

UNAUDITED

ANNUAL FINANCIAL REPORT

of

Texas A&M AgriLife Extension Service

For the Year Ended August 31, 2017

With Comparative Totals for the Year Ended August 31, 2016



Douglas L. Steele, Director

UNAUDITED

TEXAS A&M AGRILIFE EXTENSION SERVICE

TABLE OF CONTENTS

<u>REFERENCE</u>	<u>EXHIBITS</u>	<u>PAGE</u>
III	Statement of Net Position	555-1-1
IV	Statement of Revenues, Expenses, and Changes in Net Position	555-2-1
IV - 1	Schedule of NACUBO Function to Natural Classification Matrix	555-3-1
V	Statement of Cash Flows	555-4-1
<u>SCHEDULES</u>		
THREE	Schedule of Cash & Cash Equivalents	555-13-1
N-2	Note 2 - Capital Assets	555-14-1

UNAUDITED

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

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Assets and Deferred Outflows		
Current Assets		
Cash & Cash Equivalents [Schedule Three]	\$ 3,214,983.60	\$ 4,495,170.16
Investments		
Restricted		
Cash & Cash Equivalents [Schedule Three]	178,198.60	2,538.52
Investments		
Legislative Appropriations	5,284,100.54	5,624,215.96
Receivables, Net [Note 24]		
Federal	22,149,767.43	21,181,894.70
Other Intergovernmental	568,128.04	926,881.51
Interest and Dividends		
Gifts		
Self-Insured Health and Dental		
Student		
Investment Trades		
Accounts	1,940,205.26	1,810,889.14
Other	410.99	2,326.38
Due From Other Agencies	2,256,232.27	2,246,445.92
Due From Other Members	700,964.21	1,110,099.41
Due From Other Funds	3,723,977.55	3,783,312.85
Consumable Inventories	24,123.00	72,679.63
Merchandise Inventories	1,074,830.43	944,605.91
Loans and Contracts		
Interfund Receivable [Note 12]		
Other Current Assets		
Total Current Assets	<u>\$ 41,115,921.92</u>	<u>\$ 42,201,060.09</u>
Non-Current Assets		
Restricted		
Cash & Cash Equivalents [Schedule Three]	\$ 1,653,818.09	\$ 285,115.73
Assets Held By System Office		
Investments [Note 3]		
Loans, Contracts and Other		
Gifts Receivable		
Loans and Contracts		
Assets Held By System Office	26,259,658.44	25,713,157.77
Investments [Note 3]		
Interfund Receivable [Note 12]		
Capital Assets, Non-Depreciable [Note 2]		
Land and Land Improvements	1,715,200.00	394,693.64
Construction In Progress	602,632.87	
Other Tangible Capital Assets		
Land Use Rights		
Other Intangible Capital Assets		
Capital Assets, Depreciable [Note 2]		
Buildings and Building Improvements	5,825,704.64	2,032,067.67
Infrastructure		
Facilities and Other Improvements		
Furniture and Equipment	5,809,518.52	5,462,919.40
Vehicles, Boats, and Aircraft	7,420,857.76	7,455,708.02
Other Capital Assets	16,192.00	16,192.00
Intangible Capital Assets, Amortized [Note 2]		
Land Use Rights		
Computer Software		
Other Intangible Capital Assets		
Accumulated Depreciation/Amortization	(12,214,532.86)	(10,303,420.20)
Assets Held In Trust		
Other Non-Current Assets		
Total Non-Current Assets	<u>\$ 37,089,049.46</u>	<u>\$ 31,056,434.03</u>
Deferred Outflows of Resources [Note 28]		
Unamortized Loss On Refunding Debt	\$	\$
Government Acquisition		
Pensions		
Total Deferred Outflows of Resources	<u>\$</u>	<u>\$</u>
Total Assets and Deferred Outflows	<u>\$ 78,204,971.38</u>	<u>\$ 73,257,494.12</u>

