3,850,000.00	4,040,000.00	4,235,000.00
	Interest	5,711,050.00	5,518,850.00	5,268,850.00	5,076,350.00	4,874,350.00
Revenue Financing System Bonds, Taxable Series 2015C						
Revenue Bonds	Principal	18,005,000.00	16,310,000.00	16,490,000.00	16,790,000.00	14,425,000.00
	Interest	3,672,698.96	3,488,147.72	3,237,626.12	2,917,225.42	2,549,020.72
Revenue Financing System Bonds, Taxable Series 2015D						
Revenue Bonds	Principal	1,355,000.00	1,375,000.00	1,395,000.00	1,450,000.00	1,510,000.00
	Interest	2,720,666.26	2,666,466.26	2,611,466.26	2,555,666.26	2,497,666.26
Revenue Financing System Bonds, Taxable Series 2016A						
Revenue Bonds	Principal	1,265,000.00	1,270,000.00	8,420,000.00	8,505,000.00	8,650,000.00
	Interest	2,138,413.04	2,125,763.16	2,110,243.76	1,988,574.66	1,845,860.76
Tuition Revenue Bonds	Principal	70,000.00	45,000.00	285,000.00	290,000.00	290,000.00
	Interest	65,634.96	64,934.96	64,385.06	60,266.80	55,400.60
Revenue Financing System Bonds, Taxable Series 2016B						
Revenue Bonds	Principal	4,670,000.00	10,045,000.00	10,140,000.00	10,300,000.00	10,465,000.00
	Interest	11,673,248.96	10,653,357.52	10,530,607.62	10,384,084.62	10,211,250.62
Revenue Financing System Bonds, Series 2016C						
Revenue Bonds	Principal	470,000.00			3,625,000.00	3,795,000.00
	Interest	3,269,460.42	3,975,750.00	3,975,750.00	3,975,750.00	3,794,500.00
Tuition Revenue Bonds	Principal	1,990,000.00			9,555,000.00	10,030,000.00
	Interest	4,610,030.55	5,566,100.00	5,566,100.00	5,566,100.00	5,088,350.00
Revenue Financing System Bonds, Taxable Series 2016D						
Revenue Bonds	Principal	4,530,000.00	3,630,000.00	3,655,000.00	6,120,000.00	6,205,000.00
	Interest	3,301,394.89	4,004,585.38	3,975,073.48	3,938,194.54	3,861,694.54
Tuition Revenue Bonds	Principal	620,000.00	370,000.00	375,000.00	1,955,000.00	1,990,000.00
	Interest	370,854.31	449,250.96	446,242.88	442,459.10	418,021.60
Revenue Financing System Bonds, Series 2016E						
Revenue Bonds	Principal	650,000.00			8,335,000.00	8,745,000.00
	Interest	4,145,897.22	5,046,400.00	5,046,400.00	5,046,400.00	4,629,650.00
Tuition Revenue Bonds	Principal	335,000.00			1,605,000.00	1,680,000.00
	Interest	730,985.42	885,350.00	885,350.00	885,350.00	805,100.00
Total		287,643,902.07	278,407,896.04	277,038,722.74	274,842,737.96	274,293,416.04
Less Interest		(130,228,902.07)	(127,177,896.04)	(121,468,722.74)	(115,757,737.96)	(109,708,416.04)
Total Principal		\$ 157,415,000.00	\$ 151,230,000.00	\$ 155,570,000.00	\$ 159,085,000.00	\$ 164,585,000.00
		(Schedule 2B)				

## UNAUDITED

Schedule 2C  
**Texas A&M University System Offices**  
 Schedule of Debt Service Requirements  
 For the Year Ended August 31, 2016

Description		2022-2026	2027-2031	2032-2036	2037-2041	2042-2045	Total Requirements
Revenue Financing System Bonds, Series 2013A							
Tuition Revenue Bonds	Principal	9,095,000.00					27,390,000.00
	Interest	454,750.00					5,179,200.00
Revenue Financing System Bonds, Series 2013B							
Revenue Bonds	Principal	44,525,000.00	51,470,000.00	47,495,000.00	28,830,000.00	7,875,000.00	216,795,000.00
	Interest	38,950,750.00	27,472,000.00	14,405,500.00	4,485,000.00	475,600.00	134,656,850.00
Revenue Financing System Bonds, Taxable Series 2013C							
Revenue Bonds	Principal	0.00	33,955,000.00	68,360,000.00	87,035,000.00	41,175,000.00	231,765,000.00
	Interest	56,714,765.00	55,144,777.00	42,315,913.60	23,637,633.80	3,095,567.20	237,645,493.60
Revenue Financing System Bonds, Series 2013D							
Revenue Bonds	Principal	42,145,000.00	19,960,000.00				93,860,000.00
	Interest	11,517,250.00	1,509,250.00				33,600,750.00
Revenue Financing System Bonds, Series 2015A							
Tuition Revenue Bonds	Principal	22,000,000.00					51,610,000.00
	Interest	2,531,050.00					11,182,050.00
Revenue Financing System Bonds, Series 2015B							
Revenue Bonds	Principal	23,920,000.00	27,680,000.00	31,125,000.00	22,835,000.00	7,510,000.00	135,000,000.00
	Interest	21,227,450.00	15,496,450.00	9,502,850.00	3,515,800.00	608,600.00	76,800,600.00
Revenue Financing System Bonds, Taxable Series 2015C							
Revenue Bonds	Principal	50,530,000.00	20,525,000.00	4,485,000.00			157,560,000.00
	Interest	8,000,271.54	2,338,029.84	313,005.74			26,516,026.06
Revenue Financing System Bonds, Taxable Series 2015D							
Revenue Bonds	Principal	8,590,000.00	10,540,000.00	12,835,000.00	14,900,000.00	11,450,000.00	65,400,000.00
	Interest	11,446,381.30	9,490,631.30	7,198,580.04	4,301,855.00	1,242,062.50	46,731,441.44
Revenue Financing System Bonds, Taxable Series 2016A							
Revenue Bonds	Principal	37,715,000.00	12,725,000.00	6,900,000.00	1,545,000.00		86,995,000.00
	Interest	6,550,461.50	2,491,708.30	1,156,572.48	61,691.86		20,469,289.52
Tuition Revenue Bonds	Principal	1,580,000.00	335,000.00				2,895,000.00
	Interest	174,981.90	9,768.60				495,372.88
Revenue Financing System Bonds, Taxable Series 2016B							
Revenue Bonds	Principal	55,370,000.00	61,170,000.00	72,675,000.00	72,495,000.00	18,245,000.00	325,575,000.00
	Interest	47,427,410.40	39,368,471.10	27,474,550.80	11,752,104.34	1,913,778.98	181,388,864.96
Revenue Financing System Bonds, Series 2016C							
Revenue Bonds	Principal	22,040,000.00	22,085,000.00	17,875,000.00	15,850,000.00		85,740,000.00
	Interest	15,928,000.00	10,501,550.00	6,622,200.00	1,896,000.00		53,938,960.42
Tuition Revenue Bonds	Principal	58,165,000.00	41,965,000.00				121,705,000.00
	Interest	17,402,750.00	3,401,200.00				47,200,630.55
Revenue Financing System Bonds, Taxable Series 2016D							
Revenue Bonds	Principal	32,595,000.00	36,135,000.00	37,910,000.00	23,485,000.00		154,265,000.00
	Interest	17,689,486.80	13,737,676.10	7,937,195.68	2,133,084.04		60,578,385.45
Tuition Revenue Bonds	Principal	10,460,000.00	6,825,000.00				22,595,000.00
	Interest	1,570,838.00	372,895.80				4,070,562.65
Revenue Financing System Bonds, Series 2016E							
Revenue Bonds	Principal	49,585,000.00	45,770,000.00	5,865,000.00			118,950,000.00
	Interest	16,138,500.00	4,865,550.00	598,200.00			45,516,997.22
Tuition Revenue Bonds	Principal	9,755,000.00	7,025,000.00				20,400,000.00
	Interest	2,677,000.00	448,900.00				7,318,035.42
<b>Total</b>		1,239,385,397.62	1,038,598,854.14	648,981,150.34	349,317,669.04	93,590,608.68	4,762,100,354.67
<b>Less Interest</b>		(450,080,397.62)	(286,388,854.14)	(144,786,150.34)	(55,272,669.04)	(7,335,608.68)	(1,548,205,354.67)
<b>Total Principal</b>		<u>\$ 789,305,000.00</u>	<u>\$ 752,210,000.00</u>	<u>\$ 504,195,000.00</u>	<u>\$ 294,045,000.00</u>	<u>86,255,000.00</u>	<u>\$ 3,213,895,000.00</u>

