

UNAUDITED

# ANNUAL FINANCIAL REPORT

of

**Texas A&M Forest Service**

*For the Year Ended August 31, 2017*

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



**Tom G. Boggus, Director**  
**Robby DeWitt, Associate Director for Finance and Administration**



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TEXAS A&M FOREST SERVICE

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

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 79,869,341.87	\$ 89,624,143.80
Investments		
Restricted		
Cash & Cash Equivalents [Schedule Three]		43,511.41
Investments		
Legislative Appropriations	5,475,218.38	5,276,691.54
Receivables, Net [Note 24]		
Federal	4,082,642.96	2,074,100.11
Other Intergovernmental	126,377.55	352,168.16
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student		
Investment Trades		
Accounts	170,389.50	233,803.92
Other	650.00	571.85
Due From Other Agencies	2,533,908.73	2,966,757.29
Due From Other Members	12,528.05	5,581.70
Due From Other Funds	69,652.66	610,608.58
Consumable Inventories	524,037.02	476,301.07
Merchandise Inventories	478,547.17	525,667.24
Loans and Contracts	63,854.00	26,220.00
Interfund Receivable [Note 12]		
Other Current Assets	2,928.51	902.82
Total Current Assets	<u>\$ 93,410,076.40</u>	<u>\$ 102,217,029.49</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$	\$ 189,392.31
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts	360,186.00	435,809.00
Assets Held By System Office	13,947,589.46	14,527,098.36
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	2,316,522.01	2,316,522.01
Construction In Progress	1,102,755.12	510,499.44
Other Tangible Capital Assets		
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	2,209,354.47	2,209,354.47
Infrastructure		
Facilities and Other Improvements		
Furniture and Equipment	36,781,233.45	31,171,472.72
Vehicles, Boats, and Aircraft	28,814,553.47	26,296,460.10
Other Capital Assets		
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software		
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(36,626,951.15)	(31,642,399.98)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 48,905,242.83</u>	<u>\$ 46,014,208.43</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><u>\$ 142,315,319.23</u></u>	<u><u>\$ 148,231,237.92</u></u>

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

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 7,111,977.90	\$ 11,694,130.12
Payroll	2,075,664.94	1,768,516.87
Investment Trades		
Self-Insured Health and Dental		
Student		
Other		
Interfund Payable [Note 12]		
Due to Other Agencies	8,477.55	6,730.06
Due to Other Funds	69,652.66	610,608.58
Due to Other Members		
Funds Held for Investment		
Unearned Revenue	47,715.86	53,128.44
Employees' Compensable Leave	161,904.45	157,622.71
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations [Note 8]		
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Other Current Liabilities	30,294.46	27,648.31
Total Current Liabilities	<u>\$ 9,505,687.82</u>	<u>\$ 14,318,385.09</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$	\$
Employees' Compensable Leave	2,423,876.42	2,380,137.29
Other Post Employment Benefits [Note 11]		
Pension Liability [Note 9]		
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Assets Held In Trust		
Liabilities Payable From Restricted Assets		
Funds Held for Others		
Capital Lease Obligations [Note 8]		
Other Non-Current Liabilities		
Total Non-Current Liabilities	<u>\$ 2,423,876.42</u>	<u>\$ 2,380,137.29</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 11,929,564.24</u>	<u>\$ 16,698,522.38</u>
Net Position		
Net Investment In Capital Assets	\$ 34,597,467.37	\$ 30,861,908.76
Restricted for		
Debt Service		
Capital Projects	9,101.36	4,042.49
Education	688,168.72	834,760.94
Endowment and Permanent Funds		
Nonexpendable		
Expendable		
Unrestricted	95,091,017.54	99,832,003.35
Total Net Position [Exhibit IV]	<u>\$ 130,385,754.99</u>	<u>\$ 131,532,715.54</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 142,315,319.23</u>	<u>\$ 148,231,237.92</u>