UNAUDITED

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

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Liabilities and Deferred Inflows		
Current Liabilities		
Payables		
Accounts	\$ 2,135,993.92	\$ 2,407,683.26
Payroll	6,541,718.60	8,700,274.75
Investment Trades		
Self-Insured Health and Dental		
Student		
Other	5,007.17	8,917.60
Interfund Payable [Note 12]		
Due to Other Agencies	112,667.61	92,466.29
Due to Other Funds	3,723,977.55	3,783,312.85
Due to Other Members	1,500,356.13	261,087.60
Funds Held for Investment		
Unearned Revenue	1,725,331.01	1,836,552.44
Employees' Compensable Leave	691,683.78	665,675.06
Claims and Judgments		
Notes and Loans Payable [Note 5]		
Bonds Payable [Note 6]		
Capital Lease Obligations [Note 8]		
Liabilities Payable From Restricted Assets		
Funds Held for Others	3,421.55	2,538.52
Other Current Liabilities	24.73	56.42
Total Current Liabilities	<u>\$ 16,440,182.05</u>	<u>\$ 17,758,564.79</u>
Non-Current Liabilities		
Interfund Payable [Note 12]	\$ 7,846,807.44	\$ 8,240,183.56
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 [Note 8]		
Other Non-Current Liabilities		
Total Non-Current Liabilities	<u>\$ 7,846,807.44</u>	<u>\$ 8,240,183.56</u>
Deferred Inflows of Resources [Note 28]		
Pension	\$	\$
Total Deferred Inflows of Resources	<u>\$</u>	<u>\$</u>
Total Liabilities and Deferred Inflows	<u>\$ 24,286,989.49</u>	<u>\$ 25,998,748.35</u>
Net Position		
Net Investment In Capital Assets	\$ 9,175,572.93	\$ 5,058,160.53
Restricted for		
Debt Service		
Capital Projects	429,954.82	1,002,373.54
Education	20,417,296.77	20,490,049.24
Endowment and Permanent Funds		
Nonexpendable	1,322,363.90	
Expendable	331,454.19	285,115.73
Unrestricted	22,241,339.28	20,423,046.73
Total Net Position [Exhibit IV]	<u>\$ 53,917,981.89</u>	<u>\$ 47,258,745.77</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 78,204,971.38</u>	<u>\$ 73,257,494.12</u>

UNAUDITED

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

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Operating Revenues		
Tuition and Fees	\$	\$
Discounts and Allowances		
Professional Fees		
Auxiliary Enterprises		
Discounts and Allowances		
Other Sales of Goods and Services	8,314,600.43	8,529,053.78
Discounts and Allowances		
Interest Revenue		
Federal Revenue - Operating	8,181,718.73	9,243,362.43
Federal Pass Through Revenue	9,668,178.95	7,016,864.85
State Grant Revenue	9,427.10	51,079.20
State Pass Through Revenue	2,891,251.74	3,166,282.63
Other Grants and Contracts - Operating	11,914,123.59	11,851,741.18
Other Operating Revenue	713,268.38	490,189.89
Total Operating Revenues	\$ 41,692,568.92	\$ 40,348,573.96
Operating Expenses		
Instruction	\$	\$
Research	1,107,062.21	349,601.97
Public Service	117,316,985.81	116,098,189.84
Academic Support		
Student Services		
Institutional Support	7,921,881.78	7,741,780.08
Operation & Maintenance of Plant		
Scholarships & Fellowships		
Auxiliary		
Depreciation/Amortization	1,004,531.66	809,322.15
Total Operating Expenses [Schedule IV-1]	\$ 127,350,461.46	\$ 124,998,894.04
Total Operating Income [Loss]	\$ (85,657,892.54)	\$ (84,650,320.08)
Nonoperating Revenues [Expenses]		
Legislative Revenue	\$ 66,106,590.07	\$ 64,930,979.25
Federal Revenue Non-Operating	18,440,912.88	18,125,462.64
Federal Pass Through Non-Operating		
State Pass Through Non-Operating		
Gifts	1,985,206.47	2,515,811.37
Investment Income	2,670,923.57	1,115,276.89
Investing Activities Expense	(71,128.80)	(52,822.75)
Interest Expense		(130.03)
Borrower Rebates and Agent Fees		
Gain [Loss] On Sale or Disposal of Capital Assets	54,572.80	66,345.00
Settlement of Claims		
Other Nonoperating Revenues	48,175.57	26,538.12
Other Nonoperating [Expenses]	(98,931.14)	(32,754.67)
Total Nonoperating Revenues [Expenses]	\$ 89,136,321.42	\$ 86,694,705.82
Income [Loss] Before Other Revenues and Transfers	\$ 3,478,428.88	\$ 2,044,385.74