(Schedule 2B)





UNAUDITED

**Schedule 2D**  
**Texas A&M University System Offices**  
 Analysis of Funds Available for Debt Service  
 For the Year Ended August 31, 2016

Description	Pledged Revenues	Operating Expenses From Pledged Revenues	Debt Service	
			Principal	Interest
Permanent University Fund Bonds	\$ 281,887,883.96	\$ 185,771,791.02	\$ 37,770,000.00	\$ 40,603,590.82
Revenue Financing System Bonds	2,182,434,502.08	1,438,283,762.11	117,810,000.00	89,035,248.59
	\$ 2,464,322,386.04	\$ 1,624,055,553.13	\$ 155,580,000.00	\$ 129,638,839.41
			(Schedule 2B)	[a]

[a] Debt Service-Interest Expense (Exhibit IV)		\$ 158,762,365.37		
Less:				
Interest on Permanent University Fund Commercial Paper	\$ 54,489.66			
Interest on Revenue Financing System Commercial Paper/Note	584,577.27			
Interest on Capital Leases	1,521,500.68			
Interest Expense on Defeased Bonds	38,531,746.71			
Other Interest Expense (non-bonds)	551,474.63			
Subtotal		(41,243,788.95)		
Plus Capitalized Interest Expense		12,120,262.99		
Total, Debt Service-Interest		\$ 129,638,839.41		
				[a]

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**Schedule 2E**  
**Texas A&M University System Offices**  
Schedule of Defeased Bonds Outstanding  
For the Year Ended August 31, 2016

<u>Description of Issues</u>	<u>Calendar Year Refunded</u>	<u>Par Value Outstanding August 31, 2016</u>
The Texas A&M University System		
Permanent University Fund Bonds, Series 2006	2015	\$ -
Revenue Financing System Bonds, Series 2008	2016	82,670,000.00
Series 2009A	2016	146,425,000.00
Series 2009B	2016	52,345,000.00
Series 2009C	2016	27,295,000.00
Series 2009D	2016	226,455,000.00
Total		<u>\$ 535,190,000.00</u>

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Schedule 2F  
**Texas A&M University System Offices**  
 Schedule of Early Extinguishment and Refunding  
 For the Year Ended August 31, 2016

<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>
<b>Revenue Bonds - Self Supporting</b>					
Revenue Financing System Bonds, Series 2008					
Revenue Bonds	Advance Refunding	80,005,000.00	88,565,000.00	6,067,342.71	5,143,153.82
Tuition Revenue Bonds	Advance Refunding	2,665,000.00	2,955,000.00	197,673.51	200,558.24
Revenue Financing System Bonds, Series 2009A					
Tuition Revenue Bonds	Advance Refunding	146,425,000.00	137,400,000.00	23,921,182.01	21,059,665.01
Revenue Financing System Bonds, Series 2009B					
Revenue Bonds	Advance Refunding	52,345,000.00	48,655,000.00	9,683,164.19	7,759,376.91
Revenue Financing System Bonds, Series 2009C					
Tuition Revenue Bonds	Advance Refunding	27,295,000.00	27,300,000.00	3,583,339.37	3,156,009.90
Revenue Financing System Bonds, Series 2009D					
Revenue Bonds	Advance Refunding	<u>226,455,000.00</u>	<u>229,025,000.00</u>	<u>32,961,668.38</u>	<u>26,696,144.12</u>
Total, Early Extinguishment and Refunding		<u>\$ 535,190,000.00</u>	<u>\$ 533,900,000.00</u>	<u>\$ 76,414,370.17</u>	<u>\$ 64,014,908.00</u>



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SCHEDULE THREE  
 TEXAS A&M UNIVERSITY SYSTEM OFFICES  
 SCHEDULE OF CASH & CASH EQUIVALENTS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Cash In Bank	\$ (6,092,466.02)
Cash In State Treasury	
Fund 0047	<u>309,023,076.26</u>
Total Cash In State Treasury	<u>\$ 309,023,076.26</u>
Reimbursements Due From State Treasury	\$ 768,824.12
Assets Held By System Offices-Current	63,271,559.84
Cash Equivalents	<u>693,695,982.47</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 1,060,666,976.67</u>
Restricted	
Assets Held By System Offices-Current	<u>\$ 379,278,288.72</u>
Total Restricted Cash and Cash Equivalents [Exhibit III]	<u>\$ 379,278,288.72</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 1,439,945,265.39</u></u>

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SCHEDULE N-2  
 TEXAS A&M UNIVERSITY SYSTEM OFFICES  
 NOTE 2 - CAPITAL ASSETS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	BALANCE 9-1-15	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 1,355,862.00	\$	\$
Construction In Progress	550,888,266.85		(116,079.65)
Other Tangible Capital Assets	230,000.25		
Total Non-Depreciable/Non-Amortizable Assets	<u>\$ 552,474,129.10</u>	<u>\$</u>	<u>\$ (116,079.65)</u>
Depreciable Assets			
Buildings	\$	\$	\$
Infrastructure			
Facilities and Other Improvements			
Furniture and Equipment	10,456,779.09		31,558.00
Vehicles, Boats and Aircraft	9,417,444.09		
Other Capital Assets	60,274.70		84,521.65
Total Depreciable Assets at Historical Cost	<u>\$ 19,934,497.88</u>	<u>\$</u>	<u>\$ 116,079.65</u>
Less Accumulated Depreciation for			
Buildings	\$	\$	\$
Infrastructure			
Facilities and Other Improvements			
Furniture and Equipment	(2,213,454.50)		
Vehicles, Boats and Aircraft	(7,782,423.74)		
Other Capital Assets	(28,728.63)		
Total Accumulated Depreciation	<u>\$ (10,024,606.87)</u>	<u>\$</u>	<u>\$</u>
Depreciable Assets, Net	<u>\$ 9,909,891.01</u>	<u>\$</u>	<u>\$ 116,079.65</u>
Amortizable Assets - Intangible			
Computer Software	<u>\$ 1,424,019.57</u>	<u>\$</u>	<u>\$</u>
Total Intangible Assets at Historical Cost	<u>\$ 1,424,019.57</u>	<u>\$</u>	<u>\$</u>
Less Accumulated Amortization for			
Computer Software	<u>\$ (1,424,019.57)</u>	<u>\$</u>	<u>\$</u>
Total Accumulated Amortization	<u>\$ (1,424,019.57)</u>	<u>\$</u>	<u>\$</u>
Amortizable Assets, Net	<u>\$</u>	<u>\$</u>	<u>\$</u>
Capital Assets, Net	<u>\$ 562,384,020.11</u>	<u>\$</u>	<u>\$</u>