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

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$	\$
Discounts and Allowances		
Professional Fees		
Auxiliary Enterprises		
Discounts and Allowances		
Other Sales of Goods and Services	5,506,801.67	2,882,926.10
Discounts and Allowances		
Interest Revenue		
Federal Revenue - Operating	9,192,707.45	5,644,237.31
Federal Pass Through Revenue	2,638,581.95	4,036,447.83
State Grant Revenue		
State Pass Through Revenue		6,885.51
Other Grants and Contracts - Operating	438,065.87	352,810.68
Other Operating Revenue	18,700,730.47	18,884,454.30
Total Operating Revenues	<u>\$ 36,476,887.41</u>	<u>\$ 31,807,761.73</u>
Operating Expenses		
Instruction	\$	\$
Research	2,370,943.85	2,203,867.09
Public Service	73,589,000.75	69,529,054.94
Academic Support		
Student Services		
Institutional Support	2,863,807.37	3,467,757.09
Operation & Maintenance of Plant	1,703,985.34	1,534,727.39
Scholarships & Fellowships		
Auxiliary		
Depreciation/Amortization	6,269,991.04	5,593,440.00
Total Operating Expenses [Schedule IV-1]	<u>\$ 86,797,728.35</u>	<u>\$ 82,328,846.51</u>
Total Operating Income [Loss]	<u>\$ (50,320,840.94)</u>	<u>\$ (50,521,084.78)</u>
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 20,794,913.33	\$ 13,505,703.98
Federal Revenue Non-Operating		
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	11,619.42	9,675.00
Investment Income	1,303,192.38	665,646.96
Investing Activities Expense	(34,714.02)	(35,788.81)
Interest Expense		
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	256,693.68	387,144.10
Settlement of Claims	(10,026.60)	(7,849.48)
Other Nonoperating Revenues	61,822.24	24,495.06
Other Nonoperating [Expenses]	(15,085.49)	(239,697.36)
Total Nonoperating Revenues [Expenses]	<u>\$ 22,368,414.94</u>	<u>\$ 14,309,329.45</u>
Income [Loss] Before Other Revenues and Transfers	<u>\$ (27,952,426.00)</u>	<u>\$ (36,211,755.33)</u>



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

	<u>INSTRUCTION</u>	<u>RESEARCH</u>	<u>PUBLIC SERVICE</u>	<u>ACADEMIC SUPPORT</u>	<u>STUDENT SERVICES</u>
Natural Classification					
Cost of Goods Sold	\$	\$	\$ 272,805.08	\$	\$
Salaries & Wages		1,509,417.92	21,369,896.57		
Payroll Related Costs		483,103.75	8,619,510.90		
Payroll Related Costs-TRS Pension					
Professional Fees & Services		35,042.22	1,926,480.66		
Travel		64,634.66	2,279,734.73		
Materials & Supplies		136,696.04	4,518,381.93		
Communication & Utilities		35,517.50	774,323.56		
Repairs & Maintenance		38,140.80	2,361,791.78		
Rentals & Leases		25,278.97	1,257,392.78		
Printing & Reproduction		1,289.15	47,366.40		
Federal Pass-Through			34,933.44		
State Pass-Through					
Depreciation & Amortization					
Bad Debt Expense					
Interest		11.39	(120.89)		
Scholarships					
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses		41,811.45	30,126,503.81		
Total Operating Expenses	\$	\$ 2,370,943.85	\$ 73,589,000.75	\$	\$



<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>
\$ 1,308.00	\$	\$	\$	\$	\$ 274,113.08	\$ 345,582.55
1,982,824.70	180,953.94				25,043,093.13	24,122,456.83
555,795.24	45,608.79				9,704,018.68	9,059,348.16
36,399.62	38,992.12				2,036,914.62	2,088,331.03
37,319.85	17,130.41				2,398,819.65	1,899,212.74
96,904.69	175,603.85				4,927,586.51	6,747,382.16
32,947.61	268,274.42				1,111,063.09	1,037,660.83
13,824.21	350,484.67				2,764,241.46	1,294,029.37
30,518.50	352,253.73				1,665,443.98	837,955.44
4,071.04					52,726.59	140,785.19
					34,933.44	65,475.10
				6,269,991.04	6,269,991.04	5,593,440.00
.08	35.56				(73.86)	3,312.30
						31,772.04
<u>71,893.83</u>	<u>274,647.85</u>				<u>30,514,856.94</u>	<u>29,062,102.77</u>
<u>\$ 2,863,807.37</u>	<u>\$ 1,703,985.34</u>	<u>\$</u>	<u>\$</u>	<u>\$ 6,269,991.04</u>	<u>\$ 86,797,728.35</u>	<u>\$ 82,328,846.51</u>

[Exhibit IV]