UNAUDITED

SCHEDULE IV-1
 TEXAS A&M AGRILIFE EXTENSION 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	\$	\$	\$	\$	\$
Salaries & Wages		123,787.16	66,125,260.39		
Payroll Related Costs		60,250.68	28,568,418.34		
Payroll Related Costs-TRS Pension					
Professional Fees & Services			4,671,155.97		
Travel			2,884,326.87		
Materials & Supplies			5,133,685.80		
Communication & Utilities			1,483,101.68		
Repairs & Maintenance			518,012.53		
Rentals & Leases			2,721,946.89		
Printing & Reproduction			533,757.71		
Federal Pass-Through		17,131.86	650,140.88		
State Pass-Through		773,192.74	6,660.55		
Depreciation & Amortization					
Bad Debt Expense					
Interest			1,573.60		
Scholarships			178,096.76		
Claims & Losses					
Net Change In OPEB Obligation					
Other Operating Expenses		132,699.77	3,757,672.22		
Total Operating Expenses	\$	\$ 1,107,062.21	\$ 117,316,985.81	\$	\$

<u>INSTITUTIONAL SUPPORT</u>	<u>OPERATION & MAINTENANCE OF PLANT</u>	<u>SCHOLARSHIPS & FELLOWSHIPS</u>	<u>AUXILIARY</u>	<u>DEPRECIATION & AMORTIZATION</u>	<u>TOTAL</u>	<u>PRIOR YEAR</u>
\$	\$	\$	\$	\$	\$ 83,175.62	\$ 117,449.44
5,075,988.27					71,325,035.82	71,203,808.26
2,470,625.56					31,099,294.58	29,960,191.97
10,981.26					4,682,137.23	3,590,837.85
26,666.48					2,910,993.35	2,864,811.53
209,815.92					5,343,501.72	5,757,031.99
74,275.96					1,557,377.64	1,360,335.51
12,474.26					530,486.79	664,873.13
22,252.70					2,744,199.59	2,555,180.71
5,796.55					539,554.26	1,049,694.37
					667,272.74	1,018,475.69
					779,853.29	381,411.45
				1,004,531.66	1,004,531.66	809,322.15
3.58					1,577.18	1,509.32
					178,096.76	109,608.10
13,001.24					3,903,373.23	3,554,352.57
<u>\$ 7,921,881.78</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,004,531.66</u>	<u>\$ 127,350,461.46</u>	<u>\$ 124,998,894.04</u>

[Exhibit IV]

UNAUDITED

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

	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL
Cash Flows From Operating Activities		
Proceeds Received From Tuition and Fees	\$	\$
Proceeds Received From Customers	8,461,162.31	8,525,030.18
Proceeds From Grants and Contracts	31,538,237.24	33,256,118.43
Proceeds From Auxiliary Enterprises		
Proceeds From Loan Programs		
Proceeds From Other Operating Revenues	713,236.69	488,826.22
Payments to Suppliers for Goods and Services	(21,640,936.17)	(22,165,674.22)
Payments to Employees	(104,950,253.95)	(98,767,128.65)
Payments for Loans Provided		
Payments for Other Operating Expenses	(1,365,782.10)	(2,033,396.22)
Net Cash Provided [Used] By Operating Activities	\$ (87,244,335.98)	\$ (80,696,224.26)
Cash Flows From Noncapital Financing Activities		
Proceeds From State Appropriations	\$ 66,138,104.80	\$ 65,497,224.29
Proceeds From Gifts	1,985,206.47	2,515,811.37
Proceeds From Endowments	1,406,962.00	300,000.00
Proceeds From Transfers From Other Funds		
Proceeds From Other Grant Receipts	18,440,912.88	18,125,462.64
Proceeds From Other Noncapital Financing Activities	36,975.57	26,538.12
Payments of Interest		
Payments for Transfers to Other Funds		
Payments for Grant Disbursements		
Payments for Other Noncapital Financing Uses	(68,275.07)	(20,920.95)
Other Noncapital Transfers From/To System	(1,550,649.28)	543,818.94
Transfers Between Fund Groups		
Net Cash Provided [Used] By Noncapital Financing Activities	\$ 86,389,237.37	\$ 86,987,934.41
Cash Flows From Capital and Related Financing Activities		
Proceeds From Sale of Capital Assets	\$ 63,705.00	\$ 66,345.00
Proceeds From Debt Issuance		
Proceeds From State Grants and Contracts		
Proceeds From Federal Grants and Contracts		
Proceeds From Gifts		
Proceeds From Interfund Payables		
Proceeds From Other Financing Activities		
Proceeds From Capital Contributions		
Payments for Additions to Capital Assets	(1,454,137.70)	(1,443,979.51)
Payments of Principal On Debt		
Payments for Capital Leases		
Payments of Interest On Debt Issuance		(130.03)
Payments for Interfund Receivables		
Payments of Other Costs On Debt Issuance		
Transfer of Capital Debt Proceeds From System [Nonmandatory]	717,639.48	219,875.64
Intrasystem Transfers for Capital Debt [Mandatory]	(261,226.39)	
Intrasystem Transfers for Construction Proceeds [Non-Mand]		
Net Cash Provided [Used] By Capital and Related Financing Act.	\$ (934,019.61)	\$ (1,157,888.90)
Cash Flows From Investing Activities		
Proceeds From Sales of Investments	\$	\$
Sales and Purchases of Investments Held By System	282,286.19	(5,118,972.89)
Proceeds From Interest and Investment Income	402,305.55	357,405.15
Payments to Acquire Investments		
Net Cash Provided [Used] By Investing Activities	\$ 684,591.74	\$ (4,761,567.74)
Net Increase [Decrease] In Cash and Cash Equivalents	\$ (1,104,526.48)	\$ 372,253.51
Cash and Cash Equivalents, Beginning of Year	\$ 4,497,708.68	\$ 4,125,455.17
Restatement		
Cash and Cash Equivalents, Beginning of Year, As Restated	\$ 4,497,708.68	\$ 4,125,455.17
Cash and Cash Equivalents, End of Year [Sch Three]	\$ 3,393,182.20	\$ 4,497,708.68