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-16</u>
\$ 1,619,756.36	\$ (439,202,854.02)	\$ 436,468,822.70	\$	\$ 2,975,618.36 548,038,155.88 230,000.25
<u>\$ 1,619,756.36</u>	<u>\$ (439,202,854.02)</u>	<u>\$ 436,468,822.70</u>	<u>\$</u>	<u>\$ 551,243,774.49</u>
\$ 18,853,135.02 40,682,608.00 149,981.79 1,725,384.94 1,475,026.09	\$ (18,028.25)	\$ 3,309,337.56  525.00	\$ (54,937.35)  (95,271.22)	\$ 18,853,135.02 40,682,608.00 149,981.79 15,450,093.99 10,892,470.18 50,050.13
<u>\$ 62,886,135.84</u>	<u>\$ (18,028.25)</u>	<u>\$ 3,309,862.56</u>	<u>\$ (150,208.57)</u>	<u>\$ 86,078,339.11</u>
\$ (14,697,636.87) (28,445,456.46) (12,026.10) (1,577,450.00) (1,074,451.42)	\$ 10,393.84	\$ (294,791.91) (449,865.44) (2,430.76) (2,000,294.46) (316,693.08) (3,908.46)	\$ 37,020.35  7,949.19	\$ (14,992,428.78) (28,895,321.90) (14,456.86) (5,743,784.77) (9,173,568.24) (24,687.90)
<u>\$ (45,807,020.85)</u>	<u>\$ 10,393.84</u>	<u>\$ (3,067,984.11)</u>	<u>\$ 44,969.54</u>	<u>\$ (58,844,248.45)</u>
<u>\$ 17,079,114.99</u>	<u>\$ (7,634.41)</u>	<u>\$ 241,878.45</u>	<u>\$ (105,239.03)</u>	<u>\$ 27,234,090.66</u>
<u>\$ 13,169.28</u>	<u>\$</u>	<u>\$ 113,925.00</u>	<u>\$ (118,077.00)</u>	<u>\$ 1,433,036.85</u>
<u>\$ 13,169.28</u>	<u>\$</u>	<u>\$ 113,925.00</u>	<u>\$ (118,077.00)</u>	<u>\$ 1,433,036.85</u>
<u>\$ (13,169.28)</u>	<u>\$</u>	<u>\$ (18,987.50)</u>	<u>\$ 118,077.00</u>	<u>\$ (1,338,099.35)</u>
<u>\$ (13,169.28)</u>	<u>\$</u>	<u>\$ (18,987.50)</u>	<u>\$ 118,077.00</u>	<u>\$ (1,338,099.35)</u>
<u>\$</u>	<u>\$</u>	<u>\$ 94,937.50</u>	<u>\$</u>	<u>\$ 94,937.50</u>
<u>\$ 18,698,871.35</u>	<u>\$ (439,210,488.43)</u>	<u>\$ 436,805,638.65</u>	<u>\$ (105,239.03)</u>	<u>\$ 578,572,802.65</u>







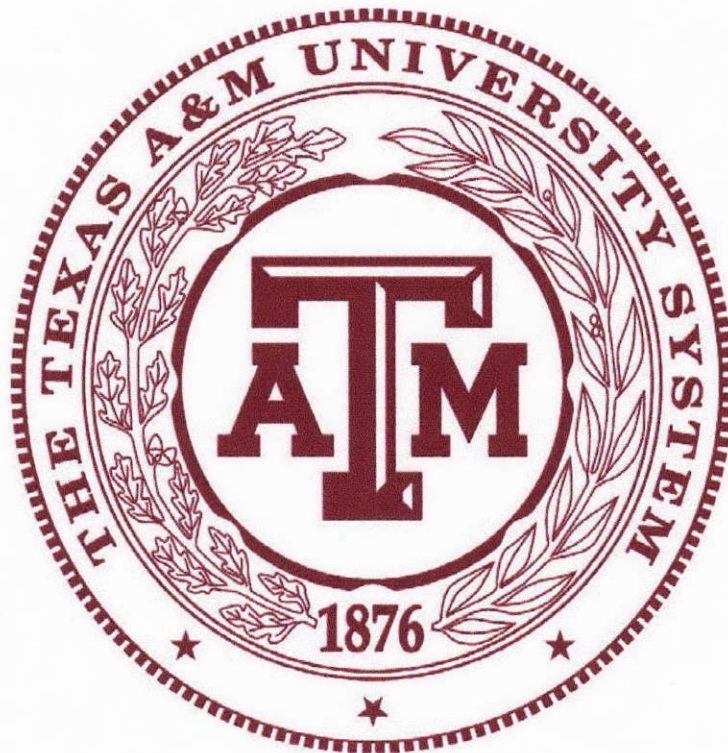
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# ANNUAL FINANCIAL REPORT

of

Texas A&M System Shared Services Center

*For the Year Ended August 31, 2016  
With Comparative Totals for the Year Ended August 31, 2015*



**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, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 919,953.30	\$ 4,025,529.82
Investments		
Derivative Instruments		
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	7.08	6,833.09
Other		
Due From Other Agencies		
Due From Other Members	4,642,263.98	24,048.20
Due From Other Funds		33,709.04
Consumable Inventories		
Merchandise Inventories		
Loans and Contracts		
Interfund Receivable [Note 12]		
Other Current Assets		
	\$ 5,562,224.36	\$ 4,090,120.15
Total Current Assets		
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	1,453,389.81	120,727.40
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	277,647.80	771,316.18
Vehicles, Boats, and Aircraft		11,633.34
Other Capital Assets		1,056,361.98
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	2,340,834.25	4,769,836.81
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(812,386.14)	(3,893,182.27)
Assets Held In Trust		
Other Non-Current Assets		
	\$ 3,259,485.72	\$ 2,836,693.44
Total Non-Current Assets		
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
	\$	\$
Total Deferred Outflows of Resources		
Total Assets and Deferred Outflows	\$ 8,821,710.08	\$ 6,926,813.59

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EXHIBIT III  
TEXAS A&M SYSTEM SHARED SERVICES CENTER  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED AUGUST 31, 2016

	<u>CURRENT YEAR TOTAL</u>	<u>PRIOR YEAR TOTAL</u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$	\$ 579,309.98
Payroll	247,707.76	1,038,551.92
Investment Trades		
Self-Insured Health and Dental		
Student		
Other		
Interfund Payable [Note 12]		
Due to Other Agencies		33,709.04
Due to Other Funds		14,967.70
Due to Other Members		
Funds Held for Investment		
Unearned Revenue		
Employees' Compensable Leave	45,942.95	58,478.47
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations	1,495,608.36	
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Other Current Liabilities		
Total Current Liabilities	<u>\$ 1,789,259.07</u>	<u>\$ 1,725,017.11</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$	\$ 644,045.31
Employees' Compensable Leave	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		
Other Non-Current Liabilities		
Total Non-Current Liabilities	<u>\$ 109,361.00</u>	<u>\$ 644,045.31</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 1,898,620.07</u>	<u>\$ 2,369,062.42</u>
Net Position		
Net Investment In Capital Assets	\$ 3,259,485.72	\$ 2,836,693.44
Restricted for		
Debt Service		
Capital Projects		
Education		
Endowment and Permanent Funds		
Nonexpendable		
Expendable		
Unrestricted	<u>3,663,604.29</u>	<u>1,721,057.73</u>
Total Net Position [Exhibit IV]	<u>\$ 6,923,090.01</u>	<u>\$ 4,557,751.17</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 8,821,710.08</u>	<u>\$ 6,926,813.59</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, 2016