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

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$	\$
Proceeds Received From Customers	3,679,851.19	2,476,186.08
Proceeds From Grants and Contracts	12,403,948.59	9,478,167.98
Proceeds From Auxiliary Enterprises		
Proceeds From Loan Programs	37,989.00	170,917.51
Proceeds From Other Operating Revenues	18,703,376.62	18,894,034.70
Payments to Suppliers for Goods and Services	(23,813,795.81)	(14,833,004.70)
Payments to Employees	(34,391,942.87)	(32,902,910.99)
Payments for Loans Provided		
Payments for Other Operating Expenses	(26,830,884.14)	(21,244,118.82)
Net Cash Provided [Used] By Operating Activities	\$ (50,211,457.42)	\$ (37,960,728.24)
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 20,478,101.49	\$ 12,593,845.43
Proceeds From Gifts	11,135.00	9,525.00
Proceeds From Endowments		
Proceeds From Transfers From Other Funds	27,678,023.97	29,505,557.43
Proceeds From Other Grant Receipts		
Proceeds From Other Noncapital Financing Activities	44,760.24	24,495.06
Payments of Interest		
Payments for Transfers to Other Funds	(1,583,825.00)	(5,372,213.35)
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(10,026.60)	(7,849.48)
Other Noncapital Transfers From/To System		26,768.00
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	\$ 46,618,169.10	\$ 36,780,128.09
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 300,082.33	\$ 387,879.92
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts		
Proceeds From Federal Grants and Contracts		
Proceeds From Gifts		
Proceeds From Interfund Payables		
Proceeds From Other Financing Activities		
Proceeds From Capital Contributions		
Payments for Additions to Capital Assets	(8,637,428.05)	(6,924,285.18)
Payments of Principal On Debt		
Payments for Capital Leases		
Payments of Interest On Debt Issuance		
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]	94,941.13	97,361.67
Intrasystem Transfers for Capital Debt [Mandatory]		
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	\$ (8,242,404.59)	\$ (6,439,043.59)
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	1,820,860.28	(227,531.18)
Proceeds From Interest and Investment Income	216,519.29	267,176.76
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	\$ 2,037,379.57	\$ 39,645.58
Net Increase [Decrease] In Cash and Cash Equivalents	\$ (9,798,313.34)	\$ (7,579,998.16)
Cash and Cash Equivalents, Beginning of Year	\$ 89,667,655.21	\$ 97,247,653.37
Restatement		
Cash and Cash Equivalents, Beginning of Year, As Restated	\$ 89,667,655.21	\$ 97,247,653.37
Cash and Cash Equivalents, End of Year [Sch Three]	\$ 79,869,341.87	\$ 89,667,655.21







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

	BALANCE 9-1-16	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 2,316,522.01	\$	\$
Construction In Progress	510,499.44		
Total Non-Depreciable/Non-Amortizable Assets	<u>\$ 2,827,021.45</u>	<u>\$</u>	<u>\$</u>
Depreciable Assets			
Buildings	\$ 2,209,354.47	\$	\$
Furniture and Equipment	31,171,472.72		
Vehicles, Boats and Aircraft	26,296,460.10		
Total Depreciable Assets at Historical Cost	<u>\$ 59,677,287.29</u>	<u>\$</u>	<u>\$</u>
Less Accumulated Depreciation for			
Buildings	\$ (1,072,221.09)	\$	\$
Furniture and Equipment	(17,088,966.81)		
Vehicles, Boats and Aircraft	(13,481,212.08)		
Total Accumulated Depreciation	<u>\$ (31,642,399.98)</u>	<u>\$</u>	<u>\$</u>
Depreciable Assets, Net	<u>\$ 28,034,887.31</u>	<u>\$</u>	<u>\$</u>
Capital Assets, Net	<u><u>\$ 30,861,908.76</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>

INC-INTERAGENCY TRANSACTIONS	DEC-INTERAGENCY TRANSACTIONS	ADDITIONS	DELETIONS	BALANCE 8-31-17
\$	\$	\$	\$	\$ 2,316,522.01
		592,255.68		1,102,755.12
\$	\$	\$ 592,255.68	\$	\$ 3,419,277.13
\$	\$	\$	\$	\$ 2,209,354.47
		6,236,145.52	(626,384.79)	36,781,233.45
27,409.32		3,220,943.87	(730,259.82)	28,814,553.47
\$ 27,409.32	\$	\$ 9,457,089.39	\$ (1,356,644.61)	\$ 67,805,141.39
\$	\$	\$ (74,739.08)	\$	\$ (1,146,960.17)
		(3,603,860.56)	603,804.88	(20,089,022.49)
(13,215.02)		(2,591,391.40)	694,850.01	(15,390,968.49)
\$ (13,215.02)	\$	\$ (6,269,991.04)	\$ 1,298,654.89	\$ (36,626,951.15)
\$ 14,194.30	\$	\$ 3,187,098.35	\$ (57,989.72)	\$ 31,178,190.24
\$ 14,194.30	\$	\$ 3,779,354.03	\$ (57,989.72)	\$ 34,597,467.37