UNAUDITED

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

	BALANCE 9-1-16	ADJUSTMENTS	COMPLETED CIP
Non-Depreciable/Non-Amortizable Assets			
Land and Land Improvements	\$ 394,693.64	\$	\$
Construction In Progress			
Total Non-Depreciable/Non-Amortizable Assets	\$ 394,693.64	\$	\$
Depreciable Assets			
Buildings	\$ 2,032,067.67	\$	\$
Facilities and Other Improvements			
Furniture and Equipment	5,462,919.40		
Vehicles, Boats and Aircraft	7,455,708.02		
Other Capital Assets	16,192.00		
Total Depreciable Assets at Historical Cost	\$ 14,966,887.09	\$	\$
Less Accumulated Depreciation for			
Buildings	\$ (855,179.57)	\$	\$
Facilities and Other Improvements			
Furniture and Equipment	(3,694,356.52)		
Vehicles, Boats and Aircraft	(5,751,185.59)		
Other Capital Assets	(2,698.52)		
Total Accumulated Depreciation	\$ (10,303,420.20)	\$	\$
Depreciable Assets, Net	\$ 4,663,466.89	\$	\$
Capital Assets, Net	\$ 5,058,160.53	\$	\$

INC-INTERAGENCY TRANSACTIONS	DEC-INTERAGENCY TRANSACTIONS	ADDITIONS	DELETIONS	BALANCE 8-31-17
\$ 1,326,000.00	\$	\$ 602,632.87	\$ (5,493.64)	\$ 1,715,200.00 602,632.87
<u>\$ 1,326,000.00</u>	<u>\$</u>	<u>\$ 602,632.87</u>	<u>\$ (5,493.64)</u>	<u>\$ 2,317,832.87</u>
\$ 3,793,636.97	\$ (22,994.50)	\$ 34,194.50	\$ (11,200.00)	\$ 5,825,704.64
	(11,200.00)	11,200.00		
305,468.84	(36,314.16)	418,815.14	(341,370.70)	5,809,518.52
		430,598.19	(465,448.45)	7,420,857.76
				16,192.00
<u>\$ 4,099,105.81</u>	<u>\$ (70,508.66)</u>	<u>\$ 894,807.83</u>	<u>\$ (818,019.15)</u>	<u>\$ 19,072,272.92</u>
\$ (1,437,204.99)	\$ 166.24	\$ (187,657.81)	\$	\$ (2,479,876.13)
	123.65	(123.65)		
(271,725.62)	16,262.17	(382,411.90)	321,287.94	(4,010,943.93)
		(433,602.34)	464,509.61	(5,720,278.32)
		(735.96)		(3,434.48)
<u>\$ (1,708,930.61)</u>	<u>\$ 16,552.06</u>	<u>\$ (1,004,531.66)</u>	<u>\$ 785,797.55</u>	<u>\$ (12,214,532.86)</u>
<u>\$ 2,390,175.20</u>	<u>\$ (53,956.60)</u>	<u>\$ (109,723.83)</u>	<u>\$ (32,221.60)</u>	<u>\$ 6,857,740.06</u>
<u><u>\$ 3,716,175.20</u></u>	<u><u>\$ (53,956.60)</u></u>	<u><u>\$ 492,909.04</u></u>	<u><u>\$ (37,715.24)</u></u>	<u><u>\$ 9,175,572.93</u></u>