	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	1,833,506.88	218,419.98
Discounts and Allowances		
Interest Revenue		
Federal Revenue - Operating		223,378.35
Federal Pass Through Revenue		
State Grant Revenue		
State Pass Through Revenue		
Other Grants and Contracts - Operating		
Other Operating Revenue		
	<u>                    </u>	<u>                    </u>
Total Operating Revenues	\$ 1,833,506.88	\$ 441,798.33
Operating Expenses		
Instruction	\$	\$
Research		223,378.35
Public Service		
Academic Support		
Student Services		
Institutional Support	4,384.99	
Operation & Maintenance of Plant		
Scholarships & Fellowships		
Auxiliary		
Depreciation/Amortization	989,823.08	1,133,697.55
	<u>                    </u>	<u>                    </u>
Total Operating Expenses [Schedule IV-1]	\$ 994,208.07	\$ 1,357,075.90
Total Operating Income [Loss]	\$ 839,298.81	\$ (915,277.57)
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$	\$
Federal Revenue Non-Operating		
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts		
Investment Income		5,774.79
Investing Activities Expense		
Interest Expense	(79.18)	
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets		
Settlement of Claims		
Other Nonoperating Revenues		
Other Nonoperating [Expenses]	(120,727.40)	
	<u>                    </u>	<u>                    </u>
Total Nonoperating Revenues [Expenses]	\$ (120,806.58)	\$ 5,774.79
Income [Loss] Before Other Revenues and Transfers	\$ 718,492.23	\$ (909,502.78)

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, 2016

	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	6,112,931.29	115,000.00
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	\$ 1,646,846.61	\$ 115,000.00
Change In Net Position	\$ 2,365,338.84	\$ (794,502.78)
Net Position, Beginning of Year	\$ 4,557,751.17	\$ 5,352,253.95
Restatement		
	<u>          </u>	<u>          </u>
Net Position, Beginning of Year, Restated	\$ 4,557,751.17	\$ 5,352,253.95
Net Position, End of Year	<u>\$ 6,923,090.01</u>	<u>\$ 4,557,751.17</u>



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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, 2016

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$	\$	\$
Salaries & Wages					
Payroll Related Costs					
Payroll Related Costs-TRS Pension					
Professional Fees & Services					
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>INSTITUTIONAL SUPPORT</u>	<u>OPERATION &amp; MAINTENANCE OF PLANT</u>	<u>SCHOLARSHIPS &amp; FELLOWSHIPS</u>	<u>AUXILIARY</u>	<u>DEPRECIATION &amp; AMORTIZATION</u>	<u>TOTAL</u>	<u>PRIOR YEAR</u>
\$	\$	\$	\$	\$	\$	\$
3,316.00					3,316.00	177,442.03
1,068.99					1,068.99	45,936.32
				989,823.08	989,823.08	1,133,697.55
<u>\$ 4,384.99</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 989,823.08</u>	<u>\$ 994,208.07</u>	<u>\$ 1,357,075.90</u>

[Exhibit IV]

UNAUDITED

EXHIBIT V  
 TEXAS A&M SYSTEM SHARED SERVICES CENTER  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$	\$
Proceeds Received From Customers	1,833,506.88	365,784.51
Proceeds From Grants and Contracts	24,048.20	366,143.93
Proceeds From Auxiliary Enterprises		
Proceeds From Loan Programs		
Proceeds From Other Operating Revenues		
Payments to Suppliers for Goods and Services	(587,451.67)	(6,833.09)
Payments to Employees	(1,342,448.98)	(275,741.73)
Payments for Loans Provided		
Payments for Other Operating Expenses		
Net Cash Provided [Used] By Operating Activities	<u>\$ (72,345.57)</u>	<u>\$ 449,353.62</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	(1,814,624.29)	115,000.00
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ (1,814,624.29)</u>	<u>\$ 115,000.00</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	(4,071,871.86)	(313,286.00)
Payments of Principal On Debt		
Payments for Capital Leases		
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]	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>\$ (1,218,606.66)</u>	<u>\$ (313,286.00)</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		5,774.79
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$</u>	<u>\$ 5,774.79</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ (3,105,576.52)</u>	<u>\$ 256,842.41</u>
Cash and Cash Equivalents, Beginning of Year Restatement	<u>\$ 4,025,529.82</u>	<u>\$ 3,768,687.41</u>
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 4,025,529.82</u>	<u>\$ 3,768,687.41</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 919,953.30</u>	<u>\$ 4,025,529.82</u>

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EXHIBIT V  
 TEXAS A&M SYSTEM SHARED SERVICES CENTER  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Reconciliation of Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities	\$	\$
Operating Income [Loss]	839,298.81	(915,277.57)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	989,823.08	1,133,697.55
Bad Debt Expense		
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	6,826.01	(6,833.09)
[Increase] Decrease In Due From Other Funds		
[Increase] Decrease In Due From System Members	24,048.20	142,765.58
[Increase] Decrease In Inventories		
[Increase] Decrease In Prepaid Expenses		
[Increase] Decrease In Loans and Contracts		
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	(1,370,154.14)	(70,624.05)
Increase [Decrease] In Due to Other Agencies/Funds		
Increase [Decrease] In Due to System Members	(14,967.70)	(3,040.35)
Increase [Decrease] In Unearned Revenue		
Increase [Decrease] In Deposits		
Increase [Decrease] In Employees' Compensable Leave	(547,219.83)	168,665.55
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities		
Total Adjustments	\$ (911,644.38)	\$ 1,364,631.19
Net Cash Provided [Used] By Operating Activities	\$ (72,345.57)	\$ 449,353.62
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, 2016

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash In State Treasury	
Assets Held By System Offices-Current	<u>\$ 919,953.30</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 919,953.30</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 919,953.30</u></u>

UNAUDITED

SCHEDULE N-2  
 TEXAS A&M SYSTEM SHARED SERVICES CENTER  
 NOTE 2 - CAPITAL ASSETS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	BALANCE 9-1-15	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Construction In Progress	\$ 120,727.40	\$	\$ (120,727.40)
Total Non-Depreciable/Non-Amortizable Assets	<u>\$ 120,727.40</u>	<u>\$</u>	<u>\$ (120,727.40)</u>
Depreciable Assets			
Furniture and Equipment	\$ 771,316.18	\$	\$ 120,727.40
Vehicles, Boats and Aircraft	11,633.34		
Other Capital Assets	1,056,361.98		
Total Depreciable Assets at Historical Cost	<u>\$ 1,839,311.50</u>	<u>\$</u>	<u>\$ 120,727.40</u>
Less Accumulated Depreciation for			
Furniture and Equipment	\$ (442,013.49)	\$	\$
Vehicles, Boats and Aircraft	(9,888.40)		
Other Capital Assets	(1,056,361.98)		
Total Accumulated Depreciation	<u>\$ (1,508,263.87)</u>	<u>\$</u>	<u>\$</u>
Depreciable Assets, Net	<u>\$ 331,047.63</u>	<u>\$</u>	<u>\$ 120,727.40</u>
Amortizable Assets - Intangible			
Computer Software	\$ 4,769,836.81	\$	\$
Total Intangible Assets at Historical Cost	<u>\$ 4,769,836.81</u>	<u>\$</u>	<u>\$</u>
Less Accumulated Amortization for			
Computer Software	\$ (2,384,918.40)	\$	\$
Total Accumulated Amortization	<u>\$ (2,384,918.40)</u>	<u>\$</u>	<u>\$</u>
Amortizable Assets, Net	<u>\$ 2,384,918.41</u>	<u>\$</u>	<u>\$</u>
Capital Assets, Net	<u><u>\$ 2,836,693.44</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>

<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-16</u>
\$ _____	\$ _____	\$ 1,453,389.81	\$ _____	\$ 1,453,389.81
\$ _____	\$ _____	\$ 1,453,389.81	\$ _____	\$ 1,453,389.81
\$ _____	\$ (731,954.34) (11,633.34) (1,056,361.98)	\$ 277,647.80	\$ (160,089.24)	\$ 277,647.80
\$ _____	\$ (1,799,949.66)	\$ 277,647.80	\$ (160,089.24)	\$ 277,647.80
\$ _____	\$ 420,599.61 10,382.82 1,056,361.98	\$ (68,850.20) (494.42)	\$ 39,361.84	\$ (50,902.24)
\$ _____	\$ 1,487,344.41	\$ (69,344.62)	\$ 39,361.84	\$ (50,902.24)
\$ _____	\$ (312,605.25)	\$ 208,303.18	\$ (120,727.40)	\$ 226,745.56
\$ _____	\$ (4,769,836.81)	\$ 2,340,834.25	\$ _____	\$ 2,340,834.25
\$ _____	\$ (4,769,836.81)	\$ 2,340,834.25	\$ _____	\$ 2,340,834.25
\$ _____	\$ 2,543,912.96	\$ (920,478.46)	\$ _____	\$ (761,483.90)
\$ _____	\$ 2,543,912.96	\$ (920,478.46)	\$ _____	\$ (761,483.90)
\$ _____	\$ (2,225,923.85)	\$ 1,420,355.79	\$ _____	\$ 1,579,350.35
\$ _____	\$ (2,538,529.10)	\$ 3,082,048.78	\$ (120,727.40)	\$ 3,259,485.72







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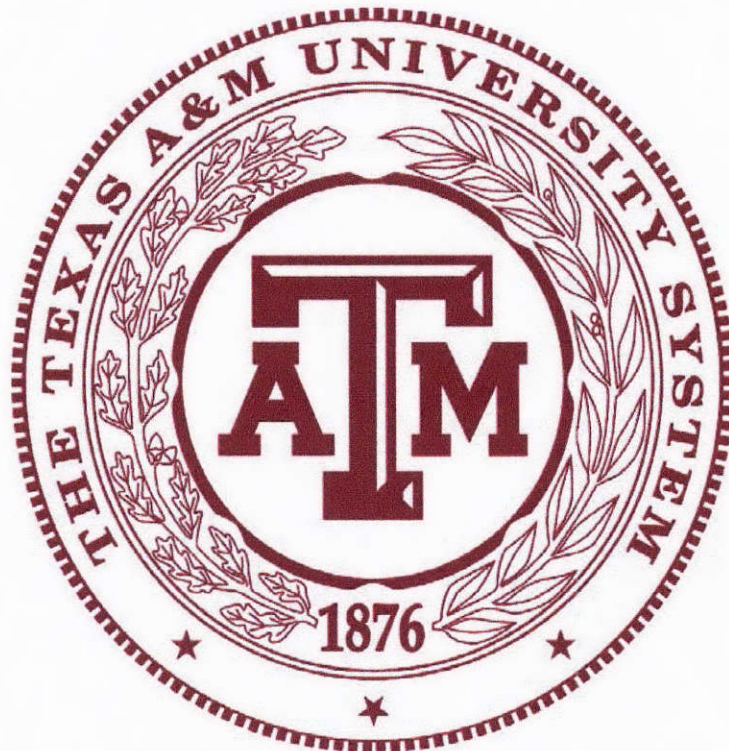
# ANNUAL FINANCIAL REPORT

of

**Texas A&M System Technology Commercialization**

*For the Year Ended August 31, 2016*

*With Comparative Totals for the Year Ended August 31, 2015*



**Billy Hamilton, Executive Vice Chancellor & Chief Financial Officer**  
**Brett Cornwell, Associate Vice Chancellor**



UNAUDITED

TEXAS A&M SYSTEM  
TECHNOLOGY COMMERCIALIZATION

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EXHIBIT III  
 TEXAS A&M SYSTEM TECHNOLOGY COMMERCIALIZATION  
 STATEMENT OF NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	<u>CURRENT YEAR TOTAL</u>	<u>PRIOR YEAR TOTAL</u>
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$	\$ 2,587,582.25
Investments		
Derivative Instruments		
Restricted		
Cash & Cash Equivalents [Schedule Three]		133,032.61
Investments		
Legislative Appropriations		
Receivables, Net [Note 24]		
Federal		
Other Intergovernmental		
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student		
Investment Trades		
Accounts		6,067,640.89
Other		
Due From Other Agencies		
Due From Other Members		
Due From Other Funds		
Consumable Inventories		
Merchandise Inventories		
Loans and Contracts		356,048.19
Interfund Receivable [Note 12]		
Other Current Assets		
Total Current Assets	<u>\$</u>	<u>\$ 9,144,303.94</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		702,399.18
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements		
Construction In Progress		
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		6,599.00
Vehicles, Boats, and Aircraft		
Other Capital Assets		
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software		
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization		(6,599.00)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$</u>	<u>\$ 702,399.18</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>\$</u>	<u>\$ 9,846,703.12</u>

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EXHIBIT III  
 TEXAS A&M SYSTEM TECHNOLOGY COMMERCIALIZATION  
 STATEMENT OF NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	<u>CURRENT YEAR TOTAL</u>	<u>PRIOR YEAR TOTAL</u>
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$	\$ 5,541,110.59
Payroll		143,224.49
Investment Trades		
Self-Insured Health and Dental		
Student		
Other		
Interfund Payable [Note 12]		
Due to Other Agencies		
Due to Other Funds		
Due to Other Members		8,997.39
Funds Held for Investment		
Unearned Revenue		
Employees' Compensable Leave		1,080.19
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations		
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Other Current Liabilities		
Total Current Liabilities	<u>\$</u>	<u>\$ 5,694,412.66</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$	
Employees' Compensable Leave		106,220.19
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		
Other Non-Current Liabilities		
Total Non-Current Liabilities	<u>\$</u>	<u>\$ 106,220.19</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$</u>	<u>\$ 5,800,632.85</u>
Net Position		
Net Investment In Capital Assets	\$	\$
Restricted for		
Debt Service		
Capital Projects		
Education		122,278.34
Endowment and Permanent Funds		
Nonexpendable		
Expendable		
Unrestricted		3,923,791.93
Total Net Position [Exhibit IV]	<u>\$</u>	<u>\$ 4,046,070.27</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$</u>	<u>\$ 9,846,703.12</u>

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EXHIBIT IV  
 TEXAS A&M SYSTEM TECHNOLOGY COMMERCIALIZATION  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	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		40,847.56
Discounts and Allowances		
Interest Revenue		
Federal Revenue - Operating		
Federal Pass Through Revenue		
State Grant Revenue		
State Pass Through Revenue		117,859.11
Other Grants and Contracts - Operating		
Other Operating Revenue		6,500.00
	<u>          </u>	<u>          </u>
Total Operating Revenues	\$	\$ 165,206.67
Operating Expenses		
Instruction	\$	\$
Research		
Public Service		
Academic Support		
Student Services		
Institutional Support		488,903.81
Operation & Maintenance of Plant		
Scholarships & Fellowships		
Auxiliary		
Depreciation/Amortization		
	<u>          </u>	<u>          </u>
Total Operating Expenses [Schedule IV-1]	\$	\$ 488,903.81
Total Operating Income [Loss]	\$	\$ (323,697.14)
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$	\$
Federal Revenue Non-Operating		
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts		22,204.00
Investment Income		438,174.50
Investing Activities Expense		
Interest Expense		
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets		
Settlement of Claims		(1,675.98)
Other Nonoperating Revenues		
Other Nonoperating [Expenses]		
	<u>          </u>	<u>          </u>
Total Nonoperating Revenues [Expenses]	\$	\$ 458,702.52
Income [Loss] Before Other Revenues and Transfers	\$	\$ 135,005.38



UNAUDITED

EXHIBIT IV  
 TEXAS A&M SYSTEM TECHNOLOGY COMMERCIALIZATION  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	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		516,250.00
Nonmandatory Transfers From Members/Agencies-Cap Assets		
Transfers Out		
Transfers to Other State Agencies		
Mandatory Transfers to Other Members		
Nonmandatory Transfers to Other Members	(18,533,192.66)	(1,358,125.42)
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	\$ (18,533,192.66)	\$ (841,875.42)
Change In Net Position	<u>\$ (18,533,192.66)</u>	<u>\$ (706,870.04)</u>
Net Position, Beginning of Year	\$ 4,046,070.27	\$ 4,752,940.31
Restatement	14,487,122.39	
	<u>          </u>	<u>          </u>
Net Position, Beginning of Year, Restated	\$ 18,533,192.66	\$ 4,752,940.31
Net Position, End of Year	<u>\$</u>	<u>\$ 4,046,070.27</u>

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SCHEDULE IV-1  
 TEXAS A&M SYSTEM TECHNOLOGY COMMERCIALIZATION  
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX  
 FOR THE YEAR ENDED AUGUST 31, 2016

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$	\$	\$
Salaries & Wages					
Payroll Related Costs					
Payroll Related Costs-TRS Pension					
Professional Fees & Services					
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>INSTITUTIONAL SUPPORT</u>	<u>OPERATION &amp; MAINTENANCE OF PLANT</u>	<u>SCHOLARSHIPS &amp; FELLOWSHIPS</u>	<u>AUXILIARY</u>	<u>DEPRECIATION &amp; AMORTIZATION</u>	<u>TOTAL</u>	<u>PRIOR YEAR</u>
\$	\$	\$	\$	\$	\$	\$
						116,938.01
						30,453.11
						260,479.53
						11,047.91
						2,066.65
						7,836.82
						10,066.92
						6.47
						50,008.39
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 488,903.81</u>

[Exhibit IV]

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EXHIBIT V  
 TEXAS A&M SYSTEM TECHNOLOGY COMMERCIALIZATION  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$	\$
Proceeds Received From Customers		40,847.56
Proceeds From Grants and Contracts		232,110.60
Proceeds From Auxiliary Enterprises		
Proceeds From Loan Programs	356,048.19	
Proceeds From Other Operating Revenues	517,548.69	6,500.00
Payments to Suppliers for Goods and Services	(15.78)	(1,817,766.64)
Payments to Employees	(250,524.87)	(165,855.12)
Payments for Loans Provided		(356,048.19)
Payments for Other Operating Expenses		
Net Cash Provided [Used] By Operating Activities	<u>\$ 623,056.23</u>	<u>\$ (2,060,211.79)</u>
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$	\$
Proceeds From Gifts		22,204.00
Proceeds From Endowments		
Proceeds From Transfers From Other Funds		
Proceeds From Other Grant Receipts		
Proceeds From Other Noncapital Financing Activities	14,487,122.39	
Payments of Interest		
Payments for Transfers to Other Funds		
Payments for Grant Disbursements		(1,675.98)
Payments for Other Noncapital Financing Uses		(841,875.42)
Other Noncapital Transfers From/To System	(18,533,192.66)	
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	<u>\$ (4,046,070.27)</u>	<u>\$ (821,347.40)</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		
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>\$</u>	<u>\$</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	702,399.18	1,531,652.84
Proceeds From Interest and Investment Income		
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ 702,399.18</u>	<u>\$ 1,531,652.84</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ (2,720,614.86)</u>	<u>\$ (1,349,906.35)</u>
Cash and Cash Equivalents, Beginning of Year Restatement	<u>\$ 2,720,614.86</u>	<u>\$ 4,070,521.21</u>
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 2,720,614.86</u>	<u>\$ 4,070,521.21</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$</u>	<u>\$ 2,720,614.86</u>

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EXHIBIT V  
 TEXAS A&M SYSTEM TECHNOLOGY COMMERCIALIZATION  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	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]		(323,697.14)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation		
Bad Debt Expense		
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	6,067,640.89	(110,430.33)
[Increase] Decrease In Due From Other Funds		
[Increase] Decrease In Due From System Members		
[Increase] Decrease In Inventories		
[Increase] Decrease In Prepaid Expenses		
[Increase] Decrease In Loans and Contracts	356,048.19	(356,048.19)
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	(5,684,335.08)	(1,262,535.53)
Increase [Decrease] In Due to Other Agencies/Funds		
Increase [Decrease] In Due to System Members	(8,997.39)	2,609.14
Increase [Decrease] In Unearned Revenue		
Increase [Decrease] In Deposits		
Increase [Decrease] In Employees' Compensable Leave	(107,300.38)	(10,109.74)
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>\$ 623,056.23</u>	<u>\$ (1,736,514.65)</u>
Net Cash Provided [Used] By Operating Activities	<u>\$ 623,056.23</u>	<u>\$ (2,060,211.79)</u>
Non-Cash Transactions		
Donation of Capital Assets	\$	\$
Net Change In Fair Value of Investments		(3.26)
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 SYSTEM TECHNOLOGY COMMERCIALIZATION  
SCHEDULE OF CASH & CASH EQUIVALENTS  
FOR THE YEAR ENDED AUGUST 31, 2016

CURRENT  
YEAR  
TOTAL

NO ACCOUNT ACTIVITY FOR THIS PERIOD

UNAUDITED

SCHEDULE N-2  
 TEXAS A&M SYSTEM TECHNOLOGY COMMERCIALIZATION  
 NOTE 2 - CAPITAL ASSETS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	BALANCE 9-1-15	ADJUSTMENTS	COMPLETED CIP
Depreciable Assets			
Furniture and Equipment	\$ 6,599.00	\$	\$
Total Depreciable Assets at Historical Cost	\$ 6,599.00	\$	\$
Less Accumulated Depreciation for			
Furniture and Equipment	\$ (6,599.00)	\$	\$
Total Accumulated Depreciation	\$ (6,599.00)	\$	\$
Depreciable Assets, Net	\$	\$	\$
Capital Assets, Net	\$	\$	\$



<u>INC-INTERAGENCY TRANSACTIONS</u>	<u>DEC-INTERAGENCY TRANSACTIONS</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 8-31-16</u>
\$ _____	\$ (6,599.00)	\$ _____	\$ _____	\$ _____
\$ _____	\$ (6,599.00)	\$ _____	\$ _____	\$ _____
\$ _____	\$ 6,599.00	\$ _____	\$ _____	\$ _____
\$ _____	\$ 6,599.00	\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>





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# ANNUAL FINANCIAL REPORT

of

**Texas A&M Research Foundation**

*For the Year Ended August 31, 2016*

*With Comparative Totals for the Year Ended August 31, 2015*



**Dr. Glen A. Laine, President**  
**Dana R. Thomas, Chief Financial Officer**



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TEXAS A&M RESEARCH FOUNDATION

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EXHIBIT III  
TEXAS A&M RESEARCH FOUNDATION  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u>          </u>	<u>          </u>
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 2,835,450.37	\$ 4,069,606.57
Investments		
Derivative Instruments		
Restricted		
Cash & Cash Equivalents [Schedule Three]		
Investments		
Legislative Appropriations		
Receivables, Net [Note 24]		
Federal	2,032,036.22	4,343,613.15
Other Intergovernmental		
Interest and Dividends	104,900.95	407,764.03
Gifts		
Self-Insured Health and Dental		
Student		
Investment Trades		
Accounts	1,132,973.50	1,625,194.67
Other	9,122.65	13,637.61
Due From Other Agencies		
Due From Other Members	3,990.24	10,286.06
Due From Other Funds	987,826.46	1,684,287.07
Consumable Inventories		
Merchandise Inventories		
Loans and Contracts		
Interfund Receivable [Note 12]		
Other Current Assets		10,069.92
	<u>7,106,300.39</u>	<u>12,164,459.08</u>
Total Current Assets	\$ 7,106,300.39	\$ 12,164,459.08
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$	\$
Assets Held By System Office		
Investments [Note 3]	369,199.37	301,515.11
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts		
Assets Held By System Office	7,082,645.65	5,269,688.34
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	1,475,094.47
Other Tangible Capital Assets		
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	1,879,982.86	1,850,208.59
Infrastructure		
Facilities and Other Improvements		
Furniture and Equipment	29,672,127.41	43,331,111.99
Vehicles, Boats, and Aircraft	41,891.90	76,696.64
Other Capital Assets		
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software	5,000.00	113,887.93
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(24,347,596.77)	(36,392,110.11)
Assets Held In Trust		
Other Non-Current Assets		
	<u>15,469,623.76</u>	<u>16,331,396.30</u>
Total Non-Current Assets	\$ 15,469,623.76	\$ 16,331,396.30
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
	<u>                  </u>	<u>                  </u>
Total Deferred Outflows of Resources	\$	\$
Total Assets and Deferred Outflows	<u>\$ 22,575,924.15</u>	<u>\$ 28,495,855.38</u>

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EXHIBIT III  
TEXAS A&M RESEARCH FOUNDATION  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts Payroll	\$ 1,264,353.36	\$ 1,375,274.93
Investment Trades		
Self-Insured Health and Dental		
Student		
Other	14.72	
Interfund Payable [Note 12]		
Due to Other Agencies		
Due to Other Funds	987,826.46	1,684,287.07
Due to Other Members	4,357,976.57	6,466,720.42
Funds Held for Investment		
Unearned Revenue	2,921,041.20	2,459,587.19
Employees' Compensable Leave		88,747.90
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations		
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Other Current Liabilities	328.90	
Total Current Liabilities	<u>\$ 9,531,541.21</u>	<u>\$ 12,074,617.51</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		
Other Non-Current Liabilities		
Total Non-Current Liabilities	<u>\$</u>	<u>\$</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 9,531,541.21</u>	<u>\$ 12,074,617.51</u>
Net Position		
Net Investment In Capital Assets	\$ 8,017,778.74	\$ 10,760,192.85
Restricted for		
Debt Service		
Capital Projects		
Education	(229,898.16)	(57,049.25)
Endowment and Permanent Funds		
Nonexpendable	65,310.59	58,863.01
Expendable	3,984.78	4,380.10
Unrestricted	5,187,206.99	5,654,851.16
Total Net Position [Exhibit IV]	<u>\$ 13,044,382.94</u>	<u>\$ 16,421,237.87</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 22,575,924.15</u>	<u>\$ 28,495,855.38</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, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
	<u>          </u>	<u>          </u>
Operating Revenues		
Tuition and Fees	\$	\$
Discounts and Allowances		
Professional Fees	122,305.78	129,088.93
Auxiliary Enterprises		
Discounts and Allowances		
Other Sales of Goods and Services	364,550.84	225,035.99
Discounts and Allowances		
Interest Revenue		
Federal Revenue - Operating	73,535,955.37	89,056,616.60
Federal Pass Through Revenue		
State Grant Revenue	106,075.77	81,501.28
State Pass Through Revenue		
Other Grants and Contracts - Operating	1,465,059.40	1,826,117.43
Other Operating Revenue	<u>(10,826.67)</u>	<u>371,041.86</u>
Total Operating Revenues	<u>\$ 75,583,120.49</u>	<u>\$ 91,689,402.09</u>
Operating Expenses		
Instruction	\$	\$
Research	72,862,586.27	87,551,080.59
Public Service	247,023.99	82,802.17
Academic Support	14,090.14	20,759.45
Student Services	1,040,956.24	1,165,708.68
Institutional Support	1,467,024.23	1,611,981.08
Operation & Maintenance of Plant		
Scholarships & Fellowships		
Auxiliary		
Depreciation/Amortization	<u>3,424,161.17</u>	<u>2,381,762.47</u>
Total Operating Expenses [Schedule IV-1]	<u>\$ 79,055,842.04</u>	<u>\$ 92,814,094.44</u>
Total Operating Income [Loss]	<u>\$ (3,472,721.55)</u>	<u>\$ (1,124,692.35)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$	\$
Federal Revenue Non-Operating		
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts		
Investment Income	415,355.42	67,286.14
Investing Activities Expense	(16,949.37)	(21,696.73)
Interest Expense		
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets		
Settlement of Claims		
Other Nonoperating Revenues	134,644.63	710,492.75
Other Nonoperating [Expenses]	<u>(437,184.06)</u>	<u>(289,790.00)</u>
Total Nonoperating Revenues [Expenses]	<u>\$ 95,866.62</u>	<u>\$ 466,292.16</u>
Income [Loss] Before Other Revenues and Transfers	<u>\$ (3,376,854.93)</u>	<u>\$ (658,400.19)</u>

UNAUDITED

EXHIBIT IV  
 TEXAS A&M RESEARCH FOUNDATION  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED AUGUST 31, 2016

	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	\$ (3,376,854.93)	\$ (658,400.19)
Net Position, Beginning of Year	\$ 16,421,237.87	\$ 17,079,638.06
Restatement		
	<u>                    </u>	<u>                    </u>
Net Position, Beginning of Year, Restated	\$ 16,421,237.87	\$ 17,079,638.06
Net Position, End of Year	<u>\$ 13,044,382.94</u>	<u>\$ 16,421,237.87</u>

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SCHEDULE IV-1  
 TEXAS A&M RESEARCH FOUNDATION  
 NACUBO FUNCTION TO NATURAL CLASSIFICATION MATRIX  
 FOR THE YEAR ENDED AUGUST 31, 2016

	INSTRUCTION	RESEARCH	PUBLIC SERVICE	ACADEMIC SUPPORT	STUDENT SERVICES
Natural Classification					
Cost of Goods Sold	\$	\$	\$	\$	\$
Salaries & Wages		11,571,530.89	124,207.87		
Payroll Related Costs		2,612,765.99	26,190.13		
Payroll Related Costs-TRS Pension					
Professional Fees & Services		31,988,922.20	96,625.99		889,585.39
Travel		2,886,527.04			
Materials & Supplies		7,595,273.97			
Communication & Utilities		461,781.13			15,593.95
Repairs & Maintenance		556,815.47			
Rentals & Leases		407,356.77			
Printing & Reproduction		40,037.69			
Federal Pass-Through					
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					
Interest					
Scholarships		398,495.23			
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses		14,343,079.89		14,090.14	135,776.90
Total Operating Expenses	\$	\$ 72,862,586.27	\$ 247,023.99	\$ 14,090.14	\$ 1,040,956.24

INSTITUTIONAL SUPPORT	OPERATION & MAINTENANCE OF PLANT	SCHOLARSHIPS & FELLOWSHIPS	AUXILIARY	DEPRECIATION & AMORTIZATION	TOTAL	PRIOR YEAR
\$	\$	\$	\$	\$	\$	\$
534,112.80					12,229,851.56	18,038,701.21
149,925.43					2,788,881.55	3,721,059.41
278,010.23					33,253,143.81	36,860,126.32
22,994.98					2,909,522.02	2,901,923.09
633.12					7,595,907.09	9,404,476.67
320,383.59					797,758.67	603,842.43
43,086.79					599,902.26	633,234.74
8,492.60					415,849.37	362,743.09
7,675.11					47,712.80	50,895.47
				3,424,161.17	3,424,161.17	2,381,762.47
253.90					253.90	465.82
					398,495.23	878,159.12
101,455.68					14,594,402.61	16,976,704.60
<u>\$ 1,467,024.23</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 3,424,161.17</u>	<u>\$ 79,055,842.04</u>	<u>\$ 92,814,094.44</u>

[Exhibit IV]

UNAUDITED

EXHIBIT V  
TEXAS A&M RESEARCH FOUNDATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$	\$
Proceeds Received From Customers	491,695.14	354,124.92
Proceeds From Grants and Contracts	78,372,326.76	93,064,891.63
Proceeds From Auxiliary Enterprises		
Proceeds From Loan Programs		
Proceeds From Other Operating Revenues		
Payments to Suppliers for Goods and Services	(77,245,642.42)	(92,874,153.48)
Payments to Employees	(684,038.23)	(839,509.38)
Payments for Loans Provided		
Payments for Other Operating Expenses		
Net Cash Provided [Used] By Operating Activities	<u>\$ 934,341.25</u>	<u>\$ (294,646.31)</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	(1,004,203.09)	(2,210,901.00)
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>\$ (1,004,203.09)</u>	<u>\$ (2,210,901.00)</u>
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$ 312,380.48	\$ 3,976,968.41
Sales and Purchases of Investments Held By System	(1,606,282.89)	135,545.65
Proceeds From Interest and Investment Income	129,608.05	(237,859.02)
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	<u>\$ (1,164,294.36)</u>	<u>\$ 3,874,655.04</u>
Net Increase [Decrease] In Cash and Cash Equivalents	<u>\$ (1,234,156.20)</u>	<u>\$ 1,369,107.73</u>
Cash and Cash Equivalents, Beginning of Year	\$ 4,069,606.57	\$ 2,700,498.84
Restatement		
Cash and Cash Equivalents, Beginning of Year, As Restated	<u>\$ 4,069,606.57</u>	<u>\$ 2,700,498.84</u>
Cash and Cash Equivalents, End of Year [Sch Three]	<u>\$ 2,835,450.37</u>	<u>\$ 4,069,606.57</u>

UNAUDITED

EXHIBIT V  
 TEXAS A&M RESEARCH FOUNDATION  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	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]	(3,472,721.55)	(1,124,692.35)
Adjustments to Reconcile Operating Income [Loss] to Net Cash Provided [Used] By Operating Activities		
Amortization and Depreciation	3,424,161.17	2,381,762.47
Bad Debt Expense		
Operating Income [Loss] and Cash Flow Categories Classification Differences		
Changes In Assets and Liabilities		
[Increase] Decrease In Receivables	2,808,313.06	2,165,017.31
[Increase] Decrease In Due From Other Funds		
[Increase] Decrease In Due From System Members	6,295.82	32,992.57
[Increase] Decrease In Inventories		
[Increase] Decrease In Prepaid Expenses	10,069.92	1,218.98
[Increase] Decrease In Loans and Contracts		
[Increase] Decrease In Other Assets		
Increase [Decrease] In Payables	(106,068.33)	(499,882.83)
Increase [Decrease] In Due to Other Agencies/Funds		
Increase [Decrease] In Due to System Members	(2,108,743.85)	(2,758,057.58)
Increase [Decrease] In Unearned Revenue	461,454.01	(468,395.42)
Increase [Decrease] In Deposits		
Increase [Decrease] In Employees' Compensable Leave	(88,747.90)	(24,609.46)
Increase [Decrease] In OPEB Liability		
Increase [Decrease] In Pension Liability		
Increase [Decrease] In Self Insured Accrued Liability		
Increase [Decrease] In Other Liabilities	328.90	
Total Adjustments	<u>\$ 4,407,062.80</u>	<u>\$ 830,046.04</u>
Net Cash Provided [Used] By Operating Activities	<u><u>\$ 934,341.25</u></u>	<u><u>\$ (294,646.31)</u></u>
Non-Cash Transactions		
Donation of Capital Assets	\$	\$
Net Change In Fair Value of Investments	229,702.66	(868,806.79)
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 RESEARCH FOUNDATION  
SCHEDULE OF CASH & CASH EQUIVALENTS  
FOR THE YEAR ENDED AUGUST 31, 2016

	<u>CURRENT YEAR TOTAL</u>
Cash & Cash Equivalents	
Current Assets	
Cash On Hand	
Cash In Bank	\$ 1,518,555.98
Cash In State Treasury	
Assets Held By System Offices-Current	1,123,980.48
Cash Equivalents	<u>192,913.91</u>
Total Current Cash and Cash Equivalents [Exhibit III]	<u>\$ 2,835,450.37</u>
Total Cash & Cash Equivalents [Exhibit V]	<u><u>\$ 2,835,450.37</u></u>



UNAUDITED

SCHEDULE N-2  
 TEXAS A&M RESEARCH FOUNDATION  
 NOTE 2 - CAPITAL ASSETS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	BALANCE 9-1-15	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 305,303.34	\$	\$
Construction In Progress	<u>1,475,094.47</u>	<u></u>	<u>(1,475,094.47)</u>
Total Non-Depreciable/Non-Amortizable Assets	<u>\$ 1,780,397.81</u>	<u>\$</u>	<u>\$ (1,475,094.47)</u>
Depreciable Assets			
Buildings	\$ 1,850,208.59	\$	\$
Furniture and Equipment	43,331,111.99		1,475,094.47
Vehicles, Boats and Aircraft	<u>76,696.64</u>	<u></u>	<u></u>
Total Depreciable Assets at Historical Cost	<u>\$ 45,258,017.22</u>	<u>\$</u>	<u>\$ 1,475,094.47</u>
Less Accumulated Depreciation for			
Buildings	\$ (1,448,518.04)	\$	\$
Furniture and Equipment	(34,811,359.26)		
Vehicles, Boats and Aircraft	<u>(18,344.88)</u>	<u></u>	<u></u>
Total Accumulated Depreciation	<u>\$ (36,278,222.18)</u>	<u>\$</u>	<u>\$</u>
Depreciable Assets, Net	<u>\$ 8,979,795.04</u>	<u>\$</u>	<u>\$ 1,475,094.47</u>
Amortizable Assets - Intangible			
Computer Software	\$ 113,887.93	\$	\$
Total Intangible Assets at Historical Cost	<u>\$ 113,887.93</u>	<u>\$</u>	<u>\$</u>
Less Accumulated Amortization for			
Computer Software	\$ (113,887.93)	\$	\$
Total Accumulated Amortization	<u>\$ (113,887.93)</u>	<u>\$</u>	<u>\$</u>
Amortizable Assets, Net	<u>\$</u>	<u>\$</u>	<u>\$</u>
Capital Assets, Net	<u>\$ 10,760,192.85</u>	<u>\$</u>	<u>\$</u>

INC-INTERAGENCY TRANSACTIONS	DEC-INTERAGENCY TRANSACTIONS	ADDITIONS	DELETIONS	BALANCE 8-31-16
\$	\$	\$ 461,070.00	\$	\$ 305,303.34 461,070.00
\$	\$	\$ 461,070.00	\$	\$ 766,373.34
\$	\$	\$ 29,774.27 586,585.51 36,501.34	\$ (15,720,664.56) (71,306.08)	\$ 1,879,982.86 29,672,127.41 41,891.90
\$	\$	\$ 652,861.12	\$ (15,791,970.64)	\$ 31,594,002.17
\$	\$	\$ (45,312.74) (3,365,867.95) (7,980.48)	\$ 15,332,282.16 22,504.42	\$ (1,493,830.78) (22,844,945.05) (3,820.94)
\$	\$	\$ (3,419,161.17)	\$ 15,354,786.58	\$ (24,342,596.77)
\$	\$	\$ (2,766,300.05)	\$ (437,184.06)	\$ 7,251,405.40
\$	\$	\$ 5,000.00	\$ (113,887.93)	\$ 5,000.00
\$	\$	\$ 5,000.00	\$ (113,887.93)	\$ 5,000.00
\$	\$	\$ (5,000.00)	\$ 113,887.93	\$ (5,000.00)
\$	\$	\$ (5,000.00)	\$ 113,887.93	\$ (5,000.00)
\$	\$	\$	\$	\$
\$	\$	\$ (2,305,230.05)	\$ (437,184.06)	\$ 8,017,778.74

